

Princeton Regional School District

Princeton, New Jersey



Comprehensive Annual Financial Report For
Year Ended June 30, 2012

Princeton Regional School District

Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

Princeton Regional School District
Princeton, New Jersey

Prepared by Princeton Regional School District
Business Office
Stephanie Kennedy
Business Administrator, Board Secretary

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Introductory Section

PRINCETON REGIONAL SCHOOLS

BOARD OFFICE • 25 VALLEY ROAD • PRINCETON, NJ 08540 • (609) 806-4200, EXT. 2011

October 16, 2012

Honorable President and Members
of the Board of Education
Princeton Regional School District
County of Mercer
Princeton, New Jersey

Dear Board Members and Constituents:

The Comprehensive Annual Financial Report (“CAFR”) of the Princeton Regional School District (hereinafter, the “District”) as of and for the year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management’s Discussion and Analysis and should be read in conjunction with it), the District’s organizational chart, a roster of officials, independent auditors and advisors and the certificate of excellence in financial reporting. The financial section includes Management’s Discussion and Analysis, basic financial statements, required supplementary information and other supplementary information, as well as the auditors’ report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Nonprofit Organizations,” and the New Jersey OMB Circular 04-04, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments.” Information related to this single audit, including the independent auditors’ reports on internal control and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.

1. Reporting Entity and Its Services

The Princeton Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Princeton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular education as well as special education for handicapped students. The District sends its vocational students to county vocational schools, which are more suited to provide that type of educational program. The District completed the 2011-12 fiscal year with an average daily enrollment of 3,378 students, which is 3 students less than the previous year's average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last five years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-12	3,378	(0.09%)
2010-11	3,381	1.23
2009-10	3,340	(0.95)
2008-09	3,372	0.87
2007-08	3,343	(0.42)

2. Economic Condition and Outlook

The municipalities within Princeton Regional School District, Princeton Township and Princeton Borough, both went through a property re-evaluation in 2010. The property values in both communities more or less doubled. Apparently, the tax for some residents increased while other residents' taxes decreased. The impact of this re-evaluation did not affect the budget of the school district. The economy in the Princeton communities is flat and home properties are somewhat holding their value. Most of the undeveloped land in the Borough is held by Princeton University. There is an understanding that there is little room for additional development in either commercial or residential projects within the Borough. It is believed that there may be some commercial and residential growth potential in the Township. The Princeton Medical Center Hospital, a large employer, relocated out of the community in May of 2012 and the existing property was sold. As we understand it, the property will be used for housing. This new housing is likely to bring additional students into the district schools, but not in the upcoming school year.

The Princeton Charter School opened its doors in 1997 with an initial enrollment of 72 students. See the following chart for an enrollment history for the last nine years and a projection for next year:

2003-04	270
2004-05	272
2005-06	280
2006-07	288

2007-08	290
2008-09	318
2009-10	345
2010-11	343
2011-12	343
2012-13 projected	355

All but a few students enrolled in Princeton Charter School are Princeton residents. The Charter School reduces the enrollment of the Princeton public schools but does not do so in a manner that allows for an accompanying reduction in Princeton Regional Schools' staff. Additionally the district's budget is not reduced due to students attending the Charter School. The Charter School offers grades K through 8. The enrollment of the high school increases with Charter School students who choose to attend Princeton High School.

A new charter school (Princeton International Academy Charter) is in the third year of planning and was scheduled to open in September 2011 and then September 2012. The District was informed during the summer that the school will not open this upcoming school year and has not been given another planning year. The District has been notified that the school will now not open at all.

3. Major Initiatives

Facilities Improvement Plan

In 2011-12, the Board approved a capital reserve withdrawal item in the budget. This withdrawal was approved by voters in the April 2011 election on the budget. The approved withdrawal amount of \$400,000 was to be used to fund two roof repair projects as well as two electrical feed replacements. These projects were successfully completed within the budgeted capital reserve amount. The Board budgets funds for minor maintenance work throughout the District in each budget year. Although, the District's annual budget cannot afford the expense of any large maintenance projects without negatively impacting the educational program. The Board is planning a fall 2012 referendum to address many needed capital maintenance projects. A few such projects are roof, window and door replacements. If the referendum is successful at the polls in September, the District will immediately begin developing plans for the identified projects through the assistance of an architect. The Board's referendum is planned for at a sum of \$10,980,000. The projects would begin in the summer of 2013. There were no state grant funds available at the time of development of this referendum. Available grant funds would have offset costs for the District. The list of projects in the referendum have been approved by the Department of Education as well as included in the District's Long Range Facility Plan. No projects other than those identified in the documentation can be funded with this referendum.

Personnel Management

The Personnel Department continued to use an established protocol to ensure that all candidates were properly credentialed and certified. To find the best possible candidates, District staff conducted an on-site job fair and attended others across the mid-Atlantic region. Additionally, a software program *Applitrack* was used successfully, again this past year, to manage job applications. The Human Resources handbooks are used by administrators to provide better oversight of the supervision/evaluation process; for new hires to aid in their orientation to

District policies, procedures, and expectations; and for mentors to improve upon the State's process for initiating new hires to the teaching profession. In collaboration with the Curriculum and Instruction office, the Human Resources office provided professional development activities so that teachers and support staff could meet District and State requirements (100 hours and Professional Improvement Plan). Personnel policies and specified job descriptions were reviewed and revised as necessary. The Danielson Model of supervision and evaluation of faculty was approved as the evaluation tool to be used in the district. The new evaluation model will be used in 2012-2013, the pilot year, with full implementation in September 2013. The need to approve a new evaluation model was initiated in the recent law relating to this topic.

Educational Program

The District's rigorous academic program prepares students for college and career choices, enabling them to compete with high school graduates nationwide for enrollment in the most prestigious colleges and universities. The general education program includes language arts, mathematics, science, social studies, fine and performing arts, health and physical education, and world languages, reflecting the State of New Jersey's Core Curriculum Content Standards and the values that the Princeton community places on an educational experience that highlights the humanities, mathematics, and the fine and performing arts.

In addition to the District's exemplary academic program, there are several areas in which the program goes beyond what is required by state standards. For example, there is an enhanced music program from the third to the twelfth grade that involves approximately 50 percent of the total student enrollment. Also, the District offers world language instruction beginning in elementary school and continuing through grade twelve. Spanish is offered in grades two through fifth grade; Spanish and French in the sixth through eighth grades; as well as Mandarin in seventh and eighth grades. In the ninth to twelfth grades instruction in Italian, Japanese, Mandarin and Latin are offered besides Spanish and French. All of our elementary schools are fully equipped with science labs, computer labs, and exemplary libraries. High school pupils may take courses at Princeton University and may choose from a wide range of rigorous courses.

The District provides resources for continuous professional development of its staff; engages community organizations, businesses, and local government agencies as partners in the educational process, encourages parent and family involvement in school and district activities and committees; and participates with other school districts and higher education institutions in research and programming for closing the achievement gap between minority and economically disadvantaged students and their peers.

The Princeton community values education and fully supports our students and schools as we provide the academic and co-curricular opportunities for each child to reach his/her goals.

4. Internal Control

District administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not

exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by administration.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by District administration.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance, as well as to determine that the District has complied with applicable laws, regulations, contracts, and grants.

5. Budgetary Controls

In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters and State Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and, as such; **do not** represent over-expenditures in this budget.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at year-end.

6. Accounting System and Reports

The District's accounting records reflect accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District utilizes a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. Risk Management

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss and Company, LLP was selected by the Board of Education to perform auditing services. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditors' report on the basic financial statements, required supplementary information, and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

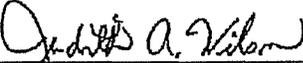
Awards: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2011, and was granted the award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report and satisfied both generally accepted accounting principles and applicable legal requirements. This is the fifteenth consecutive year the District has received this award.

We believe that our current comprehensive annual financial report continues to meet the Program's rigorous requirements, and we are submitting it to ASBO to determine its eligibility for the fiscal year 2011-12 award.

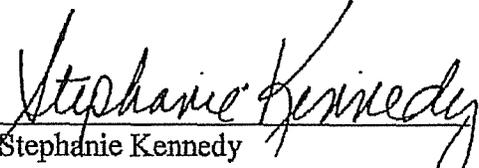
10. Acknowledgments

We would like to express our appreciation to the members of the Princeton School Board for its concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

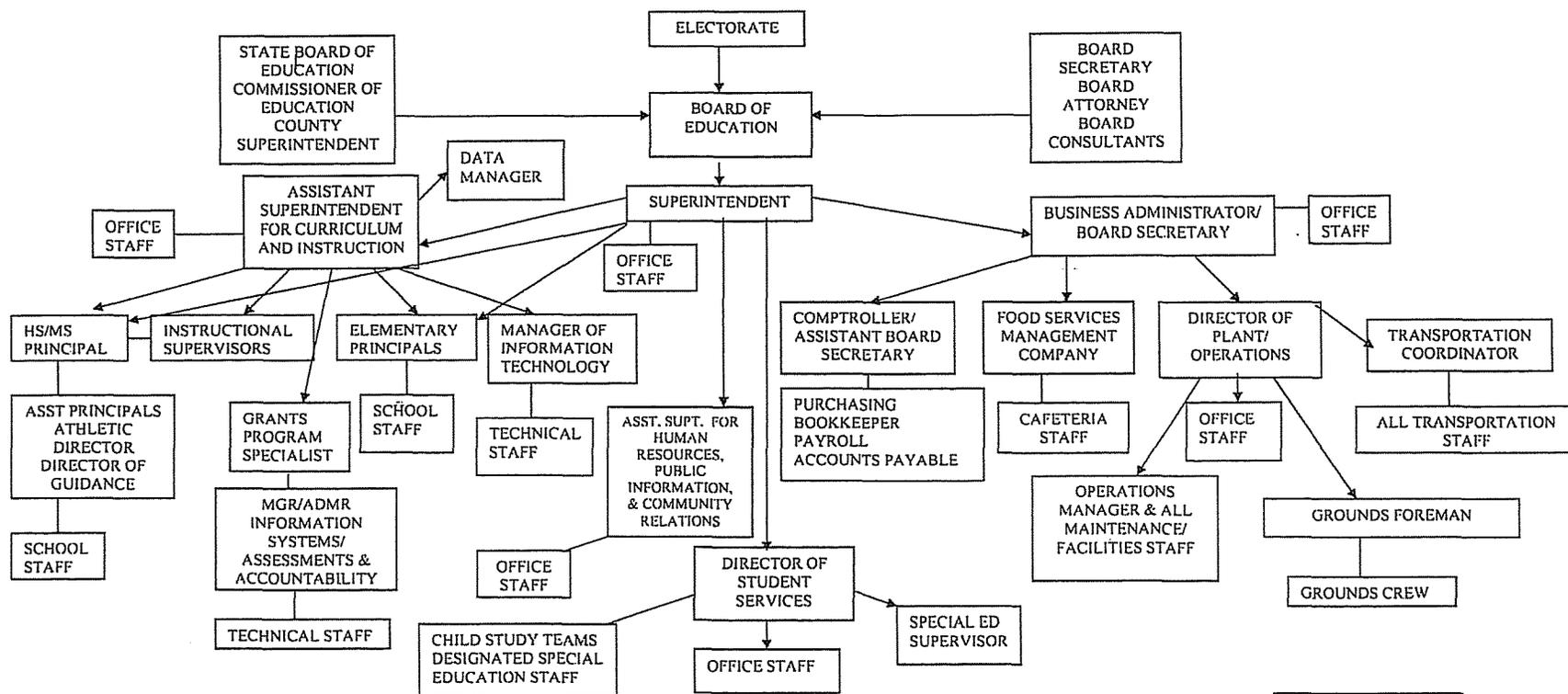


Judith A. Wilson
Superintendent



Stephanie Kennedy
Business Administrator/ Board Secretary

PRINCETON REGIONAL SCHOOLS ORGANIZATIONAL CHART



Board Adopted 12-14-10

Princeton Regional School District
Princeton, New Jersey

Roster of Officials

June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Timothy Quinn, President	2014
Andrea Spalla, Vice President	2013
Dorothy Bedford	2013
Molly Chrein	2013
Rebecca Cox	2015
Daniel Haughton	2014
Martha Land	2015
Afsheen Shamsi	2014
Patrick Sullivan	2015
Evelyn Spann*	*

Other Officials

Judith A. Wilson, Superintendent
Stephanie Kennedy, Business Administrator/Board Secretary
Bonnie Lehet, Assistant Superintendent of Curriculum
Lewis Goldstein, Assistant Superintendent for Human Resources
Micki Crisafulli, Director of Student Services
Gary Weisman, Director of Plant and Operations
Jennifer Micale, Comptroller/Assistant Board Secretary
Jayne C. McGuigan, Treasurer of School Monies

* Appointed Cranbury representative

**Princeton Regional School District
Princeton, New Jersey**

Independent Auditors and Advisors

Independent Auditors

Wiss and Company, LLP
485C Route One South
Iselin, New Jersey 08830

Architects

Spiezle Group
120 Sanhican Drive
Trenton, New Jersey 08618

Attorney

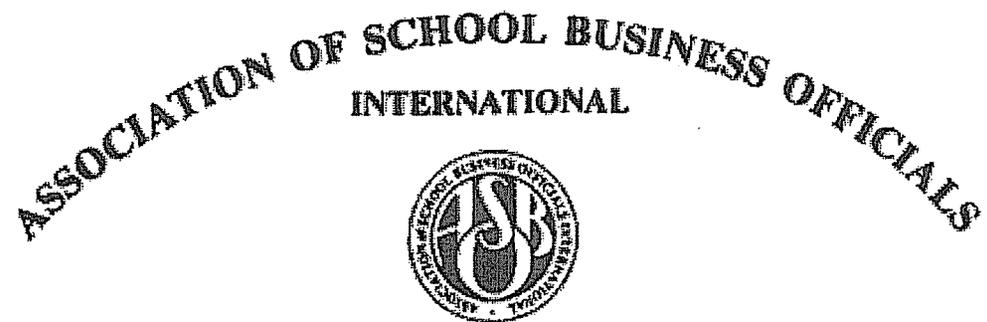
Parker McCay
Princeton Pike Corp Center
1009 Lenox Drive, Suite 102A E Wing
Lawrenceville, New Jersey 08648

Official Depositories

TD Bank
883 State Road 206
Princeton, New Jersey 08540

New Jersey Cash Management Fund
Division of Investments
Department of the Treasury
CN 290
Trenton, New Jersey 08626

PNC Bank
Nassau Street
Princeton, New Jersey 08540



This Certificate of Excellence in Financial Reporting is presented to

PRINCETON REGIONAL SCHOOLS

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011**

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
Princeton Regional School District
Princeton, New Jersey
County of Mercer

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Princeton Regional School District, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

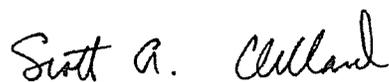
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as found in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

October 16, 2012
Iselin, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

Princeton Regional School District Management's Discussion and Analysis

Year ended June 30, 2012
(Unaudited)

As management of the Princeton Regional School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2012. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A as required by GASB Statement No. 34.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

The government-wide financial statements can be found on pages 23-24 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25-27 of this report.

Proprietary funds. The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program.

The basic enterprise fund financial statements can be found on pages 28-30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District uses trust funds to account for the activity of the private-purpose scholarship fund and unemployment compensation trust fund.

The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The basic fiduciary fund financial statements can be found on pages 31-32 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33-58 of this report.

Other information. The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 59-94 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$53,492,525 (net assets) for the fiscal year ended June 30, 2012 and our overall financial position has improved in the current year. The following table provides a summary of net assets relating to the District's governmental and business-type activities at June 30, 2012 and 2011:

Princeton Regional School District Princeton, New Jersey Net Assets

	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 10,141,204	\$ 326,871	\$ 10,468,075	\$ 10,504,614	\$ 350,305	\$ 10,854,919
Capital assets, net	88,494,295	240,395	88,734,690	90,514,295	237,599	90,751,894
Total assets	98,635,499	567,266	99,202,765	101,018,909	587,904	101,606,813
Current liabilities	6,049,362	78,574	6,127,936	6,841,172	79,047	6,920,219
Long-term liabilities outstanding	39,582,304		39,582,304	42,945,609		42,945,609
Total liabilities	45,631,666	78,574	45,710,240	49,786,781	79,047	49,865,828
Net assets:						
Invested in capital assets, net of related debt	50,073,237	240,395	50,313,632	48,653,097	237,599	48,890,696
Restricted	3,775,864		3,775,864	3,119,853		3,119,853
Unrestricted (deficit)	(845,268)	248,297	(596,971)	(540,822)	271,258	(269,564)
Total net assets	\$ 53,003,833	\$ 488,692	\$ 53,492,525	\$ 51,232,128	\$ 508,857	\$ 51,740,985

The largest portion of the District's net assets is its net assets invested in capital assets net of related debt. Restricted net assets include those that are subject to external restrictions (e.g., for capital projects, capital reserve, maintenance reserve, excess fund balance in the general fund and debt service).

Restricted net assets increased by \$656,011 during the year ended June 30, 2012. This increase resulted primarily from the increase in the capital reserve account which was due to the additional state aid provided by the State of New Jersey which was not included in the original budget. This increase was reserved by Board resolution in June 2012.

Current and other assets decreased primarily due to the use of deferred revenue in the amount of \$814,839 to pay certain expenditures in the capital projects fund.

Long-term liabilities decreased due to the payment of principal on debt as well as the payment of the first installment of a legal settlement liability due to a construction vendor.

Capital assets, net decreased from the prior year due to the new additions associated with the District's capital projects offset by related depreciation, which exceed capital asset additions.

The total net assets of the District, during the current fiscal year, increased by \$1,751,540. The majority of the increase is attributable to the result of general fund operations and excess revenues over expenses and capital asset additions.

There was no substantial change in business-type activity assets, liabilities and net assets for the year ended June 30, 2012.

Government-wide activities. The key elements of the District's net assets for the years ended June 30, 2012 and 2011 are as follows:

Princeton Regional School District
Princeton, New Jersey

Changes in Net Assets

	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,845,674	\$ 609,672	\$ 5,455,346	\$ 5,138,278	\$ 636,671	\$ 5,774,949
Operating grants and contributions	2,349,143	256,874	2,606,017	2,957,587	218,814	3,176,401
Capital grants and contributions	856,173		856,173	3,786,624		3,786,624
General revenues:						
Property taxes	66,671,625		66,671,625	64,704,733		64,704,733
Federal and state aid not restricted to specific purposes	9,246,433		9,246,433	7,136,660		7,136,660
Earning on investments	44,400	1,075	45,475	70,475	1,333	71,808
Miscellaneous	364,464		364,464	360,631		360,631
Total revenues	84,377,912	867,621	85,245,533	84,154,988	856,818	85,011,806
Expenses:						
Instructional services	47,292,497		47,292,497	44,545,423		44,545,423
Support services	29,436,279	887,786	30,324,065	28,761,246	798,944	29,560,190
Charter school	4,483,493		4,483,493	4,255,318		4,255,318
Interest on long-term debt	1,393,938		1,393,938	1,499,954		1,499,954
Total expenses	82,606,207	887,786	83,493,993	79,061,941	798,944	79,860,885
Increase (decrease) in net assets	1,771,705	(20,165)	1,751,540	5,093,047	57,874	5,150,921
Net assets – beginning of year	51,232,128	508,857	51,740,985	46,139,081	450,983	46,590,064
Net assets – end of year	\$53,003,833	\$ 488,692	\$ 53,492,525	\$ 51,232,128	\$ 508,857	\$ 51,740,985

Charges for services decreased due to the decrease in tuition revenue from the receiving districts.

The change in Governmental operating grants and contributions is a result of decreased spending of the remaining portion of ARRA funds awarded two years ago. In addition, the increase in Business-type operating grants and contributions is a result of the increase in the Federal lunch and breakfast reimbursement rates.

Capital grants and contributions decreased due to the lower utilization of SDA funds available in the capital projects fund as compared with the prior year.

The increase in unrestricted federal and state aid is mainly the result of approximately \$290,000 of additional general state aid received than in the prior year, approximately \$842,000 of transportation aid awarded in the current year, approximately \$186,000 of Education Jobs Funds awarded in the current year and additional TPAF pension contributions made by the State of New Jersey on-behalf of the District during 2011/12 than in the prior year.

Instructional services expenses increased due to increases in the number of employees and general supplies as a result of the additional unbudgeted state aid provided in the current year.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2012, and the increases and decreases in relation to prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 72,110,549	86.3%	\$ 1,678,079	2.4%
State sources	9,585,841	11.5	1,903,241	24.8
Federal sources	1,860,977	2.2	(506,868)	(21.4)
Total	<u>\$ 83,557,367</u>	<u>100.0%</u>	<u>\$ 3,074,452</u>	<u>3.8%</u>

The increase in local sources is mainly attributable to an increase in the tax levy offset by a reduction in the amount of tuition for students received by the Cranbury Board of Education.

The increase in state sources is mainly attributable to an increase in general state aid during the current year as compared with the prior year, the receipt of transportation aid in the current year, and an increase in the TPAF pension contributions made by the State of New Jersey on-behalf of the District during the current year as compared with the prior year.

The decrease in federal sources is mainly attributable to the decrease in ARRA funds expended, as this was the final year to expend remaining balances of these awards.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2012, and the increases and decreases related to prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 34,404,514	41.4%	\$ 1,463,083	4.4%
Undistributed	38,896,209	46.8	1,641,212	4.4
Capital outlay	850,972	1.0	(34,024)	(3.8)
Charter schools	4,483,493	5.4	228,175	5.4
Debt service:				
Principal	3,070,000	3.7	125,000	4.2
Interest	1,434,425	1.7	(119,625)	(7.7)
Total	<u>\$ 83,139,613</u>	<u>100.0%</u>	<u>\$ 3,303,821</u>	<u>4.1%</u>

The increase in instruction is attributable mainly to the increase in the number of teachers for regular programs and other instruction.

The increase in undistributed expenditures is attributable mainly to the increase in employee benefits and on-behalf pension contributions.

Debt service interest has decreased due to the outstanding balance of bonds payable decreasing from the prior year.

General Fund Budgetary Highlights

There were additional appropriations made to the original budget of approximately \$747,000, which consisted mostly of additional state aid. During the year, revenues exceeded budgetary estimates and expenditures were under budgetary estimates, thus eliminating the need to draw upon any additional existing fund balance.

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including:

- Resource room/center – an increase of \$193,583 due mainly to the hiring of two additional special education teachers, as well as the increase in salary for these employees once negotiations were complete.
- Operation and maintenance of plant services – an increase of \$264,233 mainly as a result of having to transfer additional salaries for an employee who had planned to retire but did not, as well as the fact that the District ran short on supplies during the year and incurred various unforeseen maintenance repairs.
- Facilities and construction services – an increase of \$596,977 largely attributable to the capital reserve withdrawal having been originally budgeted as part of the Capital Projects Fund, which was later transferred back to the General Fund.
- Contributions to charter school – a decrease of \$175,880 is due to originally budgeting for two charter schools during the budgeting process only to find that the second charter school was not ready to open in the 2012 fiscal year. Funds were transferred out to cover expenditures in other areas.

Capital Assets

At the end of the fiscal years ended June 30, 2012 and 2011, the District had \$88,734,690 and \$90,751,894, respectively, net invested in land, construction in progress, building and building improvements and machinery and equipment, net of accumulated depreciation or amortization.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2012	2011	2012	2011
Land	\$ 195,190	\$ 195,190		
Building and building improvements	86,105,377	87,951,185		
Machinery and equipment	2,193,728	2,367,920	\$ 240,395	\$ 237,599
Total	<u>\$ 88,494,295</u>	<u>\$ 90,514,295</u>	<u>\$ 240,395</u>	<u>\$ 237,599</u>

The decrease in capital assets, net is due to depreciation that exceeded new additions during the 2011-12 year. For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration

At June 30, 2012, the District had \$43,454,585 of outstanding long-term liabilities. Of this amount, \$5,033,527 is for compensated absences; \$36,930,000 of serial bonds for school construction; \$1,280,000 is for a legal settlement; \$1,987,964 is for the unamortized premium on bonds; and (\$1,776,906) is for the unamortized deferred interest costs. For more detailed information, refer to Note 5 of the basic financial statements.

Economic Factors and Next Year's Budget

- The District budgeted \$3,145,119 of its 2012 fund balance to partially fund 2012/2013 operations, an increase of \$131,820 from the prior year.
- The 2012/2013 tax levy was increased in accordance with state regulations.

All of the above factors were considered in preparing the District's 2012-13 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the Princeton Regional Schools finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 25 Valley Road, Princeton, New Jersey 08540.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2012.

Princeton Regional School District

Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,342,856	\$ 301,877	\$ 6,644,733
Accounts receivable	1,327,760	15,613	1,343,373
Inventories		9,381	9,381
Deferred charges	194,404		194,404
Restricted assets:			
Cash and cash equivalents	2,276,184		2,276,184
Capital assets, non-depreciable	195,190		195,190
Capital assets, depreciable, net	88,299,105	240,395	88,539,500
Total assets	<u>98,635,499</u>	<u>567,266</u>	<u>99,202,765</u>
Liabilities			
Accounts payable	645,427	51,233	696,660
Accrued interest payable	559,303		559,303
Intergovernmental payables:			
State	67,313		67,313
Other liabilities	1,167		1,167
Unearned revenue	903,871	27,341	931,212
Current portion of long-term obligations	3,872,281		3,872,281
Noncurrent portion of long-term obligations	39,582,304		39,582,304
Total liabilities	<u>45,631,666</u>	<u>78,574</u>	<u>45,710,240</u>
Net assets			
Invested in capital assets, net of related debt	50,073,237	240,395	50,313,632
Restricted for:			
Capital projects	800,697		800,697
Debt service	25,341		25,341
Other purposes	2,949,826		2,949,826
Unrestricted (deficit)	(845,268)	248,297	(596,971)
Total net assets	<u>\$ 53,003,833</u>	<u>\$ 488,692</u>	<u>\$ 53,492,525</u>

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District

Statement of Activities

Year ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 47,292,497	\$ 4,642,958	\$ 973,676	\$ 521,433	\$ (41,154,430)		\$ (41,154,430)
Support services:							
Attendance/social work	258,342			2,690	(255,652)		(255,652)
Health services	780,959			8,372	(772,587)		(772,587)
Other support services	8,802,398		1,375,467	98,623	(7,328,308)		(7,328,308)
Improvement of instruction	303,825			3,353	(300,472)		(300,472)
Other support: instructional staff	1,545,342			15,103	(1,530,239)		(1,530,239)
School library	2,019,325			23,302	(1,996,023)		(1,996,023)
General administration	1,255,522			13,321	(1,242,201)		(1,242,201)
School administration	3,273,361			32,810	(3,240,551)		(3,240,551)
Central services	1,383,203			15,072	(1,368,131)		(1,368,131)
Admin info technology	130,733			1,360	(129,373)		(129,373)
Required maintenance of plant services	1,297,268			15,517	(1,281,751)		(1,281,751)
Operation of plant	5,313,167			64,590	(5,248,577)		(5,248,577)
Student transportation	3,072,834	202,716		40,627	(2,829,491)		(2,829,491)
Charter schools	4,483,493				(4,483,493)		(4,483,493)
Interest on long-term debt	1,393,938				(1,393,938)		(1,393,938)
Total governmental activities	82,606,207	4,845,674	2,349,143	856,173	(74,555,217)		(74,555,217)
Business-type activities							
Food service	887,786	609,672	256,874			\$ (21,240)	(21,240)
Total business-type activities	887,786	609,672	256,874			(21,240)	(21,240)
Total primary government	\$ 83,493,993	\$ 5,455,346	\$ 2,606,017	\$ 856,173	(74,555,217)	(21,240)	(74,576,457)
General revenues							
Property taxes, levied for general purposes					62,190,303		62,190,303
Property taxes, levied for debt service					4,481,322		4,481,322
Federal and state sources					9,246,433		9,246,433
Investment earnings					44,400	1,075	45,475
Miscellaneous income					364,464		364,464
Total general revenues					76,326,922	1,075	76,327,997
Change in net assets					1,771,705	(20,165)	1,751,540
Net assets—beginning					51,232,128	508,857	51,740,985
Net assets—ending					\$ 53,003,833	\$ 488,692	\$ 53,492,525

Fund Financial Statements

Governmental Funds

Princeton Regional School District
Governmental Funds

Balance Sheet

June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 4,612,530		\$ 1,710,691	\$ 19,635	\$ 6,342,856
Accounts receivable:					
State	904,798	\$ 1,640			906,438
Federal	1,436	415,428			416,864
Interfund	135,686			5,706	141,392
Other	4,458				4,458
Restricted cash and cash equivalents	2,276,184				2,276,184
Total assets	<u>\$ 7,935,092</u>	<u>\$ 417,068</u>	<u>\$ 1,710,691</u>	<u>\$ 25,341</u>	<u>\$ 10,088,192</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 425,991	\$ 183,917	\$ 35,519		\$ 645,427
Intergovernmental payables:					
State		67,313			67,313
Interfunds payable		135,686	5,706		141,392
Deferred revenue		35,102	868,769		903,871
Other liabilities	1,167				1,167
Total liabilities	<u>427,158</u>	<u>422,018</u>	<u>909,994</u>		<u>1,759,170</u>
Fund balances:					
Restricted for:					
Capital reserve account	2,271,609				2,271,609
Maintenance reserve account	4,575				4,575
Capital projects			200,596		200,596
Debt service				\$ 25,341	25,341
Excess surplus-current year	383,473				383,473
Excess surplus-prior year	295,119				295,119
Committed for:					
Capital projects			1,280,000		1,280,000
Assigned to:					
Designated for subsequent year expenditures	2,850,000				2,850,000
Other purposes	265,273				265,273
Unassigned (deficit)	1,437,885	(4,950)	(679,899)		753,036
Total fund balances	<u>7,507,934</u>	<u>(4,950)</u>	<u>800,697</u>	<u>25,341</u>	<u>8,329,022</u>
Total liabilities and fund balances	<u>\$ 7,935,092</u>	<u>\$ 417,068</u>	<u>\$ 1,710,691</u>	<u>\$ 25,341</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$113,152,346 and the accumulated depreciation is \$24,658,051.	88,494,295
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(559,303)
Unamortized portion of debt issuance costs not reported as an asset in the funds.	194,404
Long-term liabilities, including bonds payable (net), legal settlement, compensated absences and unamortized premium on bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds and unamortized deferred interest costs are not reported as an asset in the funds.	<u>(43,454,585)</u>
Net assets of governmental activities	<u>\$ 53,003,833</u>

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues:					
Local sources:					
Local tax levy	\$ 62,190,303			\$ 4,481,322	\$ 66,671,625
Tuition	4,642,958				4,642,958
Interest on investments	38,694		\$ 5,706		44,400
Transportation-hazardous routes	202,716				202,716
Miscellaneous	364,464	\$ 190,092			554,556
Total local sources	67,439,135	190,092	5,706	4,481,322	72,116,255
State sources	9,041,770	544,071	814,839		10,400,680
Federal sources	204,663	1,656,314			1,860,977
Total revenues	76,685,568	2,390,477	820,545	4,481,322	84,377,912
Expenditures:					
Current:					
Instruction	29,862,109				29,862,109
Undistributed-current:					
Instruction	3,568,248	974,157			4,542,405
Attendance/social work	177,467				177,467
Health services	552,359				552,359
Support services	5,131,721	1,375,467			6,507,188
Improvement of instruction	221,213				221,213
Other support: instructional staff	996,506				996,506
School library	1,537,448				1,537,448
General administration	878,921				878,921
School administration	2,164,828				2,164,828
Central services	994,459				994,459
Administration information technology	89,756				89,756
Required maintenance of plant services	1,023,849				1,023,849
Operation of plant-custodial services	3,868,522				3,868,522
Care & upkeep of grounds	292,123				292,123
Security	101,040				101,040
Student transportation	2,680,585				2,680,585
Employee benefits	11,616,704				11,616,704
On-behalf pension contributions	2,935,069				2,935,069
On-behalf TPAF social security contributions	2,258,172				2,258,172
Contribution to charter schools - current	4,483,493				4,483,493
Capital outlay	809,638	41,334	822,964		1,673,936
Debt Service:					
Principal				3,070,000	3,070,000
Interest				1,434,425	1,434,425
Total expenditures	76,244,230	2,390,958	822,964	4,504,425	83,962,577
Excess (deficiency) of revenues over (under) expenditures	441,338	(481)	(2,419)	(23,103)	415,335
Other financing sources (uses):					
Transfers in				5,706	5,706
Transfers out			(5,706)		(5,706)
Total other financing sources (uses)			(5,706)	5,706	-
Net change in fund balances	441,338	(481)	(8,125)	(17,397)	415,335
Fund balances (deficit), July 1	7,066,596	(4,469)	808,822	42,738	7,913,687
Fund balances (deficit), June 30	\$ 7,507,934	\$ (4,950)	\$ 800,697	\$ 25,341	\$ 8,329,022

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) \$ 415,335

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which depreciation exceeded capital additions
in the period.

Capital additions	\$ 899,293	
Depreciation expense	<u>(2,913,345)</u>	(2,014,052)

In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due. The amount presented is the change from prior year.	39,566
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Loss on disposal of capital assets	(5,948)
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Repayments of bond principal, capital lease principal and the legal settlement are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	3,419,859
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Governmental funds report the effect of issuance costs, premiums and
deferred interest costs when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities. The
net effect of these transactions is as follows:

Deferred interest on refunding of bonds	(177,690)	
Premium on refunding of bonds	197,971	
Amortization of bond issuance costs	<u>(19,360)</u>	921

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). The amount presented is the change from the prior year.	(83,976)
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Change in net assets of governmental activities (A-2)	<u><u>\$ 1,771,705</u></u>
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See independent auditors' report and accompanying notes to the basic financial statements.

Enterprise Fund

Princeton Regional School District
Enterprise Fund

Statement of Net Assets

June 30, 2012

	Major Fund
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 301,877
Accounts receivable:	
State	470
Federal	13,117
Other	2,026
Inventories	9,381
Total current assets	326,871
Non-current assets:	
Capital assets:	
Equipment	757,190
Accumulated depreciation	(516,795)
Total capital assets, net	240,395
Total assets	567,266
Liabilities	
Current liabilities:	
Accounts payable	51,233
Unearned revenue	27,341
Total current liabilities	78,574
Net assets	
Invested in capital assets	240,395
Unrestricted	248,297
Total net assets	\$ 488,692

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District
Enterprise Fund

Statement of Revenues, Expenses and
Changes in Fund Net Assets

Year ended June 30, 2012

	Major Fund Food Service
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 572,041
Special event income	15,935
Miscellaneous income	21,696
Total operating revenues	609,672
Operating expenses:	
Salaries	312,509
Employee benefits	105,747
Supplies and materials	59,597
Depreciation	42,259
Cost of sales	307,354
Management and administrative fees	60,320
Total operating expenses	887,786
Operating loss	(278,114)
Nonoperating revenues:	
State sources:	
State school lunch program	7,424
Federal sources:	
National school breakfast program	14,435
National school lunch program	186,180
Food donation program	48,835
Interest	1,075
Total nonoperating revenues	257,949
Change in net assets	(20,165)
Total net assets-beginning	508,857
Total net assets-ending	\$ 488,692

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District
Enterprise Fund

Statement of Cash Flows

Year ended June 30, 2012

	Major Fund
	Food Service
Cash flows from operating activities	
Receipts from customers	\$ 634,192
Payments to employees	(312,509)
Payments for employee benefits	(105,747)
Payments to suppliers	(429,144)
Net cash used in operating activities	(213,208)
Cash flows from noncapital financing activities	
Cash received from state and federal reimbursements	234,174
Receipts from food donation program	51,306
Net cash provided by noncapital financing activities	285,480
Cash flows from capital and related financing activities	
Acquisition of capital assets	(45,055)
Net cash used in capital and related financing activities	(45,055)
Cash flows from investing activities	
Interest received	1,075
Net cash provided by investing activities	1,075
Net increase in cash and cash equivalents	28,292
Cash and cash equivalents, beginning of year	273,585
Cash and cash equivalents, end of year	\$ 301,877
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (278,114)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	42,259
Change in assets and liabilities:	
Decrease in accounts receivable	24,353
Decrease in inventory	1,238
Decrease in accounts payable	(3,111)
Increase in unearned revenue	167
Net cash used in operating activities	\$ (213,208)

Noncash noncapital financing activities:

The District received \$51,306 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2012.

See independent auditors' report and accompanying notes to the basic financial statements.

Fiduciary Funds

Princeton Regional School District
Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2012

	<u>Private- Purpose Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 40,617	\$ 510,041	\$ 892,664
Total assets	<u>40,617</u>	<u>510,041</u>	<u>\$ 892,664</u>
Liabilities			
Accounts payable		60,339	
Payroll deductions and withholdings payable			\$ 386,190
Summer savings payable			207,931
Due to student groups			298,543
Total liabilities		<u>60,339</u>	<u>\$ 892,664</u>
Net assets			
Held in trust for scholarships	<u>\$ 40,617</u>		
Held in trust for unemployment claims and other purposes		<u>\$ 449,702</u>	

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2012

	Private- Purpose Scholarship Fund	Unemployment Compensation Trust
	<u> </u>	<u> </u>
Additions		
Contributions:		
Board contributions		\$ 400,000
Plan member contributions		<u>59,226</u>
Total contributions		459,226
Investment earnings:		
Interest	\$ 134	610
Total additions	<u>134</u>	<u>459,836</u>
Deductions		
Unemployment benefit payments		203,341
Scholarship payments	<u>2,000</u>	
Total deductions	<u>2,000</u>	<u>203,341</u>
Change in net assets	(1,866)	256,495
Net assets-beginning	42,483	193,207
Net assets-ending	<u>\$ 40,617</u>	<u>\$ 449,702</u>

See independent auditors' report and accompanying notes to the basic financial statements.

Princeton Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2012

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Princeton Regional School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are disclosed below:

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Princeton Regional School District in Princeton, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include elementary, junior and senior high schools located in Princeton Township and Princeton Borough.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards:

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

- the organization is legally separate (can sue or be sued on their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District; or
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds be reported as major to promote consistency of reporting among the school districts in the State of New Jersey.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and capital leases, are recorded only when payment is due.

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the capital outlay subfund.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

Food Service Enterprise Fund: The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. This fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods and services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fiduciary fund types:

Fiduciary Funds of the District include the unemployment compensation trust fund, private-purpose scholarship trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District:

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Trust Funds: The unemployment compensation and private-purpose scholarship funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private-purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

In its accounting and financial reporting, the District follows the pronouncements of the GASB and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's business-type activities and enterprise fund have elected not to apply the standards issued by the FASB after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for sales of food. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports deferred/unearned revenue on its balance sheet and statement of net assets. Deferred/unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred/unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the balance sheet and statement of net assets and revenue is recognized.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The following statutory dates are applicable to property taxes collected by the respective municipalities:

Levy Date:	January 1
Lien Date:	January 1
Due Dates:	August 1, November 1, February 1 and May 1

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets, except for the Special Revenue Fund, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of details as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments/transfers must be approved by School Board resolution and certain transfers require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year and were within allowable limits permitted by the State. The District did not deem them to be significant or unusual in nature. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary-basis of accounting and GAAP with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

The food service enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2012, the unused Food Donation Program commodities of \$4,482 are reported as unearned revenue in the Enterprise Fund. The remaining portion reported as unearned revenue consists of student deposits made for the use of purchasing food in a future period.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

Capital assets, which include land, land improvement, buildings and building improvements and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Capital assets, being depreciated, of the District are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Land improvements	20
Buildings and building improvements	25-50
Machinery and equipment	5-20
Vehicles	5-10
Computer software	5

I. Accrued Salaries and Wages

Certain District employees who provided services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not disbursed amounts be retained in a separate bank account. As of June 30, 2012, the amount earned by these employees but not disbursed was \$207,931 and is included in liabilities – summer escrow payroll payable in the fiduciary fund.

J. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

District employees earn vacation and sick leave in varying amounts under the District's existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements amounted to \$5,033,527 at June 30, 2012. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned and outstanding encumbrances. Deferred revenue in the capital projects fund represents cash received from the New Jersey Schools Development Authority that has not been earned.

L. Long-Term Obligations

In the government-wide financial statements, and enterprise fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and unamortized loss on a refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures in the year of issuance.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$7,507,934 of fund balance in the General Fund, \$2,271,609 has been restricted in the capital reserve account, \$4,575 has been restricted for the maintenance reserve account, \$383,473 has been restricted for excess surplus-current year, \$295,119 of prior year excess surplus has been restricted for subsequent year's expenditures, \$265,273 is assigned to other purposes, \$2,850,000 has been classified as assigned fund balance designated for subsequent year's expenditures and \$1,437,885 is unassigned.

N. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended (CEIFA). New Jersey school districts are required to reserve fund balance of the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance generated during the 2012 fiscal year in the amount of \$383,473, which will be designated and appropriated in the 2013-14 budget.

O. Net Assets

Net assets represent the difference between assets and liabilities in the Government-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

1. Summary of Significant Accounting Policies (continued)

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security contributions and post-retirement medical and pension benefits for certified members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2012 and October 16, 2012, the date that the financial statements were issued, for possible disclosure and recognition in the financial statement, and no items have come to the attention of the District that would require disclosure other than those described in Note 20.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$43,454,585 difference are as follows:

Bonds payable, net	\$	36,930,000
Deferred interest costs		(1,776,906)
Unamortized premium on bonds		1,987,964
Legal settlement/claims and judgments		1,280,000
Compensated absences		5,033,527
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets – governmental activities	\$	<u>43,454,585</u>

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at last equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF), New Jersey Arbitrage Rebate Management Fund (NJARM) and M.B.I.A. Class.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

3. Deposits and Investments (continued)

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

At June 30, 2012, the District's carrying value of its deposits was \$10,364,239 and the bank balance was \$11,554,875.

Based on levels of risk, \$500,000 of the District's cash deposits on June 30, 2012 were secured by federal depository insurance and the remaining bank balance of \$11,054,875 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the School District.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

3. Deposits and Investments (continued)

- d. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA Class.

The District did not have any investments at June 30, 2012.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2012.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 195,190			\$ 195,190
Total capital assets, not being depreciated	195,190			195,190
Capital assets, being depreciated				
Land improvements	596,300			596,300
Buildings and building improvements	106,567,424	\$ 711,113		107,278,537
Machinery, equipment, and vehicles	5,262,699	188,180	\$ 368,560	5,082,319
Total capital assets being depreciated	112,426,423	899,293	368,560	112,957,156
Less accumulated depreciation/amortization for:				
Land improvements	596,300			596,300
Buildings and building improvements	18,616,239	2,556,921		21,173,160
Machinery, equipment, and vehicles	2,894,779	356,424	362,612	2,888,591
Total accumulated depreciation	22,107,318	2,913,345	362,612	24,658,051
Total capital assets, being depreciated, net	90,319,105	(2,014,052)	5,948	88,299,105
Governmental activities capital assets, net	\$ 90,514,295	\$ (2,014,052)	\$ 5,948	\$ 88,494,295

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District as follows:

Instruction	\$ 1,774,312
Attendance/social work	9,152
Health services	28,486
Other support services	335,589
Improvement of instruction	11,408
Other support – instructional staff	51,392
School library	79,289
General administration	45,328
School administration	111,645
Central services	51,286
Information technology	4,629
Required maintenance of plant services	52,802
Operation of plant	219,784
Student transportation	138,243
	<u>\$ 2,913,345</u>

The following is a summary of business-type activities changes in capital assets for the year ended June 30, 2012.

	Beginning Balance	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 712,135	\$ 45,055	\$ 757,190
Less accumulated depreciation for:			
Equipment	474,536	42,259	516,795
Total accumulated depreciation	<u>474,536</u>	<u>42,259</u>	<u>516,795</u>
Total business-type activities capital assets, net	<u>\$ 237,599</u>	<u>\$ 2,796</u>	<u>\$ 240,395</u>

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

5. Long-Term Liabilities

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on all serial bonds outstanding are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2013	\$ 3,170,000	\$ 1,342,325	\$ 4,512,325
2014	3,265,000	1,250,975	4,515,975
2015	3,360,000	1,169,350	4,515,975
2016	3,465,000	1,068,550	4,533,550
2017	3,580,000	964,000	4,544,600
2018 – 2022	20,090,000	2,724,900	22,814,900
	<u>\$ 36,930,000</u>	<u>\$ 8,520,700</u>	<u>\$ 45,450,700</u>

Bonds Authorized But Not Issued

As of June 30, 2012, the District had no authorized but not issued bonds.

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Bonds payable	\$ 40,000,000		\$ 3,070,000	\$ 36,930,000	\$ 3,170,000
Deferred interest costs	(1,954,596)		(177,690)	(1,776,906)	(177,690)
Premium on bonds	2,185,935		197,971	1,987,964	197,971
Legal settlement	1,600,000		320,000	1,280,000	320,000
Capital leases	29,859		29,859		
Compensated absences	4,949,551	\$ 378,906	294,930	5,033,527	362,000
Governmental activity long-term liabilities	<u>\$ 46,810,749</u>	<u>\$ 378,906</u>	<u>\$ 3,735,070</u>	<u>\$ 43,454,585</u>	<u>\$ 3,872,281</u>

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

5. Long-Term Liabilities (continued)

Compensated absences are liquidated by expenditures charged to the general fund. Bonds payable are liquidated by expenditures charged to the debt service fund.

During the 2011 fiscal year, the District entered into a settlement agreement to pay a vendor \$4,600,000 for construction claims. According to the agreement, \$3,000,000 was paid in the 2011 fiscal year, with the remaining \$1,600,000 to be paid over the following 5 years in equal installments. Payments during the 2012 fiscal year were \$320,000, leaving a remaining balance of \$1,280,000 as of June 30, 2012. This amount is reported as committed fund balance and will continue to be liquidated with funds available in the capital projects fund.

6. Deferred costs

In the governmental funds, debt issuance costs are recognized as expenditures in the year the bonds are issued. For the government-wide financial statements, debt issuance costs are amortized using the straight line method, which approximates the effective interest method, over the life of the specific bonds (13 years). The costs associated with the issues of the District's bond amounted to \$251,677. The amortization expense for the year ended June 30, 2012 amounted to \$19,360 and the unamortized balance of the deferred charges at June 30, 2012 is \$194,404.

7. Pension Plans

Plan Descriptions

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

7. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of N.J.S.A. 18A:66, to provide coverage including post-retirement health care to substantially all full-time public employees of the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 participating in TPAF with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above formula, but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

7. Pension Plans (continued)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

The District's actuarially determined contributions to PERS for the years ended June 30, 2012, 2011 and 2010 were \$996,498, \$954,454, and \$712,982, respectively, equal to the required contributions for each year. During the year ended June 30, 2012, the State of New Jersey contributed \$2,935,069 to the TPAF for post-retirement medical benefits and pensions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$2,258,172 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

8. Post-retirement Benefits

Plan Description

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

8. Post-retirement Benefits (continued)

Funding Policy

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 C.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2012, 2011 and 2010 were \$1,960,047, \$1,953,961, and \$1,793,649, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

9. Risk Management

The District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; and natural disasters.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

Property and Liability Insurance

The District participates in the Burlington County Joint Insurance Fund for its insurance coverage for property, liability, student accident and other types of liabilities and does not retain risk of loss. Under the JIF, the District is assessed an annual premium. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

10. Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which is administered by the District and various insurance companies, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

11. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2012 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 135,686	
Special Revenue Fund		\$ 135,686
Capital Projects Fund		5,706
Debt Service Fund	5,706	
	<u>\$ 141,392</u>	<u>\$ 141,392</u>

The interfunds between the debt service fund and capital projects fund represent interest earned on investments in the capital projects fund that must be transferred to either the general fund or debt service fund by statute. The interfund between the general fund and special revenue fund represents an allocation of internally pooled cash from the general fund to liquidate an overdraft.

All interfunds are expected to be repaid within one year.

12. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

13. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its approved referendum projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

13. Contingent Liabilities (continued)

the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District settled a claim during fiscal year 2011 in the amount of \$4,600,000 with a contractor and the remaining \$1,280,000 is expected to be paid by the District over the next four years. The District, from time to time, may become involved in other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, there are no matters which will have a material adverse effect on the financial position of the District.

14. Capital Reserve Account

A capital reserve account was established by the District by inclusion of \$1,275,000 in June 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$	1,470,793
Interest earnings		816
Deposit:		
Approved by June 2012 Board resolution		1,200,000
Withdrawal:		
Approved in 2011-12 budget		(400,000)
Ending balance, June 30, 2012	\$	<u>2,271,609</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$27,121,623.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

15. Deficit Fund Balances

The District has a deficit fund balance of \$4,950 in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable.

16. Transfers

The following presents a reconciliation of transfers during the 2012 fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund		\$ 5,706
Debt Service Fund	\$ 5,706	
	<u>\$ 5,706</u>	<u>\$ 5,706</u>

The transfer out of the capital projects fund relates to the interest earned on the funds invested relating to its school construction projects. The District is not permitted to spend the interest earned on capital projects, but the District may use the interest to pay down the debt or use for general fund purposes. As a result, the District transferred interest earned relating to the bond issuance and the state funding to the debt service fund to pay down outstanding debt.

17. Restricted Assets

The funds set aside for capital reserve and maintenance reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital and maintenance requirements.

Princeton Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

18. Commitments

The District has active construction projects as of June 30, 2012 relating to the approved referendum projects, which include additions and renovations at all schools. At June 30, 2012, the District's commitments with contractors amounted to \$200,596, which is reported as restricted for capital projects on the balance sheet in the capital projects fund. The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2012. These encumbrances, in the amount of \$265,273 are recorded as assigned to other purposes on the general fund balance sheet.

19. New Jersey Schools Development Authority Grant

During the 2004 fiscal year, the District was awarded additional grant funds in the amount of \$7,118,908. Since the District has fully funded its referendum project with the issuance of bonds and other local sources, the District will utilize the additional funds to pay down the existing outstanding bonds or other approved purposes approved by the taxpayers and New Jersey Department of Education. At June 30, 2012, the District's deferred revenue in the capital projects fund is \$868,769.

20. Subsequent Events

On July 1, 2012, the District formally changed its name to Princeton Public Schools as a result of a planned merger of the Township of Princeton and Princeton Borough that will become effective on January 1, 2013. There is no longer a regional school district as a result of this merger. This event will not have an effect on the amount of the local tax levy in future years.

On September 24, 2012, voters approved a bond referendum of \$10.98 million for facilities improvements and upgrades throughout the District.

Required Supplementary Information
Part II

Budgetary Comparison Schedules

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 62,190,302		\$ 62,190,302	\$ 62,190,303	\$ 1
Tuition	4,555,257		4,555,257	4,642,958	87,701
Interest on investments	55,000		55,000	38,694	(16,306)
Transportation-Hazardous routes	180,500		180,500	202,716	22,216
Miscellaneous	238,584		238,584	364,464	125,880
Total revenues - local sources	67,219,643		67,219,643	67,439,135	219,492
State sources:					
Special education categorical aid	1,957,703		1,957,703	1,957,703	
Extraordinary aid	500,000		500,000	765,803	265,803
Security categorical aid	294,936		294,936	294,936	
Adjustment aid		\$ 134,508	134,508	134,508	
Transportation categorical aid	235,450	606,901	842,351	842,351	
On-behalf TPAF pension contributions				2,935,069	2,935,069
Reimbursed TPAF social security contributions				2,258,172	2,258,172
Other state aids				35,514	35,514
Total - state sources	2,988,089	741,409	3,729,498	9,224,056	5,494,558
Federal sources:					
Medicaid reimbursement	29,140		29,140	18,411	(10,729)
Education Jobs Fund	180,594	5,658	186,252	186,252	
Total - Federal sources	209,734	5,658	215,392	204,663	(10,729)
Total revenues	70,417,466	747,067	71,164,533	76,867,854	5,703,321
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,053,782	(88,180)	965,602	956,517	9,085
Grades 1-5	6,588,571	16,582	6,605,153	6,428,262	176,891
Grades 6-8	3,388,620	89,736	3,478,356	3,466,375	11,981
Grades 9-12	7,262,143	270,970	7,533,113	7,459,067	74,046
Home instruction:					
Salaries of teachers	25,000	(3,087)	21,913	21,913	
Purchased professional-educational services	8,000	34,972	42,972	34,120	8,852
Undistributed instruction:					
Other salaries for instruction	2,043,061	(408,599)	1,634,462	1,419,981	214,481
Purchased professional-educational services	180,706	12,871	193,577	179,767	13,810
Other purchased services	302,054	(19,729)	282,325	253,610	28,715
General supplies	1,312,786	106,773	1,419,559	1,368,672	50,887
Textbooks	213,724	25,990	239,714	230,212	9,502
Other objects	111,905	56,651	168,556	145,277	23,279
Total instruction - regular programs	22,490,352	94,950	22,585,302	21,963,773	621,529
Special education:					
Autism:					
Salaries of teachers	454,196	29,195	483,391	483,391	
Other salaries for instruction	451,095	36,116	487,211	487,211	
General supplies	7,681	8,103	15,784	15,376	408
Other objects	3,000	(1,832)	1,168	1,168	
Total autism	915,972	71,582	987,554	987,146	408

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Learning and/or language disabilities					
Salaries of teachers	\$ 187,637	\$ 3,750	\$ 191,387	\$ 191,387	
Other objects	1,250	(500)	750	278	\$ 472
Total Language and/or language disabilities	188,887	3,250	192,137	191,665	472
Visual impairments					
Salaries of teachers		32,249	32,249	32,249	
Total Visual impairments		32,249	32,249	32,249	
Multiple disabilities:					
General supplies	1,200	(711)	489	488	1
Total Multiple disabilities	1,200	(711)	489	488	1
Resource room/center:					
Salaries of teachers	2,360,229	158,137	2,518,366	2,518,363	3
Other salaries for instruction	878,688	32,635	911,323	911,322	1
General supplies	7,500	2,811	10,311	10,135	176
Total resource room/center	3,246,417	193,583	3,440,000	3,439,820	180
Preschool disabilities - part-time:					
Salaries of teachers	132,760	5,131	137,891	137,891	
Other salaries for instruction	53,610	400	54,010	54,010	
General supplies	1,199	243	1,442	1,089	353
Total preschool disabilities - part time	187,569	5,774	193,343	192,990	353
Total special education	4,540,045	305,727	4,845,772	4,844,358	1,414
Bilingual education:					
Salaries of teachers	729,628	20,054	749,682	749,531	151
Other salaries of instruction		18,500	18,500	18,500	
General supplies	1,441	840	2,281	2,205	76
Textbooks	1,190	(840)	350	297	53
Total bilingual education	732,259	38,554	770,813	770,533	280
Basic skills/remedial instruction:					
Salaries of teachers	931,416	(4,708)	926,708	926,708	
Other salaries of instruction	104,742	(23,564)	81,178	81,178	
Total basic skills/remedial instruction	1,036,158	(28,272)	1,007,886	1,007,886	
School-sponsored cocurricular activities:					
Salaries	250,335	2,882	253,217	228,769	24,448
Purchased services	5,000	(1,000)	4,000	4,000	
Supplies and materials	7,217		7,217	6,477	740
Other objects	7,940	7,700	15,640	15,231	409
Total school-sponsored cocurricular activities	270,492	9,582	280,074	254,477	25,597

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School-sponsored athletics - instruction:					
Salaries	\$ 787,864	\$ 9,241	\$ 797,105	\$ 795,058	\$ 2,047
Purchased services	100,754	(911)	99,843	91,003	8,840
Supplies and materials	47,102	8,014	55,116	50,232	4,884
Other objects	22,215	3,269	25,484	23,243	2,241
Total school-sponsored athletics - instruction	957,935	19,613	977,548	959,536	18,012
Other supplemental - instruction:					
Salaries of reading specialists	60,108	1,438	61,546	61,546	
Total other supplemental - instruction	60,108	1,438	61,546	61,546	
Total instruction	30,087,349	441,592	30,528,941	29,862,109	666,832
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	40,489	35,000	75,489	68,220	7,269
Tuition to county voc. school dist.-regular	148,750		148,750	95,300	53,450
Tuition to CSSD and regional day schools	905,211	(305,000)	600,211	487,826	112,385
Tuition to private school for the disabled - within state	2,203,187	141,083	2,344,270	2,199,431	144,839
Tuition to private school for the disabled and other LEAs-special-outside state	382,830	70,100	452,930	452,127	803
Tuition - other	310,842	(43,000)	267,842	265,344	2,498
Total undistributed instruction	3,991,309	(101,817)	3,889,492	3,568,248	321,244
Attendance and social work services:					
Salaries	174,786	2,326	177,112	177,111	1
Other purchased services	1,650		1,650	356	1,294
Total attendance and social work service	176,436	2,326	178,762	177,467	1,295
Health services:					
Salaries	481,403	12,787	494,190	494,159	31
Purchased professional and technical services	33,000	7,400	40,400	32,900	7,500
Supplies and materials	19,533	6,525	26,058	25,300	758
Total health services	533,936	26,712	560,648	552,359	8,289
Speech, OT, PT & related services:					
Salaries	924,436	(14,918)	909,518	909,517	1
Supplies and materials	6,694	(1,860)	4,834	4,417	417
Total speech, OT, PT & related services	931,130	(16,778)	914,352	913,934	418

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Other support services - students - extra services:					
Salaries	\$ 95,993	\$ 1,437	\$ 97,430	\$ 97,430	
Total other support services - students - extra services	95,993	1,437	97,430	97,430	
Guidance:					
Salaries of other professional staff	1,297,722	(43,404)	1,254,318	1,254,317	\$ 1
Salaries of secretarial and clerical assistants	161,992	32,500	194,492	194,492	
Other salaries	26,950	20,000	46,950	38,021	8,929
Purchased professional - educational services	1,525	(1,250)	275	260	15
Other purchased services	3,850	337	4,187	918	3,269
Supplies and materials	8,659	1,870	10,529	9,814	715
Other objects	2,355	(1,250)	1,105	160	945
Total guidance	1,503,053	8,803	1,511,856	1,497,982	13,874
Child study teams:					
Salaries of other professional staff	1,639,365	(23,906)	1,615,459	1,615,457	2
Salaries of secretarial and clerical assistants	128,162	(5,142)	123,020	123,020	
Other salaries	113,000	43,206	156,206	156,206	
Purchased professional - educational services	558,400	(16,106)	542,294	526,139	16,155
Residential costs	97,966	31,000	128,966	127,320	1,646
Miscellaneous purchased services	23,650	1,093	24,743	18,319	6,424
Supplies and materials	36,000	22,220	58,220	55,398	2,822
Other objects	2,700		2,700	516	2,184
Total child study teams	2,599,243	52,365	2,651,608	2,622,375	29,233
Improvement of instructional services:					
Salaries of secretarial and clerical assistants	111,050	3,700	114,750	114,284	466
Salaries of facilitators, math, literacy coaches	119,949	(58,402)	61,547	61,546	1
Other purchased professional and technical services	2,000	(2,000)			
Other purchased services	8,880	7,986	16,866	11,615	5,251
Supplies and materials	9,922	755	10,677	10,052	625
Other objects	38,528	(14,812)	23,716	23,716	
Total improvement of instructional services	290,329	(62,773)	227,556	221,213	6,343
Educational media services/school library:					
Salaries	1,230,934	20,856	1,251,790	1,228,380	23,410
Purchased professional and technical services	5,000	(4,394)	606	300	306
Other purchased services	98,000	34,156	132,156	124,257	7,899
Supplies and materials	188,323	(815)	187,508	184,511	2,997
Total educational media services/school library	1,522,257	49,803	1,572,060	1,537,448	34,612

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Instructional staff training services:					
Salaries of supervisors of instruction	\$ 810,726	\$ (2,143)	\$ 808,583	\$ 808,581	\$ 2
Salaries of other professional staff	93,441	55,000	148,441	93,441	55,000
Salaries of secretarial and clerical assist.	92,120	1	92,121	92,121	
Purchased professional - educational services	4,750	(2,300)	2,450	2,363	87
Total instructional staff training services	1,001,037	50,558	1,051,595	996,506	55,089
Support services-general administration:					
Salaries	484,243	(2,249)	481,994	481,993	1
Other purchased professional services	140,000	47,633	187,633	175,649	11,984
Communications/telephone	120,000	(33,135)	86,865	75,577	11,288
BOE other purchased services	1,800	(1,800)			
Other purchased services	9,620	10,100	19,720	13,845	5,875
General supplies	16,560	18,925	35,485	31,747	3,738
Miscellaneous expenditures	55,000	32,362	87,362	70,512	16,850
BOE membership dues and fees	32,200	(2,600)	29,600	29,598	2
Total support services-general administration	859,423	69,236	928,659	878,921	49,738
Support services-school administration:					
Salaries of principals/ assistant principals	1,312,048	84,205	1,396,253	1,395,337	916
Salaries of secretarial and clerical assistants	761,749	(38,130)	723,619	722,000	1,619
Other salaries	7,914	7,410	15,324	8,316	7,008
Other purchased services	4,126	(1,624)	2,502	2,030	472
Supplies and materials	31,288	3,685	34,973	32,394	2,579
Other objects	9,830	(3,392)	6,438	4,751	1,687
Total support services-school administration	2,126,955	52,154	2,179,109	2,164,828	14,281
Central services:					
Salaries	817,404	17,558	834,962	833,312	1,650
Purchased professional services	21,500	14,100	35,600	24,532	11,068
Purchased technical services	28,000	(9,000)	19,000	17,542	1,458
Miscellaneous purchased services	58,800	2,399	61,199	34,948	26,251
Supplies and materials	85,116	(20,630)	64,486	61,484	3,002
Miscellaneous expenditures	9,290	14,884	24,174	22,641	1,533
Total support services-central services	1,020,110	19,311	1,039,421	994,459	44,962
Administration information technology:					
Salaries	89,756		89,756	89,756	
Total administration information technology	89,756		89,756	89,756	
Operation and maintenance of plant services:					
Required maintenance for school facilities:					
Salaries	522,631	63,737	586,368	544,787	41,581
Cleaning, repair and maintenance services	268,984	148,483	417,467	338,282	79,185
Travel		100	100	23	77
General supplies	95,591	44,844	140,435	127,358	13,077
Other objects	6,500	7,069	13,569	13,399	170
Total required maintenance for school facilities	893,706	264,233	1,157,939	1,023,849	134,090

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operation and maintenance of plant services (continued):					
Custodial services:					
Salaries	\$ 1,768,585	\$ (49,540)	\$ 1,719,045	\$ 1,669,137	\$ 49,908
Salaries of non-instructional aides	126,437	(1,678)	124,759	103,961	20,798
Purchased professional and technical services	61,410	199	61,609	40,268	21,341
Cleaning, repair and maintenance services	310,440	(4,260)	306,180	302,048	4,132
Other purchased property services	105,000	9,392	114,392	98,660	15,732
Insurance	195,966	(9,407)	186,559	186,559	
General supplies	167,528	210	167,738	164,720	3,018
Energy (electricity)	1,250,000	46,880	1,296,880	971,303	325,577
Energy (natural gas)	575,000	(43,565)	531,435	331,866	199,569
Total custodial services	4,560,366	(51,769)	4,508,597	3,868,522	640,075
Care & upkeep of grounds:					
Salaries	279,451	(18,577)	260,874	253,376	7,498
Cleaning, repair and maintenance services	15,000	2,000	17,000	16,963	37
General supplies	30,000	(4,895)	25,105	21,784	3,321
Total care & upkeep of grounds	324,451	(21,472)	302,979	292,123	10,856
Security:					
Salaries	95,839	13,200	109,039	101,040	7,999
Total security	95,839	13,200	109,039	101,040	7,999
Total operations and maintenance of plant	5,874,362	204,192	6,078,554	5,285,534	793,020
Student transportation services:					
Salaries of non-instructional aides	97,732		97,732	96,035	1,697
Salaries for pupil transportation:					
Between home and school - regular	336,451	(33,000)	303,451	286,814	16,637
Between home and school - special	196,977	33,000	229,977	227,329	2,648
Other than between home and school	43,006	(4,280)	38,726	17,060	21,666
Cleaning repair and maintenance services	70,750	2,729	73,479	71,953	1,526
Lease purchase payments - school buses	31,158		31,158	31,157	1
Contracted services:					
Between home and school - vendors	843,740	(28,732)	815,008	751,464	63,544
Other than between home and school - vendors	216,288	16,948	233,236	208,784	24,452
Special ed stds- vendors	668,520	62,595	731,115	656,452	74,663
Special ed stds- joint agreements	385,000	(44,164)	340,836	108,213	232,623
Aid in lieu of payments	88,000	8,975	96,975	96,975	
Miscellaneous purchased services	36,500		36,500	35,799	701
General supplies	101,100		101,100	73,602	27,498
Transportation supplies	18,500	80	18,580	13,706	4,874
Other objects	7,050	(80)	6,970	5,242	1,728
Total student transportation services	3,140,772	14,071	3,154,843	2,680,585	474,258

Princeton Regional School District
General Fund

Budgetary Comparison Schedule

(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Unallocated benefits - employee benefits					
Social security contributions	\$ 900,000	\$ 14,334	\$ 914,334	\$ 913,654	\$ 680
Other retirement contributions - regular	1,003,000	(3,751)	999,249	996,498	2,751
Unemployment	400,000		400,000	400,000	
Workers' compensation	290,000	4,939	294,939	294,939	
Health benefits	9,800,493	68,415	9,868,908	8,970,405	898,503
Tuition reimbursement	72,500		72,500	41,208	31,292
Total unallocated benefits	12,465,993	83,937	12,549,930	11,616,704	933,226
On-behalf TPAF pension contributions (non-budgeted)				2,935,069	(2,935,069)
Reimbursed TPAF social security (non-budgeted) contributions				2,258,172	(2,258,172)
Total on-behalf payments				5,193,241	(5,193,241)
Total undistributed expenditures	38,222,094	453,537	38,675,631	41,088,990	(2,413,359)
Total expenditures - current	68,309,443	895,129	69,204,572	70,951,099	(1,746,527)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8		2,035	2,035	2,035	
Grades 9-12		9,162	9,162	9,162	
Insturction		15,860	15,860	13,360	2,500
Support service - instructional staff		18,340	18,340	18,305	35
Undistributed expenditures-care & upkeep of grounds		220,661	220,661	70,661	150,000
Total equipment		266,058	266,058	113,523	152,535
Facilities acquisition and construction services:					
Architectural/engineering services		30,300	30,300	30,300	
Construction services		566,677	566,677	508,954	57,723
Other objects	156,861		156,861	156,861	
Total facilities and construction services	156,861	596,977	753,838	696,115	57,723
Total expenditures - capital outlay	156,861	863,035	1,019,896	809,638	210,258

Princeton Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Contributions to charter school	\$ 4,959,461	\$ (175,880)	\$ 4,783,581	\$ 4,483,493	\$ 300,088
Total charter school	4,959,461	(175,880)	4,783,581	4,483,493	300,088
Total expenditures	73,425,765	1,582,284	75,008,049	76,244,230	(1,236,181)
(Deficiency) excess of revenues (under) over expenditures	(3,008,299)	(835,217)	(3,843,516)	623,624	4,467,140
Other financing sources (uses):					
Transfers out	(400,000)	400,000			
Total other financing sources (uses)	(400,000)	400,000			
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(3,408,299)	(435,217)	(3,843,516)	623,624	4,467,140
Fund balances, July 1	7,160,048		7,160,048	7,160,048	
Fund balances, June 30	\$ 3,751,749	\$ (435,217)	\$ 3,316,532	\$ 7,783,672	\$ 4,467,140
Recapitulation of (deficiency) excess of revenues (under) over expenditures					
Budgeted fund balance	\$ (3,013,299)	\$ 5,658	\$ (3,007,641)	\$ 1,459,108	\$ 4,466,749
Net increase in capital reserve	5,000		5,000	816	(4,184)
Net decrease in capital reserve	(400,000)		(400,000)	(400,000)	
Net decrease in maintenance reserve		(150,000)	(150,000)	(145,425)	4,575
Adjustment for prior year encumbrances		(290,875)	(290,875)	(290,875)	
Total	\$ (3,408,299)	\$ (435,217)	\$ (3,843,516)	\$ 623,624	\$ 4,467,140
Recapitulation of fund balance:					
Capital reserve account - restricted				\$ 2,271,609	
Maintenance reserve account - restricted				4,575	
Excess surplus - current year - restricted				383,473	
Excess surplus designated for subsequent years - restricted				295,119	
Designated for subsequent year's expenditures - assigned				2,850,000	
Year end encumbrances - assigned				265,273	
Unassigned				1,713,623	
				7,783,672	
Reconciliation to Government Funds statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(275,738)	
Fund balance per Governmental Funds (GAAP)				\$ 7,507,934	

Princeton Regional School District
General Fund

Education Jobs Fund Program - Budget and Actual
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources					
Educational Jobs Fund	\$ 180,594	\$ 5,658	\$ 186,252	\$ 186,252	
Total Revenues	<u>180,594</u>	<u>5,658</u>	<u>186,252</u>	<u>186,252</u>	
Expenditures:					
Instruction:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12	109,907	5,658	115,565	115,565	
Total instruction - regular programs	<u>109,907</u>	<u>5,658</u>	<u>115,565</u>	<u>115,565</u>	
Total instruction	<u>109,907</u>	<u>5,658</u>	<u>115,565</u>	<u>115,565</u>	
Undistributed expenditures:					
Improvement of instructional services:					
Salaries of facilitators, math, literacy coaches	60,108		60,108	60,108	
Total improvement of instructional services	<u>60,108</u>		<u>60,108</u>	<u>60,108</u>	
Unallocated benefits:					
Health insurance	10,579		10,579	10,579	
Total unallocated benefits	<u>10,579</u>		<u>10,579</u>	<u>10,579</u>	
Total undistributed expenditures	<u>70,687</u>		<u>70,687</u>	<u>70,687</u>	
Total expenditures - current expense	<u>180,594</u>	5,658	<u>186,252</u>	<u>186,252</u>	
Total expenditures	<u>\$ 180,594</u>	<u>\$ 5,658</u>	<u>\$ 186,252</u>	<u>\$ 186,252</u>	

Princeton Regional School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
State sources	\$ 594,500	\$ 17,057	\$ 611,557	\$ 545,884	\$ (65,673)
Federal sources	1,351,000	564,581	1,915,581	1,659,813	(255,768)
Local sources		218,401	218,401	188,135	(30,266)
Total revenues	<u>1,945,500</u>	<u>800,039</u>	<u>2,745,539</u>	<u>2,393,832</u>	<u>(351,707)</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	287,500	256,448	543,948	434,566	109,382
Purchased professional services	215,000	5,171	220,171	138,549	81,622
Other purchased services		67,634	67,634	65,182	2,452
General supplies	7,987	206,533	214,520	186,054	28,466
Textbooks	150,000	(13,331)	136,669	129,720	6,949
Other objects		24,808	24,808	19,461	5,347
Total instruction	<u>660,487</u>	<u>547,263</u>	<u>1,207,750</u>	<u>973,532</u>	<u>234,218</u>
Support services:					
Salaries of teachers	664,955	(222,497)	442,458	426,778	15,680
Personal services—employee benefits		190,431	190,431	176,974	13,457
Purchased professional services	328,058	280,623	608,681	543,963	64,718
Other purchased professional services	180,000	37,515	217,515	210,319	7,196
Supplies and materials		20,704	20,704	10,282	10,422
Other objects	112,000	(95,334)	16,666	10,650	6,016
Total support services	<u>1,285,013</u>	<u>211,442</u>	<u>1,496,455</u>	<u>1,378,966</u>	<u>117,489</u>
Capital outlay:					
Noninstructional equipment		41,334	41,334	41,334	
Total capital outlay		<u>41,334</u>	<u>41,334</u>	<u>41,334</u>	
Total expenditures	<u>1,945,500</u>	<u>800,039</u>	<u>2,745,539</u>	<u>2,393,832</u>	<u>351,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2012

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 76,867,854	\$ 2,393,832
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year (net of cancellations)		1,958
Current year		(4,832)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	93,452	4,469
Current year	(275,738)	(4,950)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 76,685,568	\$ 2,390,477
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 76,244,230	\$ 2,393,832
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		1,958
Current year		(4,832)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 76,244,230	\$ 2,390,958

Supplementary Information

Special Revenue Fund Detail Schedules

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	Nonpublic Aid					Preschool Education Aid
	Textbooks	Nursing	Auxiliary	Handicapped		
Revenues:						
State sources	\$ 129,720	\$ 195,216	\$ 49,230	\$ 122,218	\$ 49,500	
Federal sources						
Local sources						
Total revenues	\$ 129,720	\$ 195,216	\$ 49,230	\$ 122,218	\$ 49,500	
Expenditures:						
Instruction:						
Salaries of teachers					\$ 49,500	
Purchased professional services			\$ 49,230	\$ 68,939		
Other purchased services						
General supplies						
Textbooks	\$ 129,720					
Other objects						
Total instruction	129,720		49,230	68,939	49,500	
Undistributed:						
Support services:						
Salaries						
Personal services-employee benefits						
Purchased professional services					53,279	
Other purchased professional services		\$ 195,216				
Supplies and materials						
Other objects						
Total support services		195,216			53,279	
Capital outlay:						
Facilities acquisition and construction services:						
Noninstructional equipment						
Total capital outlay						
Total expenditures	\$ 129,720	\$ 195,216	\$ 49,230	\$ 122,218	\$ 49,500	

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	Title I			Title II A	
	Part A Current	Carryover	ARRA	Current	Carryover
Revenues:					
State sources					
Federal sources	\$ 177,616	\$ 46,934	\$ 40,754	\$ 75,486	\$ 488
Local sources					
Total revenues	\$ 177,616	\$ 46,934	\$ 40,754	\$ 75,486	\$ 488
Expenditures:					
Instruction:					
Salaries of teachers	\$ 116,667	\$ 28,401			\$ 453
Purchased professional services	20,380				
Other purchased services					
General supplies	9,584	12,555	\$ 32,054	\$ 18,073	
Textbooks					
Other objects					
Total instruction	146,631	40,956	32,054	18,073	453
Undistributed:					
Support services:					
Salaries		1,808	7,400		
Personal services—employee benefits	11,516	2,311	566		35
Purchased professional services	5,500	1,800	734	46,713	
Other purchased professional services	11,403			3,700	
Supplies and materials	2,566	59			
Other objects				7,000	
Total support services	30,985	5,978	8,700	57,413	35
Capital outlay:					
Facilities acquisition and construction services:					
Noninstructional equipment					
Total capital outlay	\$ 177,616	\$ 46,934	\$ 40,754	\$ 75,486	\$ 488
Total expenditures	\$ 177,616	\$ 46,934	\$ 40,754	\$ 75,486	\$ 488

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	Title II D		Title III		
	Current	Current	Carryover	Immigrant	
Revenues:					
State sources					
Federal sources	\$ 196	\$ 25,933	\$ 452	\$ 1,406	
Local sources					
Total revenues	<u>\$ 196</u>	<u>\$ 25,933</u>	<u>\$ 452</u>	<u>\$ 1,406</u>	
Expenditures:					
Instruction:					
Salaries of teachers		\$ 2,350		\$ 300	
Purchased professional services					
Other purchased services					
General supplies	\$ 196	510	\$ 452	1,083	
Textbooks					
Other objects					
Total instruction	<u>196</u>	<u>2,860</u>	<u>452</u>	<u>1,383</u>	
Undistributed:					
Support services:					
Salaries		2,623			
Personal services—employee benefits		381		23	
Purchased professional services		20,000			
Other purchased professional services					
Supplies and materials		69			
Other objects					
Total support services		<u>23,073</u>		<u>23</u>	
Capital outlay:					
Facilities acquisition and construction services:					
Noninstructional equipment					
Total capital outlay					
Total expenditures	<u>\$ 196</u>	<u>\$ 25,933</u>	<u>\$ 452</u>	<u>\$ 1,406</u>	

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	I.D.E.I.A.			
	Part B Basic	Preschool	ARRA Part B Basic	ARRA Preschool
Revenues:				
State sources				
Federal sources	\$ 1,154,786	\$ 42,704	\$ 88,988	\$ 4,070
Local sources				
Total revenues	\$ 1,154,786	\$ 42,704	\$ 88,988	\$ 4,070
Expenditures:				
Instruction:				
Salaries of teachers	\$ 116,992			
Purchased professional services				
Other purchased services	45,182	\$ 20,000		
General supplies	22,194	5,673	\$ 45,933	\$ 4,070
Textbooks				
Other objects				
Total instruction	184,368	25,673	45,933	4,070
Undistributed:				
Support services:				
Salaries	414,476			
Personal services—employee benefits	161,180			
Purchased professional services	392,385	14,031	1,721	
Other purchased professional services				
Supplies and materials	2,377	3000		
Other objects				
Total support services	970,418	17,031	1,721	
Capital outlay:				
Facilities acquisition and construction services:				
Noninstructional equipment			41,334	
Total capital outlay			41,334	
Total expenditures	\$ 1,154,786	\$ 42,704	\$ 88,988	\$ 4,070

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	Confucious Classroom	PEF Grant	Alliance For NJ	Early Child Foundation	Inst Adv Study Science	Japanese Grnt
Revenues:						
State sources						
Federal sources						
Local sources	\$ 17,753	\$ 50,841	\$ 8,758	\$ 5,000	\$ 8,453	\$ 47,631
Total revenues	\$ 17,753	\$ 50,841	\$ 8,758	\$ 5,000	\$ 8,453	\$ 47,631
Expenditures:						
Instruction:						
Salaries of teachers	\$ 12,100	\$ 7,580	\$ 1,908		\$ 1,789	\$ 47,631
Purchased professional services						
Other purchased services						
General supplies	2,827	30,397			453	
Textbooks						
Other objects		1,000	6,850	\$ 5,000	6,211	
Total instruction	14,927	38,977	8,758	5,000	8,453	47,631
Undistributed:						
Support services:						
Salaries		471				
Personal services-employee benefits	926	36				
Purchased professional services		7,800				
Other purchased professional services						
Supplies and materials		1,807				
Other objects	1,900	1,750				
Total support services	2,826	11,864				
Capital outlay:						
Facilities acquisition and construction services:						
Noninstructional equipment						
Total capital outlay						
Total expenditures	\$ 17,753	\$ 50,841	\$ 8,758	\$ 5,000	\$ 8,453	\$ 47,631

Princeton Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2012

	Music Lives in Kids	Other Local	Totals
Revenues:			
State sources			\$ 545,884
Federal sources			1,659,813
Local sources	\$ 804	\$ 48,895	188,135
Total revenues	\$ 804	\$ 48,895	\$ 2,393,832
Expenditures:			
Instruction:			
Salaries of teachers		\$ 48,895	\$ 434,566
Purchased professional services			138,549
Other purchased services			65,182
General supplies			186,054
Textbooks			129,720
Other objects	\$ 400		19,461
Total instruction	400	48,895	973,532
Undistributed:			
Support services:			
Salaries			426,778
Personal services—employee benefits			176,974
Purchased professional services			543,963
Other purchased professional services			210,319
Supplies and materials	404		10,282
Other objects			10,650
Total support services	404		1,378,966
Capital outlay:			
Facilities acquisition and construction services:			
Noninstructional equipment			41,334
Total capital outlay			41,334
Total expenditures	\$ 804	\$ 48,895	\$ 2,393,832

Princeton Regional School District
Special Revenue Fund

Schedule of Preschool Education Aid Expenditures
Budgetary Basis
(District Wide)

Year ended June 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	\$ 49,500	\$ 49,500	
Total instruction	49,500	49,500	
Total expenditures	\$ 49,500	\$ 49,500	\$ -

Summary of Location Totals

Total revised 2011-12 Preschool Education aid allocation	\$ 49,500
Add: Actual Preschool Education Aid carryover (June 30, 2011)	-
Total funds available for 2011-12 budget	49,500
Less: 2011-12 budgeted Preschool Education aid (including prior year budgeted carryover)	49,500
Available and unbudgeted funds as of June 30, 2012	-
Add: 2011-12 unexpended Preschool Education aid	-
2011-12 carryover Preschool Education aid/ Preschool	\$ -
2011-12 Preschool Education aid carryover budgeted in 2012-13	\$ -

Capital Projects Fund
Detail Statements

Princeton Regional School District
 Capital Projects Fund

Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)

Year ended June 30, 2012

	<u>Current Year</u>
Expenditures and other financing uses	
Purchased professional and technical services	\$ 279,985
Construction services	520,000
Equipment	22,979
Total expenditures	<u>822,964</u>
 Deficiency of revenues under expenditures	 (822,964)
 Fund Balance, July 1	 <u>2,492,489</u>
Fund Balance, June 30	<u>\$ 1,669,525</u>
 <u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund balance, budgetary basis, June 30, 2012	\$ 1,669,525
Less: Revenue not recognized on a GAAP basis	868,828
Fund balance, GAAP basis, June 30, 2012	<u>\$ 800,697</u>

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 60,944,000		\$ 60,944,000	\$ 60,944,000
State sources - SDA	24,879,609		24,879,609	24,879,609
Contribution from private sources	500,000		500,000	500,000
Transfer from capital reserve	4,857,300		3,720,000	3,720,000
Transfer from capital outlay	2,315,999		3,453,299	2,315,999
Total revenues and other financing sources	<u>93,496,908</u>		<u>93,496,908</u>	<u>92,359,608</u>
Expenditures and other financing uses				
Purchased professional and technical services	8,900,452	\$ 279,985	9,180,437	
Construction services	80,055,140	520,000	80,575,140	
Equipment	2,048,827	22,979	2,071,806	
Total expenditures and other financing uses	<u>91,004,419</u>	<u>822,964</u>	<u>91,827,383</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,492,489</u>	<u>\$ (822,964)</u>	<u>\$ 1,669,525</u>	<u>\$ 92,359,608</u>

Referendum

Bonds authorized	\$ 60,944,000
Bonds issued	60,944,000
Additional authorized cost	3,720,000
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Princeton High School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 32,546,422		\$ 32,546,422	\$ 32,546,422
State sources - SDA	14,297,667		14,297,667	14,297,667
Contribution from private sources	500,000		500,000	500,000
Transfer from capital reserve	1,579,836		1,579,836	1,579,836
Transfer from fund balance	104,219		104,219	104,219
Total revenues and other financing sources	<u>49,028,144</u>		<u>49,028,144</u>	<u>49,028,144</u>
Expenditures and other financing uses				
Purchased professional and technical services	5,901,925	\$ 279,985	6,181,910	
Construction services	40,219,527	520,000	40,739,527	
Equipment	477,858		477,858	
Total expenditures and other financing uses	<u>46,599,310</u>	<u>799,985</u>	<u>47,399,295</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,428,834</u>	<u>\$ (799,985)</u>	<u>\$ 1,628,849</u>	<u>\$ 49,028,144</u>
Additional project information				
Project number	4130-050-02-0516			
Grant date	3/1/2004			
Bond authorization date	5/15/2001			
Bonds authorized	\$ 30,167,280			
Bonds issued	30,167,280			
Additional authorized cost	1,579,836			
Percentage increase over original authorized cost	3.22%			
Percentage completion	100.00%			
Original target completion date	10/1/2003			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Community Park Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 3,266,411		\$ 3,266,411	\$ 3,266,411
State sources - SDA	1,414,797		1,414,797	1,414,797
Contribution from private sources				
Transfer from capital reserve	45,187		45,187	45,187
Transfer from fund balance	375,192		375,192	375,192
Total revenues and other financing sources	<u>5,101,587</u>		<u>5,101,587</u>	<u>5,101,587</u>
Expenditures and other financing uses				
Purchased professional and technical services	492,135		492,135	
Construction services	4,519,952		4,519,952	
Equipment	89,500		89,500	
Total expenditures and other financing uses	<u>5,101,587</u>		<u>5,101,587</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,101,587</u>
Additional project information				
Project number	4130-053-02-0517			
Grant date	3/26/2003			
Bond authorization date	5/15/2002			
Bonds authorized	\$ 3,778,528			
Bonds issued	3,778,528			
Additional authorized cost	45,187			
Percentage increase over original authorized cost	0.89%			
Percentage completion	100.00%			
Original target completion date	9/1/2004			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

John Witherspoon Middle School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 15,451,408		\$ 15,451,408	\$ 15,451,408
State sources - SDA	4,645,912		4,645,912	4,645,912
Contribution from private sources				
Transfer from capital reserve	519,176		519,176	519,176
Transfer from fund balance	706,380		706,380	706,380
Total revenues and other financing sources	<u>21,322,876</u>		<u>21,322,876</u>	<u>21,322,876</u>
Expenditures and other financing uses				
Purchased professional and technical services	1,565,370		1,565,370	
Construction services	19,595,006		19,595,006	
Equipment	162,500		162,500	
Total expenditures and other financing uses	<u>21,322,876</u>		<u>21,322,876</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,322,876</u>
Additional project information				
Project number	4255-085-01-0514			
Grant date	3/26/2002			
Bond authorization date	5/15/2001			
Bonds authorized	\$ 15,540,720			
Bonds issued	15,540,720			
Additional authorized cost	519,176			
Percentage increase over original authorized cost	2.43%			
Percentage completion	100.00%			
Original target completion date	9/1/2004			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Johnson Park Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 2,999,760		\$ 2,999,760	\$ 2,999,760
State sources - SDA	1,347,812		1,347,812	1,347,812
Contribution from private sources				
Transfer from capital reserve	5,838		5,838	5,838
Transfer from fund balance	365,928		365,928	365,928
Total revenues and other financing sources	<u>4,719,338</u>		<u>4,719,338</u>	<u>4,719,338</u>
Expenditures and other financing uses				
Purchased professional and technical services	330,386		330,386	
Construction services	4,339,952		4,339,952	
Equipment	49,000		49,000	
Total expenditures and other financing uses	<u>4,719,338</u>		<u>4,719,338</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,719,338</u>
Additional project information				
Project number	4130-057-02-0519			
Grant date	3/26/2002			
Bond authorization date	5/15/2001			
Bonds authorized	\$ 3,534,752			
Bonds issued	3,534,752			
Additional authorized cost	5,838			
Percentage increase over original authorized cost	0.12%			
Percentage completion	100.00%			
Original target completion date	9/1/2004			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Littlebrook Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 3,292,890		\$ 3,292,890	\$ 3,292,890
State sources - SDA	1,798,038		1,798,038	1,798,038
Contribution from private sources				
Transfer from capital reserve	31,697		31,697	31,697
Transfer from fund balance	386,772		386,772	386,772
Total revenues and other financing sources	<u>5,509,397</u>		<u>5,509,397</u>	<u>5,509,397</u>
Expenditures and other financing uses				
Purchased professional and technical services	194,606		194,606	
Construction services	5,249,791		5,249,791	
Equipment	65,000		65,000	
Total expenditures and other financing uses	<u>5,509,397</u>		<u>5,509,397</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,509,397</u>
Additional project information				
Project number	4130-060-02-0520			
Grant date	3/26/2002			
Bond authorization date	5/15/2001			
Bonds authorized	\$ 4,083,248			
Bonds issued	4,083,248			
Additional authorized cost	31,697			
Percentage increase over original authorized cost	0.58%			
Percentage completion	100.00%			
Original target completion date	9/1/2004			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Riverside Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 3,387,109		\$ 3,387,109	\$ 3,387,109
State sources - SDA	1,375,383		1,375,383	1,375,383
Contribution from private sources				
Transfer from capital reserve	38,266		38,266	38,266
Transfer from fund balance	377,508		377,508	377,508
Total revenues and other financing sources	<u>5,178,266</u>		<u>5,178,266</u>	<u>5,178,266</u>
Expenditures and other financing uses				
Purchased professional and technical services	238,730		238,730	
Construction services	4,839,136		4,839,136	
Equipment	100,400		100,400	
Total expenditures and other financing uses	<u>5,178,266</u>		<u>5,178,266</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,178,266</u>
Additional project information				
Project number	4130-065-02-0521			
Grant date	3/26/2002			
Bond authorization date	5/15/2001			
Bonds authorized	\$ 3,839,472			
Bonds issued	3,839,472			
Additional authorized cost	38,266			
Percentage increase over original authorized cost	0.74%			
Percentage completion	100.00%			
Original target completion date	9/1/2004			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Valley Road Rehabilitation

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers				
State sources - SDA				
Contribution from private sources				
Transfer from capital reserve	\$ 1,500,000		\$ 1,500,000	\$ 1,500,000
Transfer from fund balance				
Total revenues and other financing sources	<u>1,500,000</u>		<u>1,500,000</u>	<u>1,500,000</u>
Transfer from capital reserve				
Purchased professional and technical services	129,400		129,400	
Construction services	1,291,776		1,291,776	
Equipment	35,305	\$ 22,979	58,284	
Total expenditures and other financing uses	<u>1,456,481</u>	<u>22,979</u>	<u>1,479,460</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 43,519</u>	<u>\$ (22,979)</u>	<u>\$ 20,540</u>	<u>\$ 1,500,000</u>
Additional project information				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Additional authorized cost	\$ 1,500,000			
Percentage increase over original authorized cost	0.00%			
Percentage completion	98.63%			
Original target completion date	Summer 2010			
Revised target completion date	Summer 2011			

Princeton Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Audio/ Visual Systems Upgrades

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers				
State sources - SDA				
Contribution from private sources				
Transfer from capital reserve	\$ 1,137,300		\$ 1,137,300	\$ 1,137,300
Transfer from fund balance				
Total revenues and other financing sources	<u>1,137,300</u>		<u>1,137,300</u>	<u>1,137,300</u>
Transfer from capital reserve				
Purchased professional and technical services		47,900	47,900	
Construction services				
Equipment		1,069,264	1,069,264	
Total expenditures and other financing uses		<u>1,117,164</u>	<u>1,117,164</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,136</u>	<u>\$ -</u>	<u>\$ 20,136</u>	<u>\$ 1,137,300</u>
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Additional authorized cost		\$ 1,137,300		
Percentage increase over original authorized cost		0.00%		
Percentage completion		98.23%		
Original target completion date		Summer 2011		
Revised target completion date		Summer 2011		

Princeton Regional School District
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2012

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Year	Current Year	
School facility projects - referendum	\$ 90,859,608	\$ 88,430,774	\$ 799,985	\$ 1,628,849
Valley Road Rehabilitation	1,500,000	1,456,481	22,979	20,540
Audio/ Visual Systems Upgrades	1,137,300	1,117,164		20,136
	<u>\$ 93,496,908</u>	<u>\$ 91,004,419</u>	<u>\$ 822,964</u>	<u>\$ 1,669,525</u>

Components of appropriations for referendum question - school facility projects

Bonds issued	\$ 60,944,000
Fund balance utilized	2,315,999
State grant	24,879,609
Other local funds	500,000
Subtotal	<u>88,639,608</u>

Increased by:

Capital reserve transfer:

Approved by statement of purpose:

2004-05	800,000
2005-06	720,000
2006-07	700,000
	<u>\$ 90,859,608</u>

Components of appropriations - Valley Road Rehabilitation -2010 FY

Transfer from capital reserve	<u>\$ 1,500,000</u>
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Components of appropriations - Audio/ Visual Systems Upgrades - 2011 FY

Transfer from capital reserve	<u>\$ 1,137,300</u>
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Fiduciary Funds
Detail Statements

Princeton Regional School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Assets

June 30, 2012

	Trust			Agency		
	Private Purpose Scholarship Funds	Unemployment Compensation	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 40,617	\$ 510,041	\$ 550,658	\$ 298,543	\$ 594,121	\$ 892,664
Total assets	<u>40,617</u>	<u>510,041</u>	<u>550,658</u>	<u>\$ 298,543</u>	<u>\$ 594,121</u>	<u>\$ 892,664</u>
Liabilities						
Accounts payable		60,339	60,339			
Payroll deductions and withholdings payable					\$ 386,190	\$ 386,190
Summer savings payable					207,931	207,931
Due to student groups				\$ 298,543		298,543
Total liabilities		<u>60,339</u>	<u>60,339</u>	<u>\$ 298,543</u>	<u>\$ 594,121</u>	<u>\$ 892,664</u>
Net assets						
Held in trust	40,617	449,702	490,319			
Total net assets	<u>\$ 40,617</u>	<u>\$ 449,702</u>	<u>\$ 490,319</u>			

Princeton Regional School District
Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2012

	Private- Purpose Scholarship Fund	Unemployment Compensation Fund	Total Trust
Additions:			
Local sources:			
Board contributions		\$ 400,000	\$ 400,000
Plan member contributions		59,226	59,226
Interest on investments	\$ 134	610	744
Total additions	134	459,836	459,970
Deductions:			
Unemployment benefit payments		203,341	203,341
Scholarship payments	2,000		2,000
Total deductions	2,000	203,341	205,341
Change in net assets	(1,866)	256,495	254,629
Net assets, beginning	42,483	193,207	235,690
Net assets, ending	\$ 40,617	\$ 449,702	\$ 490,319

Princeton Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Middle school:				
John Witherspoon School	\$ 45,395	\$ 41,168	\$ 38,592	\$ 47,971
High school:				
Princeton Regional High School	291,862	752,985	794,275	250,572
Total all schools	<u>\$ 337,257</u>	<u>\$ 794,153</u>	<u>\$ 832,867</u>	<u>\$ 298,543</u>

Princeton Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Assets				
Cash and equivalents	\$ 541,684	\$ 66,939,881	\$ 66,887,444	\$ 594,121
Total assets	<u>\$ 541,684</u>	<u>\$ 66,939,881</u>	<u>\$ 66,887,444</u>	<u>\$ 594,121</u>
Liabilities				
Payroll deductions and withholdings payable	\$ 333,041	\$ 66,731,950	\$ 66,678,801	\$ 386,190
Summer savings payable	208,643	207,931	208,643	207,931
Total liabilities	<u>\$ 541,684</u>	<u>\$ 66,939,881</u>	<u>\$ 66,887,444</u>	<u>\$ 594,121</u>

Long-Term Debt

Princeton Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year Ended June 30, 2012

Issue	Date of Issue	Amount of Issue	<u>Annual Maturities</u>		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
			Date	Amount				
Various Improvements-Refunding Bonds	8/1/09	\$40,165,000	2/1/2013	\$ 3,170,000	2.882%	\$40,000,000	\$3,070,000	\$36,930,000
			2/1/2014	3,265,000	2.500			
			2/1/2015	3,360,000	3.000			
			2/1/2016	3,465,000	3.000			
			2/1/2017	3,580,000	3.000			
			2/1/2018	3,690,000	4.000			
			2/1/2019	3,845,000	4.000			
			2/1/2020	4,015,000	4.000			
			2/1/2021	4,180,000	4.500			
			2/1/2022	4,360,000	4.750			
						<u>\$40,000,000</u>	<u>\$3,070,000</u>	<u>\$36,930,000</u>

Princeton Regional School District
 Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2012

	Interest Rate Payable	Amount of Original Issue	Amount Outstanding July 1, 2011	Retired	Amount Outstanding June 30, 2012
School Buses 16-Passenger	4.35%	\$ 88,910	\$ 29,859	\$ 29,859	\$ -
			<u>\$ 29,859</u>	<u>\$ 29,859</u>	<u>\$ -</u>

Princeton Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 4,481,322		\$ 4,481,322	\$ 4,481,322	
Total revenues	<u>4,481,322</u>		<u>4,481,322</u>	<u>4,481,322</u>	
Expenditures:					
Principal on bonds	3,070,000		3,070,000	3,070,000	
Interest on bonds	1,434,425		1,434,425	1,434,425	
Total expenditures	<u>4,504,425</u>		<u>4,504,425</u>	<u>4,504,425</u>	
Deficiency of revenues under expenditures	(23,103)		(23,103)	(23,103)	
Other financing sources:					
Transfers in				5,706	\$ 5,706
Total other financing sources				<u>5,706</u>	<u>5,706</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(23,103)		(23,103)	(17,397)	5,706
Fund balance, July 1	42,738		42,738	42,738	-
Fund balance, June 30	<u>\$ 19,635</u>	<u>\$ -</u>	<u>\$ 19,635</u>	<u>\$ 25,341</u>	<u>\$ 5,706</u>

Statistical Section

(Unaudited)

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

Princeton Regional School District
 Net Assets by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt		\$ 713,169	\$ 9,825,083	\$ 26,573,401	\$ 34,823,857	\$ 38,961,952	\$ 40,862,019	\$ 41,911,290	\$ 48,653,097	\$ 50,073,237
Restricted	\$ 8,447,159	27,807,574	20,887,431	8,174,680	7,336,195	6,899,942	7,654,072	6,127,183	3,911,031	3,775,864
Unrestricted (deficit)	1,072,910	1,172,603	3,040,749	2,585,195	538,505	(380,021)	(1,492,270)	(1,899,392)	(1,332,000)	(845,268)
Total governmental activities net assets	<u>\$ 9,520,069</u>	<u>\$ 29,693,346</u>	<u>\$ 33,753,263</u>	<u>\$ 37,333,276</u>	<u>\$ 42,698,557</u>	<u>\$ 45,481,873</u>	<u>\$ 47,023,821</u>	<u>\$ 46,139,081</u>	<u>\$ 51,232,128</u>	<u>\$ 53,003,833</u>
Business-type activities										
Invested in capital assets, net of related debt		\$ 54,562	\$ 63,041	\$ 50,768	\$ 38,146	\$ 334,237	\$ 313,771	\$ 273,830	\$ 237,599	\$ 240,395
Unrestricted	\$ 102,131	67,729	59,742	62,681	81,678	120,618	126,320	177,153	271,258	248,297
Total business-type activities net assets	<u>\$ 102,131</u>	<u>\$ 122,291</u>	<u>\$ 122,783</u>	<u>\$ 113,449</u>	<u>\$ 119,824</u>	<u>\$ 454,855</u>	<u>\$ 440,091</u>	<u>\$ 450,983</u>	<u>\$ 508,857</u>	<u>\$ 488,692</u>
District-wide										
Invested in capital assets, net of related debt		\$ 767,731	\$ 9,888,124	\$ 26,624,169	\$ 34,862,003	\$ 39,296,189	\$ 41,175,790	\$ 42,185,120	\$ 48,890,696	\$ 50,313,632
Restricted	\$ 8,447,159	27,807,574	20,887,431	8,174,680	7,336,195	6,899,942	7,654,072	6,127,183	3,911,031	3,775,864
Unrestricted (deficit)	1,175,041	1,240,332	3,100,491	2,647,876	620,183	(259,403)	(1,365,950)	(1,722,239)	(1,060,742)	(596,971)
Total district net assets	<u>\$ 9,622,200</u>	<u>\$ 29,815,637</u>	<u>\$ 33,876,046</u>	<u>\$ 37,446,725</u>	<u>\$ 42,818,381</u>	<u>\$ 45,936,728</u>	<u>\$ 47,463,912</u>	<u>\$ 46,590,064</u>	<u>\$ 51,740,985</u>	<u>\$ 53,492,525</u>

Princeton Regional School District
 Changes in Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction	\$ 27,362,148	\$ 31,818,142	\$ 32,673,675	\$ 36,143,584	\$ 39,072,002	\$ 41,677,130	\$ 43,750,919	\$ 46,092,266	\$ 44,545,423	\$ 47,292,497
Support Services:										
Attendance and social work	127,515	146,062	164,651	243,111	248,501	398,270	448,018	157,459	182,244	258,342
Health services	451,848	476,688	493,380	556,283	617,741	544,884	637,506	661,490	732,384	780,959
Other support services	6,091,428	6,116,929	6,488,609	7,515,671	7,739,569	7,895,282	8,415,426	8,152,600	8,783,670	8,802,398
Improvement of instruction	244,400	288,070	288,670	154,757	203,799	271,038	179,443	430,554	270,851	303,825
Other support instructional staff	840,406	960,600	972,819	1,098,447	1,037,291	1,102,969	1,427,478	1,408,516	1,484,299	1,545,342
School library	1,071,948	1,379,813	1,500,701	1,435,340	1,540,425	1,654,338	1,743,396	1,784,502	1,931,724	2,019,325
General administration	740,746	846,711	864,434	947,551	956,330	3,015,951	965,471	971,733	1,041,045	1,255,522
School administration	1,947,557	2,125,011	2,239,781	2,227,634	2,346,798	2,298,151	2,556,424	2,708,932	3,175,318	3,273,361
Central administration			1,119,122	1,163,714	1,242,121	1,214,172	1,256,292	1,263,110	1,333,932	1,383,203
Info Technology				243,052	196,516	204,491	194,526	144,939	125,769	130,733
Required maintenance of plant	854,081	1,018,786	921,243	1,012,146	1,124,245	1,269,724	1,272,112	1,240,205	1,292,237	1,297,268
Operation of plant	3,096,116	3,522,766	4,561,694	5,175,689	5,779,159	5,862,988	5,824,080	5,625,421	5,291,619	5,313,167
Student transportation	2,195,505	2,790,892	3,252,768	3,406,343	4,140,354	3,945,300	3,135,426	3,443,899	3,116,154	3,072,834
Business and other support services and benefits	3,860,941	1,134,839	203,613	80,031	1,245,040	158,624				
Charter schools	1,980,979	2,169,010	2,204,609	2,303,727	2,426,999	2,664,475	4,483,598	4,430,664	4,255,318	4,483,493
Interest on long-term debt	1,784,386	2,151,304	2,359,627	2,474,987	2,253,833	2,253,972	2,109,955	1,650,137	1,499,954	1,393,938
Total governmental activities expenses	\$ 52,650,004	\$ 56,945,623	\$ 60,309,396	\$ 66,182,067	\$ 72,170,723	\$ 76,431,759	\$ 78,400,070	\$ 80,166,427	\$ 79,061,941	\$ 82,606,207
Business-type activities:										
Food service	1,007,944	1,085,046	860,183	841,532	756,263	793,234	831,244	768,729	798,944	887,786
Total business-type activities expense	1,007,944	1,085,046	860,183	841,532	756,263	793,234	831,244	768,729	798,944	887,786
Total district expenses	\$ 53,657,948	\$ 58,030,669	\$ 61,169,579	\$ 67,023,599	\$ 72,926,986	\$ 77,224,993	\$ 79,231,314	\$ 80,935,156	\$ 79,860,885	\$ 83,493,993
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition and transportation)	\$ 2,469,328	\$ 3,428,523	\$ 3,032,118	\$ 3,603,562	\$ 3,825,942	\$ 4,329,662	\$ 5,159,700	\$ 5,492,542	\$ 4,950,946	\$ 4,642,958
Other support services	524,065	526,105						172,300	187,332	202,716
Operating grants and contributions	1,500,527	1,626,416	2,542,148	2,647,240	2,850,459	2,510,184	2,612,932	2,361,166	2,957,587	2,349,143
Capital grants and contributions			156,084			1,648,136	32,796	101,871	3,786,624	856,173
Total governmental activities program revenues	\$ 4,493,920	\$ 5,581,044	\$ 5,730,350	\$ 6,250,802	\$ 6,676,401	\$ 8,487,982	\$ 7,805,428	\$ 8,127,879	\$ 11,882,489	\$ 8,050,990

Note: The increase in general administration in 2008 is the result of legal judgments related to the District's capital projects reported within the capital projects fund.

Note: The increase in charter schools in 2009 was due to a state approved enrollment increase of 24 students effective in 2008/09 school year and a change in the funding structure.

Princeton Regional School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services										
Food service	\$ 659,552	\$ 655,702	\$ 662,784	\$ 648,031	\$ 551,334	\$ 618,158	\$ 680,801	\$ 654,714	\$ 636,671	\$ 609,672
Operating grants and contributions	175,908	189,703	174,715	164,167	176,304	150,749	110,084	123,984	218,814	256,874
Total business type activities program revenues	835,460	845,405	837,499	812,198	727,638	768,907	790,885	778,698	855,485	866,546
Total district program revenues	\$ 5,329,380	\$ 6,426,449	\$ 6,567,849	\$ 7,063,000	\$ 7,404,039	\$ 8,896,786	\$ 8,918,764	\$ 12,661,187	\$ 855,485	\$ 866,546
Net (Expense)/Revenue										
Governmental activities	\$ (48,156,084)	\$ (51,364,579)	\$ (54,579,046)	\$ (59,931,265)	\$ (65,494,322)	\$ (67,943,777)	\$ (70,594,642)	\$ (72,038,548)	\$ (67,179,452)	\$ (74,555,217)
Business-type activities	(172,484)	(239,641)	(22,684)	(29,334)	(28,625)	(24,327)	(40,359)	9,969	56,541	(21,240)
Total district-wide net expense	\$ (48,328,568)	\$ (51,604,220)	\$ (54,601,730)	\$ (59,960,599)	\$ (65,522,947)	\$ (67,968,104)	\$ (70,635,001)	\$ (72,028,579)	\$ (67,122,911)	\$ (74,576,457)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 45,649,763	\$ 42,708,053	\$ 45,657,758	\$ 49,590,650	\$ 54,925,520	\$ 55,135,268	\$ 56,965,653	\$ 57,922,997	\$ 60,465,817	\$ 62,190,303
Property taxes levied for debt service		4,616,553	4,600,677	4,983,876	4,863,904	4,891,397	4,883,272	4,354,245	4,238,916	4,481,322
Unrestricted grants and contributions	7,441,278	7,469,595	7,097,134	7,636,393	9,412,387	9,613,236	9,683,002	8,434,904	7,136,660	9,246,433
Investment earnings	1,139,573	475,993	848,891	955,035	1,172,111	814,904	214,959	81,803	70,475	44,400
Miscellaneous income	593,763	445,476	457,679	365,324	520,681	631,646	413,921	359,859	360,631	364,464
Transfers		(65,500)	(23,176)	(20,000)	(35,000)	(359,358)	(24,217)			
Total governmental activities	54,824,377	55,650,170	58,638,963	63,511,278	70,859,603	70,727,093	72,136,590	71,153,808	72,272,499	76,326,922
Business-type activities:										
Interest earnings							1,378	923	1,333	1,075
Transfers		65,500	23,176	20,000	35,000	359,358	24,217			
Total business-type activities	-	65,500	23,176	20,000	35,000	359,358	25,595	923	1,333	1,075
Total district-wide	\$ 54,824,377	\$ 55,715,670	\$ 58,662,139	\$ 63,531,278	\$ 70,894,603	\$ 71,086,451	\$ 72,162,185	\$ 71,154,731	\$ 72,273,832	\$ 76,327,997
Change in Net Assets										
Governmental activities	\$ 6,668,293	\$ 4,285,591	\$ 4,059,917	\$ 3,580,013	\$ 5,365,281	\$ 2,783,316	\$ 1,541,948	\$ (884,740)	\$ 5,093,047	\$ 1,771,705
Business-type activities	(172,484)	(174,141)	492	(9,334)	6,375	335,031	(14,764)	10,892	57,874	(20,165)
Total district	\$ 6,495,809	\$ 4,111,450	\$ 4,060,409	\$ 3,570,679	\$ 5,371,656	\$ 3,118,347	\$ 1,527,184	\$ (873,848)	\$ 5,150,921	\$ 1,751,540

Source: CAFR Schedule A-2 and District records.

Princeton Regional School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 3,582,579	\$ 4,427,659	\$ 4,711,926	\$ 5,710,465	\$ 4,053,376	\$ 5,948,835	\$ 7,396,062	\$ 4,654,747		
Unreserved	3,017,736	2,998,321	3,185,952	2,056,644	5,644,694	3,809,713	3,030,614	2,641,203		
Restricted									\$ 2,272,762	\$ 2,954,776
Assigned									2,947,324	3,115,273
Unassigned									1,846,510	1,437,885
Total general fund	<u>\$ 6,600,315</u>	<u>\$ 7,425,980</u>	<u>\$ 7,897,878</u>	<u>\$ 7,767,109</u>	<u>\$ 9,698,070</u>	<u>\$ 9,758,548</u>	<u>\$ 10,426,676</u>	<u>\$ 7,295,950</u>	<u>\$ 7,066,596</u>	<u>\$ 7,507,934</u>
All Other Governmental Funds										
Reserved	\$ 38,165,454	\$ 41,421,208	\$ 18,784,691	\$ 5,404,938	\$ 2,042,589	\$ 807,106	\$ 721,564	\$ 1,898,146		
Unreserved, reported in:										
Special revenue fund (deficit)	(15,966)	(7,869)	(7,869)	(7,869)	(7,869)	(8,803)	(4,304)	(3,780)		
Capital projects fund	19,477,390	648,798	85,052	343,143	15,966	85,542	169,635	169,635		
Debt service fund	1,982,716	1,448,868	1,206,716	1,227,671	1,133,778	873,307	405,593	283,237		
Restricted for										
Capital projects										\$ 200,596
Debt service									\$ 19,635	25,341
Committed for capital projects									1,600,000	1,280,000
Assigned to debt service									23,103	
Unassigned (deficit)									(795,647)	(684,849)
Total all other governmental funds	<u>\$ 59,609,594</u>	<u>\$ 43,511,005</u>	<u>\$ 20,068,590</u>	<u>\$ 6,967,883</u>	<u>\$ 3,184,464</u>	<u>\$ 1,671,610</u>	<u>\$ 1,208,395</u>	<u>\$ 2,347,238</u>	<u>\$ 847,091</u>	<u>\$ 821,088</u>

Source: CAFR Schedule B-1 and District records.

The change in the reserved fund balance is the result of capital project fund expenditures incurred for projects in which the funding was received in prior years through the issuance of bonds.

GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years. (See footnote 1 in the basic financial statements). Prior years have not been restated above, nor are they required to be.

Princeton Regional School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 45,649,763	\$ 47,324,606	\$ 50,258,435	\$ 54,574,526	\$ 59,789,424	\$ 60,026,665	\$ 61,848,925	\$ 62,277,242	\$ 64,704,733	\$ 66,671,625
Tuition charges	2,469,328	3,428,523	3,032,118	3,603,562	3,825,942	4,329,662	4,944,100	5,492,542	4,950,946	4,642,958
Interest earnings	1,139,573	475,993	848,891	955,035	1,172,111	814,904	214,959	81,803	70,475	44,400
Miscellaneous	497,729	442,896	563,699	986,988	997,650	592,739	679,372	507,081	538,619	554,556
Hazardous routes	213,304	141,602	147,121	19,728	138,727	279,871	215,600	172,300	187,332	202,716
State sources	8,359,992	24,288,419	8,248,044	8,601,620	10,329,294	12,269,230	10,573,058	9,169,826	11,335,038	10,400,680
Federal sources	1,006,052	1,082,361	1,294,181	1,040,621	1,317,856	1,261,362	1,490,221	1,630,041	2,367,845	1,860,977
Total revenue	59,335,741	77,184,400	64,392,489	69,782,080	77,571,004	79,574,433	79,966,235	79,330,835	84,154,988	84,377,912
Expenditures										
Instruction										
Regular and special educ instruct.	24,129,264	26,193,602	26,708,134	29,277,223	30,777,549	32,601,133	33,710,712	34,506,631	32,941,431	34,404,514
Support Services:										
Attendance and social work	112,545	120,180	134,517	196,926	195,748	311,539	323,670	117,575	127,704	177,467
Health services	398,536	392,221	403,083	450,603	486,603	426,225	471,229	503,048	524,191	552,359
Other support services	4,278,584	4,567,401	4,978,522	5,280,331	6,096,564	6,175,932	6,332,155	6,494,811	6,544,513	6,507,188
Improvement of instruction	215,543	237,025	235,839	125,357	160,535	212,014	138,717	332,708	192,278	221,213
Other support: instructional staff	741,128	790,386	794,777	889,770	817,088	862,776	1,018,108	1,014,832	978,245	996,506
School library	945,321	1,135,315	1,226,048	1,162,662	1,213,414	1,294,074	1,347,551	1,427,090	1,484,555	1,537,448
Instructional staff training										
General administration	653,236	696,677	706,228	767,540	753,314	2,359,170	776,991	796,259	817,958	878,921
School administration	1,717,504	1,748,467	1,829,864	1,804,440	1,848,605	1,797,684	1,853,401	2,029,841	2,231,347	2,164,828
Central services			914,304	942,638	978,436	949,763	942,273	973,292	981,059	994,459
Information technology				196,878	154,798	159,959	140,440	108,099	87,996	89,756
Required maintenance of plant	753,201	838,261	752,640	819,864	885,583	993,217	1,010,109	1,001,166	1,023,694	1,023,849
Operation of plant-custodial services	2,730,415	2,898,545	3,726,829	4,192,440	4,552,322	4,690,798	4,920,840	4,313,639	3,966,048	3,868,522
Care & upkeep of grounds								297,474	307,303	292,123
Security								168,108	86,866	101,040
Student transportation	1,936,137	2,296,356	2,657,458	2,759,224	3,261,413	3,086,135	2,962,643	3,181,649	2,725,417	2,680,585
Business and other support services and	6,085,402	5,848,500	6,580,071	7,291,267	7,387,757	8,394,017	9,011,117	9,887,260	10,916,955	11,616,704
On-behalf contributions	2,600,479	3,182,332	3,297,319	3,857,504	5,576,870	5,774,687	3,986,503	4,136,415	4,258,868	5,193,241
Capital outlay	5,988,959	32,902,683	24,719,929	15,298,443	6,412,898	2,563,223	1,068,549	1,191,363	6,933,693	1,673,936
Charter school	1,736,971	2,169,010	2,204,609	2,303,727	2,426,999	2,664,475	4,483,598	4,430,664	4,255,318	4,483,493
Debt service:										
Principal	2,160,000	2,790,000	2,880,000	2,975,000	3,070,000	3,175,000	3,275,000	2,665,000	2,945,000	3,070,000
Cost of issuance								251,677		
Interest and other charges	3,585,148	2,828,204	2,701,741	2,571,679	2,437,817	2,300,154	2,158,291	1,834,704	1,554,050	1,434,425
Total expenditures	60,768,373	91,635,165	87,451,912	83,163,516	79,494,313	80,791,975	79,931,897	81,663,305	85,884,489	83,962,577
Excess (Deficiency) of revenues over (under) expenditures	(1,432,632)	(14,450,765)	(23,059,423)	(13,381,436)	(1,923,309)	(1,217,542)	34,338	(2,332,470)	(1,729,501)	415,335
Other financing sources (uses)										
Capital leases (non-budgeted)	15,618	122,152	112,082	169,960	105,851	124,524	194,792	88,910		
Refunding bonds issued								40,165,000		
Premium on bonds issued								2,573,629		
Payment to refunding bond escrow agent								(42,486,952)		
Bond proceeds										
Transfers in	1,021,966	1,267,803	1,538,912	1,303,758	1,250,020	329,228	82,305	1,523,103	1,156,935	5,706
Transfers out	(1,021,966)	(1,333,303)	(1,562,088)	(1,323,758)	(1,285,020)	(688,586)	(106,522)	(1,523,103)	(1,156,935)	(5,706)
Total other financing sources (uses)	15,618	56,652	88,906	149,960	70,851	(234,834)	170,575	340,587	-	-
Net change in fund balances	\$ (1,417,014)	\$ (14,394,113)	\$ (22,970,517)	\$ (13,231,476)	\$ (1,852,458)	\$ (1,452,376)	\$ 204,913	\$ (1,991,883)	\$ (1,729,501)	\$ 415,335
Debt service as a percentage of noncapital expenditures	10.5%	9.6%	8.9%	8.2%	7.5%	7.0%	6.9%	5.6%	5.7%	5.5%

Source: CAFR Schedule B-2

Note: The increase in general administration in 2008 is the result of legal judgments related to the District's capital projects reported within the capital projects fund.

Princeton Regional School District
 General Fund Other Local Revenues by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Interest	Hazardous Routes	Tuition	Rentals	Refunds	In Leiu	Misc.	Total
2003	\$ 117,607	\$ 213,304	\$ 2,469,328	\$ 61,558	\$ 52,378		\$ 236,523	\$ 3,150,698
2004	76,022	141,602	3,428,523	65,616	61,240		79,186	3,852,189
2005	215,337	147,121	3,032,118	90,815	134,577		55,166	3,675,134
2006	371,277	19,728	3,603,562	130,096	87,296		128,204	4,340,163
2007	652,091	138,727	3,825,942	162,711	65,685	\$ 72,000	51,558	4,968,714
2008	491,618	279,871	4,329,662	186,518	24,077	72,000	69,180	5,452,926
2009	132,654	215,600	4,944,100	209,020	7,231	72,000	125,670	5,706,275
2010	58,700	172,300	5,492,542	198,205	12,796	72,000	76,858	6,083,401
2011	50,840	187,332	4,950,946	204,352	1,374	72,000	82,905	5,549,749
2012	38,694	202,716	4,642,958	213,871		72,000	78,593	5,248,832

Source: District records.

**Princeton Regional School District
Assessed Value and Actual Value of Taxable Property
Last Eight Fiscal Years**

Unaudited

Princeton Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$ 15,975,100	\$ 711,590,000			\$ 223,229,500		\$ 48,513,700	\$ 999,308,300	\$ 1,147,552,130	\$ 3,683,510	\$ 1,002,922,410	\$ 1.69	\$ 1,836,800,462
2006	16,162,400	717,330,500			216,670,300		49,077,500	999,240,700	1,151,261,730	3,415,807	1,002,656,507	1.73	1,967,346,972
2007	17,898,200	719,124,000			211,131,500		48,726,000	996,879,700	1,154,387,980	2,626,988	999,506,688	1.87	2,261,516,505
2008	16,469,000	727,901,400			210,978,700		48,591,500	1,003,940,600	1,189,161,080	2,777,713	1,006,718,313	1.96	2,491,167,742
2009	15,711,700	733,069,400			209,353,700		48,576,800	1,006,711,600	1,214,986,280	2,881,200	1,009,592,800	2.03	2,561,607,125
*2010	45,334,900	1,573,279,400			500,773,500		93,846,400	2,213,234,200	1,484,386,600	7,292,788	2,220,526,988	0.96	2,460,516,064
2011	67,253,400	1,563,366,485			470,529,350		89,345,600	2,190,494,835	1,484,377,500	6,154,379	2,196,649,214	1.00	2,392,675,953
2012	49,606,600	1,578,427,085			464,570,250		87,750,800	2,180,354,735	1,456,403,300	6,319,781	2,186,674,516	1.02	2,398,319,431

Princeton Township

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$ 43,360,400	\$ 2,045,750,800	\$ 18,926,200	\$ 345,110	\$ 185,088,400	\$ 6,137,500	\$ 78,150,100	\$ 2,377,758,510	\$ 584,214,800	\$ 1,996,595	\$ 2,379,755,105	\$ 1.54	\$ 4,041,625,363
2006	46,026,700	2,065,294,700	18,517,700	344,810	183,535,400	5,180,100	78,150,100	2,397,049,510	586,513,400	1,867,100	2,398,916,610	1.62	4,496,411,053
2007	45,771,300	2,086,333,500	17,752,700	345,410	175,647,000	5,180,100	78,435,100	2,409,465,110	590,058,200	1,583,871	2,411,048,981	1.71	4,839,194,544
2008	47,186,600	2,102,060,600	17,752,700	323,010	173,643,300	5,180,100	78,435,100	2,424,581,410	647,713,000	1,565,246	2,426,146,656	1.70	5,109,760,611
2009	47,143,000	2,112,050,500	19,419,900	324,710	174,077,500	5,180,100	78,435,100	2,436,630,810	624,935,800	1,992,461	2,438,623,271	1.70	5,069,976,717
*2010	100,798,000	4,082,790,700	40,316,100	327,010	337,151,700	8,981,700	132,211,900	4,702,577,110	839,956,300	6,460,326	4,709,037,436	0.90	4,932,945,673
2011	84,213,400	4,028,443,799	38,603,900	324,210	326,090,500	8,981,700	126,336,600	4,612,994,109	922,102,200	4,807,272	4,617,801,381	0.95	4,822,785,268
2012	77,443,600	3,987,678,899	55,138,500	344,710	326,944,100	8,981,700	124,970,700	4,581,502,209	923,957,200	4,760,781	4,586,262,990	0.98	4,802,229,790

Source: District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of ratables, County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Information in this detail was not available prior to the 2005 fiscal year and therefore ten years are not presented. Additional years will be added until ten years are presented.

*Year of revaluation

Princeton Regional School District
 Property Tax Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years
(rate per \$100 of assessed value)
 Unaudited

Princeton Borough

Fiscal Year Ended June 30,	Princeton Regional Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Princeton Borough	Mercer County	
2003	\$ 1.276	\$ 0.184	\$ 1.460	\$ 0.730	\$ 0.870	\$ 3.060
2004	1.399	0.151	1.550	0.850	0.950	3.350
2005	1.535	0.155	1.690	0.900	1.040	3.630
2006	1.572	0.158	1.730	0.950	1.010	3.690
2007	1.718	0.152	1.870	0.990	1.060	3.920
2008	1.803	0.016	1.819	1.040	1.162	4.021
2009	1.880	0.150	2.030	1.040	1.162	4.232
* 2010	0.891	0.065	0.956	0.478	0.592	2.026
2011	0.934	0.066	1.000	0.479	0.562	2.041
2012	0.955	0.068	1.023	0.480	0.602	2.105

Source: District Records and Municipal Tax Collector

Note:

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

* Change due to a revaluation by Princeton Borough.

Princeton Regional School District
 Property Tax Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years
(rate per \$100 of assessed value)
 Unaudited

Princeton Township

Fiscal Year Ended June 30,	Princeton Regional Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Princeton Township	Mercer County	
2003	\$ 1.189	\$ 0.171	\$ 1.360	\$ 0.590	\$ 0.840	\$ 2.790
2004	1.281	0.139	1.420	0.640	0.880	2.940
2005	1.399	0.141	1.540	0.700	0.960	3.200
2006	1.472	0.148	1.620	0.760	0.960	3.340
2007	1.571	0.139	1.710	0.830	0.940	3.480
2008	1.563	0.136	1.699	0.882	0.985	3.566
2009	1.578	0.126	1.704	0.882	0.985	3.571
* 2010	0.837	0.061	0.898	0.490	0.549	1.937
2011	0.884	0.063	0.947	0.490	0.528	1.965
2012	0.915	0.065	0.980	0.490	0.575	2.045

Source: District Records and Municipal Tax Collector

Note:

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

* Change due to a revaluation by Princeton Township.

Princeton Regional School District
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Princeton Borough

Taxpayer	2012		Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Princeton University	\$ 188,256,900	8.61%	Trustees of Princeton	\$ 81,811,100	8.11%
PSN Partners	33,800,000	1.55%	PSN Partners	24,500,000	2.43%
Palmer Sq Ltd. Properties	33,310,000	1.52%	Palmer Square Ltd.	23,693,000	2.35%
Nassau Inn	26,000,000	1.19%	Nassau Inn Ltd.	17,975,400	1.78%
Princeton International Prop.	13,964,000	0.64%	Princeton International	6,806,400	0.67%
188-194 LLC	11,709,900	0.54%	Fleet Bank	6,609,300	0.66%
20 Nassau St. Prof. Bldg. LLC	11,500,000	0.53%	Mary B. Vulgan	6,608,700	0.66%
Palmer Residences I LLC	11,245,000	0.51%	Princeton Theo Seminary	5,315,800	0.53%
Princeton Theological Seminary	9,840,900	0.45%	Princeton International	4,799,100	0.48%
Benson & Henderson Enterprs.	9,421,800	0.43%	LaPlaca, Leonard,Laurel	4,467,100	0.44%
Total	<u>\$ 349,048,500</u>	<u>15.96%</u>		<u>\$ 182,585,900</u>	<u>18.10%</u>
Net Assessed Value	\$ 2,186,674,516		Net Assessed Value	\$ 1,008,758,681	

Source: District 2003 CAFR & Municipal Tax Collector

Princeton Regional School District
 Principal Property Tax Payers
 Current Year and Ten Years Ago
 Unaudited

Princeton Township

Taxpayer	2012		Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Trustees Of Princeton University	\$ 206,432,500	4.50%	Princeton University	\$ 95,702,900	4.10%
Jasna Polana	34,780,900	0.76%	Jasna Polana Golf Club LLC	21,862,200	0.94%
Princeton Shopping Center	30,741,400	0.67%	Princeton Shoppong Center	17,694,800	0.76%
Church & Dwight Co.	14,612,400	0.32%	Thanet Road Assoc.	11,500,000	0.49%
Thanet Road Assoc. LLC	13,563,000	0.30%	Goldman Sachs Princeton LLC	8,473,700	0.36%
Goldman Sachs	12,344,900	0.27%	Princeton Theological Seminary	8,410,400	0.36%
Institute for Advance Study	12,058,300	0.26%	Health Horizons	8,306,600	0.36%
Princeton Prof PK LLC	11,261,700	0.25%	Church & Dwight	7,648,400	0.33%
Health Horizons	10,212,900	0.22%	Institute for Advanced Studies	7,368,500	0.32%
Quality Assisted Living/Acorn	10,166,000	0.22%	Princeton Professional Park	7,283,900	0.31%
Total	<u>\$ 356,174,000</u>	<u>7.77%</u>		<u>\$ 194,251,400</u>	<u>8.31%</u>
Net Assessed Value	\$ 4,586,262,990		Net Assessed Value	\$ 2,336,446,160	

Source: District 2003 CAFR & Municipal Tax Collector

Princeton Regional School District
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Princeton Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 14,495,275	\$ 14,495,275	100.00%	-
2004	14,826,441	14,826,441	100.00%	-
2005	16,025,729	16,025,729	100.00%	-
2006	17,130,438	17,130,438	100.00%	-
2007	18,235,763	18,235,763	100.00%	-
2008	19,181,064	19,181,064	100.00%	-
2009	20,272,488	20,272,488	100.00%	-
2010	20,739,845	20,739,845	100.00%	-
2011	21,729,255	21,729,255	100.00%	-
2012	22,212,510	22,212,510	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collectors. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Princeton Regional School District
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Princeton Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 31,154,488	\$ 31,154,488	100.00%	-
2004	32,498,165	32,498,165	100.00%	-
2005	34,232,803	34,232,803	100.00%	-
2006	37,444,088	37,444,088	100.00%	-
2007	41,553,661	41,553,661	100.00%	-
2008	40,845,601	40,845,601	100.00%	-
2009	41,576,437	41,576,437	100.00%	-
2010	41,537,397	41,537,397	100.00%	-
2011	42,975,478	42,975,478	100.00%	-
2012	44,459,115	44,459,115	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collectors. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Princeton Regional School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Governmental Activities		Total District	Borough Per Capita ^a	Percentage of Per	Township Per Capita ^a	Percentage of Per
	General Obligation Bonds	Capital Leases			Capita Income ^a		Capita Income ^a
Ended June 30,							
2003	\$ 63,839,000	\$ 10,412	\$ 63,849,412	\$ 27,292	0.04%	56,360	0.09%
2004	61,049,000	84,869	61,133,869	27,292	0.04%	56,360	0.09%
2005	58,169,000	114,250	58,283,250	30,255	0.05%	63,056	0.11%
2006	55,194,000	147,974	55,341,974	30,255	0.05%	63,056	0.11%
2007	52,124,000	125,461	52,249,461	30,255	0.06%	63,056	0.12%
2008	48,949,000	116,280	49,065,280	49,847	0.10%	63,056	0.13%
2009	45,610,000	168,746	45,778,746	52,255	0.11%	63,056	0.14%
2010	42,945,000	123,594	43,068,594	52,255	0.12%	63,056	0.15%
2011	40,000,000	29,859	40,029,859	52,255	0.13%	63,056	0.16%
2012	36,930,000	-	36,930,000	52,255	0.14%	63,056	0.17%

Note: Details regarding the District's outstanding debt can be found in the note 5 to the basic financial statements.

^a See J-14 for personal income and population data. These ratios are calculated using per capita income and population for the prior calendar year.

Princeton Regional School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Borough	Borough Per Capita ^b	Township	Township Per Capita ^b
	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property		Percentage of Actual Taxable Value ^a of Property	
2003	\$ 63,839,000	\$ 63,839,000	N/A	\$ 27,292	N/A	\$ 56,360
2004	61,049,000	61,049,000	N/A	27,292	N/A	56,360
2005	58,169,000	58,169,000	5.81%	30,255	2.44%	63,056
2006	55,194,000	55,194,000	5.50%	30,255	2.30%	63,056
2007	52,124,000	52,124,000	5.21%	49,847	2.16%	63,056
2008	48,949,000	48,949,000	4.86%	52,255	2.02%	63,056
2009	45,610,000	45,610,000	4.52%	52,255	1.87%	63,056
2010	42,945,000	42,945,000	1.93%	55,170	0.91%	63,056
2011	40,000,000	40,000,000	1.82%	52,255	0.87%	63,056
2012	36,930,000	36,930,000	1.54%	52,496	0.77%	63,056

Note: Details regarding the District's outstanding debt can be found in note 5 to the basic financial statements.

a See J-6 for property tax data.

b Population data can be found in J-14.

N/A Information was not available.

Princeton Regional School District
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2012
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Princeton Borough	\$ 27,516,376	5.363%	\$ 1,475,786
Princeton Township	54,438,320	10.611%	5,776,341
Other debt			
M.C.I.A. Borough	5,247,819	5.363%	281,456
M.C.I.A. Township	10,382,270	10.729%	1,113,914
Subtotal overlapping debt			8,647,497
Princeton Regional School District Direct Debt			<u>36,930,000</u>
Total direct and overlapping debt			<u><u>\$ 45,577,497</u></u>

Sources: Mercer County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Princeton Borough and Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Princeton Regional School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis	
2012	7,200,549,221
2011	\$ 7,215,461,221
2010	7,393,461,737
	<u>\$ 21,809,472,179</u>

Average equalized valuation of taxable property	<u>\$ 7,269,824,060</u>
Debt limit (4 % of average equalization value)	\$ 290,792,962
Net bonded school debt	<u>36,930,000</u>
Legal debt margin	<u>\$ 253,862,962</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 169,849,974	\$ 191,222,632	\$ 212,841,082	\$ 234,724,478	\$ 259,238,599	\$ 282,205,299	\$ 298,187,870	\$ 305,827,879	\$ 301,471,638	\$ 290,792,962
Total net debt applicable to limit	<u>63,839,000</u>	<u>61,049,000</u>	<u>58,169,000</u>	<u>55,194,000</u>	<u>52,124,000</u>	<u>48,949,000</u>	<u>45,674,000</u>	<u>42,945,000</u>	<u>40,000,000</u>	<u>36,930,000</u>
Legal debt margin	<u>\$ 106,010,974</u>	<u>\$ 130,173,632</u>	<u>\$ 154,672,082</u>	<u>\$ 179,530,478</u>	<u>\$ 207,114,599</u>	<u>\$ 233,256,299</u>	<u>\$ 252,513,870</u>	<u>\$ 262,882,879</u>	<u>\$ 261,471,638</u>	<u>\$ 253,862,962</u>
Total net debt applicable to the limit as a percentage of debt limit	37.59%	31.93%	27.33%	23.51%	20.11%	17.35%	15.32%	14.04%	13.27%	12.70%

Source: Abstract of Ratables, Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation and District Records.

Princeton Regional School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

PRINCETON BOROUGH

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income	Unemployment Rate ^d
2002	13,545	N/A	\$ 27,292	2.1%
2003	13,545	N/A	27,292	3.1%
2004	13,557	N/A	27,292	2.6%
2005	13,495	\$ 76,455	30,255	2.9%
2006	13,684	76,455	30,255	3.6%
2007	13,517	76,455	49,847	4.4%
2008	13,558	76,455	52,255	4.8%
2009	13,381	76,455	52,255	8.3%
2010	12,314	76,455	52,255	8.3%
2011	12,131	76,455	52,496	8.1%

Source:

^a Population information provided by the NJ Dept of Education.

^b Personal income was not available, only county average.

^d Unemployment data provided by the NJ Dept of Education for recent years

N/A - Information was not available.

Princeton Regional School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

PRINCETON TOWNSHIP

Year	Population ^a	Income (thousands of dollars) ^b	Per Capita Personal Income	Unemployment Rate ^d
2002	17,141	N/A	\$ 56,360	2.3%
2003	17,183	N/A	56,360	3.5%
2004	17,321	N/A	56,360	2.9%
2005	17,233	\$ 108,984	63,056	0.6%
2006	17,353	108,984	63,056	2.1%
2007	17,490	108,984	63,056	0.9%
2008	16,672	108,984	63,056	1.0%
2009	17,404	108,984	63,056	1.8%
2010	16,284	108,984	63,056	1.8%
2011	16,304	108,984	63,056	1.8%

Source:

^a Population information provided by the NJ Dept of Education.

^b Personal income was not available only county average.

^d Unemployment data provided by the NJ Dept. of Education.

N/A - Information was not available.

Princeton Regional School District
Principal Employers
Current Year and Nine Years Ago
Unaudited

Princeton Borough/Township

Employer	2012			2003		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Princeton University	5,750	1	52.40%	N/A	N/A	0.00%
University Medical Center at Princeton	2,485	2	22.64%	N/A	N/A	0.00%
Princeton Regional Schools	735	3	6.70%	N/A	N/A	0.00%
Church & Dwight Co.	598	4	5.45%	N/A	N/A	0.00%
Princeton Plasma Physics Lab	433	5	3.95%	N/A	N/A	0.00%
Princeton Theological Seminary	278	6	2.53%	N/A	N/A	0.00%
Princeton Packet	195	7	1.78%	N/A	N/A	0.00%
Westminster Choir college - Rider	200	8	1.82%	N/A	N/A	0.00%
Westminster Conservatory	160	9	1.46%	N/A	N/A	0.00%
Princeton Township	140	10	1.28%	N/A	N/A	0.00%
	<u>10,974</u>		<u>100.00%</u>	<u>N/A</u>		<u>0.00%</u>

N/A Information from 2003 was not available.

Source: Mercer County Business Guide - latest information available.

Princeton Regional School District
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>
Instruction										
Regular	238	234	247	249	310	314	323	323	270	281
Special education	71	87	89	92	36	38	40	41	45	43
Other special education	17	17	17	17	44	35	37	52	70	54
Other instruction	44	47	56	62	38	54	55	56	56	74
Support Services:										
Student & instruction related services	19	24	16	23	23	26	28	28	43	42
General administrative services	4	4	4	5	5	5	5	5	5	5
School administrative services	30	31	32	32	32	30	31	40	44	44
Business administrative services	12	12	18	13	13	13	13	13	12	13
Plant operations and maintenance	44	45	48	46	45	52	55	60	60	60
Pupil transportation	11	11	11	11	17	15	16	25	25	26
Total	<u>490</u>	<u>512</u>	<u>538</u>	<u>550</u>	<u>563</u>	<u>582</u>	<u>603</u>	<u>643</u>	<u>630</u>	<u>642</u>

Source: District Personnel Records

*HR Department sorted staff by designation starting in 2011 FY

Princeton Regional School District
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Pupil/Teacher Ratio

At June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	<u>Pupil/Teacher Ratio</u>			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2003	3,273	\$ 49,034,266	\$ 14,981	12.17%	324	1:14	1:12	1:12	3,272	3,134	0.52%	95.80%
2004	3,250	53,114,278	16,343	9.09%	324	1:14	1:12	1:12	3,251	3,131	-0.64%	96.30%
2005	3,293	57,150,242	17,355	6.19%	336	1:17	1:22	1:19	3,300	3,173	1.51%	96.20%
2006	3,325	62,318,394	18,742	7.99%	341	1:17	1:22	1:19	3,325	3,205	0.76%	96.40%
2007	3,355	67,573,598	20,141	7.46%	346	1:10	1:11	1:12	3,357	3,242	0.96%	96.60%
2008	3,366	72,753,598	21,614	7.31%	352	1:09	1:10	1:12	3,343	3,228	-0.42%	96.60%
2009	3,366	73,430,057	21,815	0.93%	363	1:10	1:10	1:12	3,372	3,247	0.87%	95.87%
2010	3,340	75,720,561	22,671	3.92%	354	1:08	1:10	1:12	3,340	3,219	-0.95%	95.46%
2011	3,381	74,451,746	22,021	-2.87%	324	1:10	1:09	1:12	3,381	3,224	1.23%	95.36%
2012	3,378	77,784,216	23,027	4.57%	324	1:9	1:10	1:12	3,378	3,225	-0.09%	95.49%

Sources: District records, Schedules J-16, J-18

Note: 'Enrollment' based June 30, 2012 SRS report.

- a Operating expenditures equal total expenditures less debt service and capital outlay; (J-4)
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Princeton Regional School District
School Building Information
Last Ten Fiscal Years
Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building										
Elementary										
Community Park School (1962)										
Square Feet	48,240	48,240	48,240	59,097	59,097	59,097	59,097	59,097	59,097	59,097
Capacity (students)	339	339	339	446	446	446	446	446	446	446
Enrollment	365	335	399	380	373	341	327	334	318	301
Johnson Park School (1959)										
Square Feet	55,363	55,363	55,363	62,455	62,455	62,455	62,455	62,455	62,455	62,455
Capacity (students)	372	372	372	393	393	393	393	393	393	393
Enrollment	371	345	355	339	355	366	360	381	375	357
Littlebrook School (1957)										
Square Feet	43,320	43,320	43,320	54,629	54,629	54,629	54,629	54,629	54,629	54,629
Capacity (students)	299	299	299	416	416	416	416	416	416	416
Enrollment	339	333	360	353	350	364	310	305	347	339
Riverside School (1959)										
Square Feet	46,792	46,792	46,792	60,094	60,094	60,094	60,094	60,094	60,094	60,094
Capacity (students)	320	320	320	409	409	409	409	409	409	409
Enrollment	312	315	294	329	342	343	312	298	278	254
Middle School										
John Witherspoon (1965)										
Square Feet	94,248	94,248	94,248	148,531	148,531	148,531	148,531	148,531	148,531	148,531
Capacity (students)	536	536	536	860	860	860	860	860	860	860
Enrollment	695	681	651	660	631	615	671	642	659	715
High School										
Princeton High School (1927)										
Square Feet	198,210	198,210	198,210	198,210	232,159	232,159	232,159	232,159	232,159	232,159
Capacity (students)	583	583	583	583	1,221	1,221	1,221	1,221	1,221	1,221
Enrollment	1,190	1,242	1,241	1,264	1,307	1,314	1,386	1,380	1,404	1,412
Other										
Administration Building (Occupied space)										
Square Feet	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850
Number of Schools at June 30, 2012:										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District records, SRS as of June 30, State's Final Determination Letter

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual end of year SRS count (ADE).

Princeton Regional School District
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
High School	\$ 461,625	\$ 412,842	\$ 267,989	\$ 349,051	\$ 355,843	\$ 361,494	\$ 308,932	\$ 268,951	\$ 341,662	\$ 301,354
John Witherspoon Middle	100,764	150,553	153,075	210,637	193,669	178,191	180,515	177,184	162,533	147,886
Community Park Elementary	145,063	147,188	134,807	104,938	103,999	82,264	76,546	78,703	83,191	75,694
Johnson Park Elementary	113,389	113,400	148,569	112,412	114,676	95,710	98,876	95,254	95,475	86,871
Littlebrook Elementary	104,308	100,938	138,221	121,882	103,607	72,452	65,358	39,933	74,706	67,974
Riverside Elementary	98,700	98,773	158,505	111,189	121,423	95,472	89,637	92,615	80,694	73,422
Grand Total	<u>\$ 1,023,849</u>	<u>\$ 1,023,694</u>	<u>\$ 1,001,166</u>	<u>\$ 1,010,109</u>	<u>\$ 993,217</u>	<u>\$ 885,583</u>	<u>\$ 819,864</u>	<u>\$ 752,640</u>	<u>\$ 838,261</u>	<u>\$ 753,201</u>

Source: District records of required maintenance.

Princeton Regional School District
Insurance Schedule
Year ended June 30, 2012
Unaudited

Type of Coverage	Coverage	Deductible
Burlington County Insurance Pool Joint Insurance Fund BCIPJIF		
Section I - Property:		
Blanket building and contents	\$ 150,000,000	\$ 500
Extra expense		500
Flood/Earthquake	75,000,000	500
Valuable papers		500
Computer equipment:		500
Hardware		500
Software		500
Musical instruments		500
Demolition/Incr. Cost of Construction		500
Energy systems-boiler and machinery	100,000,000	1,000
Section II - General Liability:		
Bodily Injury & Property Damage	10,000,000	None
Section III - Automobile Liability:		
Bodily Injury & Property Damage	10,000,000	None
Section IV - School Board Legal Liability Policy:		
Aggregate limit of liability	10,000,000	10,000
Section V - Crime:		
Blanket employee dishonesty	500,000	500
Money & Securities	500,000	500
Faithful Performance	500,000	500
Depositors Forgery	500,000	500
Workers Compensation:		
Section A	Statutory	
Section B-Employers Liability Limit	10,000,000	

Source: District Records

Princeton Regional School District
Insurance Schedule
Year ended June 30, 2012
Unaudited

Type of Coverage	Coverage	Deductible
Automobile:		
Physical Damage	Comprehensive	\$ 500
	Collision	500
Environmental Impairment Liability:		
Aggregate limit of liability	3,000,000	25,000
Fidelity Bonds:		
Selective Insurance Company		
Treasurer of School Monies	375,000	
Business Administrator/ Board Secretary	375,000	
Comptroller/ Asst. Board Secretary	375,000	

Source: District Records

Single Audit Section



Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed in
Accordance with *Government Auditing Standards*

Honorable President and Members
of the Board of Education
Princeton Regional School District
Princeton, New Jersey
County of Mercer

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Princeton Regional School District, in the County of Mercer, State of New Jersey ("District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

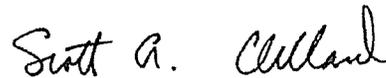
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the District's management and Board, others within the entity, the New Jersey Department of Education, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

October 16, 2012
Iselin, New Jersey

Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on
Each Major Program and on
Internal Control Over Compliance in Accordance with
OMB Circular A-133 and New Jersey OMB Circular 04-04

Honorable President and Members
of the Board of Education
Princeton Regional School District
Princeton, New Jersey
County of Mercer

Compliance

We have audited the compliance of the Board of Education of the Princeton Regional School District, County of Mercer, State of New Jersey ("District") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey OMB Compliance Supplement*, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the District's management and Board, others within the entity, the New Jersey Department of Education, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Scott A. Clelland

Scott A. Clelland
Licensed Public School Accountant
No. 1049

Wiss & Company

WISS & COMPANY, LLP

October 16, 2012
Iselin, New Jersey

Princeton Regional School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Repayment		Balance June 30, 2012		
								of Prior Years' Balances	Adjustments	Deferred Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Health and Human Services - Passed - Through State Department of Education												
General Funds:												
Medical Assistance Program (SEMI)	93.778	7/1/11-6/30/12	\$ 18,411			\$ 16,975	\$ (18,411)				\$ (1,436)	
Medical Assistance Program (SEMI)	93.778	7/1/10-6/30/11	23,298	\$ (11,999)		11,999						
Total U.S. Department of Health and Human Services - Passed - Through State Department of Education				<u>(11,999)</u>		<u>28,974</u>	<u>(18,411)</u>				<u>(1,436)</u>	
U.S. Department of Education-Passed-Through State Department of Education												
General Funds:												
Education Job Funds	84.410	7/1/11-6/30/12	186,252			186,252	(186,252)					
Total U.S. Department of Education-Passed-Through State Department of Education						<u>186,252</u>	<u>(186,252)</u>					
Total General Funds				<u>(11,999)</u>		<u>215,226</u>	<u>(204,663)</u>				<u>(1,436)</u>	
U.S. Department of Education-Passed-Through State Department of Education												
Special Revenue Fund:												
Title I, Part A	84.010A	9/1/11-8/31/12	324,230			126,554	(177,616)				(51,062)	
Title I, Part A	84.010A	9/1/10-8/31/11	238,848	(72,978)		111,198	(46,934)				(8,714)	
Title I, Part A	84.010A	9/1/09-8/31/11	234,480	(14,288)		14,288						
Title I, Part A	84.010A	9/1/08-8/31/10	138,660	(998)		998						
ARRA - Title I	84.389	9/1/09-8/31/11	173,994	(15,840)		22,800	(40,754)				(33,794)	
Title II A	84.367	9/1/11-8/31/12	102,339			49,542	(75,486)				(25,944)	
Title II A	84.367	9/1/10-8/31/11	111,709	(28,012)		28,012	(488)				(488)	
Title II A	84.367	9/1/09-8/31/11	113,129	(2,718)		2,718						
Title II A	84.367	9/1/08-8/31/10	108,882	(5,357)		5,357						
Title II D	84.318	9/1/09-8/31/11	2,135				(196)				(196)	
Title III	84.365	9/1/11-8/31/12	32,509			6,911	(25,933)				(19,022)	
Title III	84.365	9/1/10-8/31/11	31,589	(11,058)		11,058	(452)				(452)	
Title III	84.365	9/1/08-8/31/10	32,854	(894)		894						
Title III, Supplemental Immigrant Student Aid	84.365	9/1/10-8/31/11	69,419	(159)		159						
Title III, Supplemental Immigrant Student Aid	84.365	9/1/11 - 8/31/12	50,097				(1,406)				(1,406)	
LD.E.L.A. Part B, Regular	84.027A	9/1/11-8/31/12	1,112,794			836,426	(1,108,695)				(272,269)	
LD.E.L.A. Part B, Regular	84.027A	9/1/10-8/31/11	971,338	(870,912)		916,567	(46,091)	\$ 436				
LD.E.L.A. Part B, Preschool	84.173A	9/1/11-8/31/12	34,208			29,835	(31,916)				(2,081)	
LD.E.L.A. Part B, Preschool	84.173A	9/1/10-8/31/11	30,271	(16,418)		27,206	(10,788)					
ARRA - LD.E.L.A. Part B, Regular	84.391	9/1/09-8/31/11	1,208,417	(200,730)		289,718	(88,988)					
ARRA - LD.E.L.A. Preschool	84.392	9/1/09-8/31/11	43,705	(1,674)		5,744	(4,070)					
Title IV	84.186A	9/1/09-8/31/11	9,268	(2,200)		2,200						
Total Special Revenue Fund				<u>(1,244,236)</u>		<u>2,488,185</u>	<u>(1,659,813)</u>		<u>436</u>		<u>(415,428)</u>	
U.S. Department of Agriculture-Passed-Through State Department of Education												
Enterprise Fund:												
Food Donation Program (NC)	10.555	7/1/11-6/30/12	51,306			51,306	(46,824)			\$ 4,482		
Food Donation Program (NC)	10.555	7/1/10-6/30/12	19,147	2,011			(2,011)					
National School Breakfast Program	10.553	7/1/11-6/30/12	14,435			13,347	(14,435)				(1,088)	
National School Breakfast Program	10.553	7/1/10-6/30/11	7,867	(1,680)		1,680						
National School Lunch Program	10.555	7/1/11-6/30/12	186,180			174,151	(186,180)				(12,029)	
National School Lunch Program	10.555	7/1/10-6/30/11	182,778	(36,116)		36,116						
Total Enterprise Fund and Total U.S. Department of Agriculture-Passed-Through State Department of Education				<u>(35,785)</u>		<u>276,600</u>	<u>(249,450)</u>			<u>4,482</u>	<u>(13,117)</u>	
Total Federal Awards				<u>\$ (1,292,020)</u>	<u>\$ -</u>	<u>\$ 2,980,011</u>	<u>\$ (2,113,926)</u>	<u>\$ -</u>	<u>\$ 436</u>	<u>\$ 4,482</u>	<u>\$ (429,981)</u>	<u>\$ -</u>
NC-non cash expenditures												

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Princeton Regional School District

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2012			Memo	
				Def'd Rev. (Accts Rec)	Due to Grantor						Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education															
General Fund:															
Transportation Aid	495-034-5120-014	7/1/11-6/30/12	\$ 842,351				\$ 770,430	\$ (842,351)						\$ (71,921)	\$ (842,351)
Special Education Categorical Aid	495-034-5120-089	7/1/11-6/30/12	1,957,703				1,790,552	(1,957,703)						(167,151)	(1,957,703)
Special Education Categorical Aid	495-034-5120-089	7/1/10-6/30/11	1,746,680	\$ (93,452)			93,452								
Security Aid	495-034-5120-084	7/1/11-6/30/12	294,936				269,754	(294,936)						(25,182)	(294,936)
Adjustment Aid	495-034-5120-085	7/1/11-6/30/12	134,508				123,024	(134,508)						(11,484)	(134,508)
Extraordinary Aid	495-034-5120-044	7/1/11-6/30/12	765,803					(765,803)			\$ (765,803)				(765,803)
Extraordinary Aid	495-034-5120-044	7/1/10-6/30/11	733,862	(733,862)			733,862								
Additional NP Transportation Aid	Not available	7/1/11-6/30/12	26,800					(26,800)				(26,800)			(26,800)
Additional NP Transportation Aid	Not available	7/1/10-6/30/11	23,646	(23,646)			23,646								
Anti-Bullying Bill of Rights Act	Not available	7/1/11-6/30/12	8,714				8,714	(8,714)							(8,714)
Reimbursed TPAF - Social Security	495-034-5095-002	7/1/11-6/30/12	2,258,172				2,145,977	(2,258,172)				(112,195)			(2,258,172)
Reimbursed TPAF - Social Security	495-034-5095-002	7/1/10-6/30/11	2,212,913	(109,810)			109,810								
Total General Fund				(960,770)			6,069,221	(6,288,987)				(904,798)		(275,738)	(6,288,987)
Special Revenue Fund:															
Preschool Education Aid	495-034-5120-086	7/1/11-6/30/12	49,500				44,550	(49,500)						(4,950)	(49,500)
Preschool Education Aid	495-034-5120-086	7/1/10-6/30/11	49,500	(4,469)			4,469								
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	7/1/11-6/30/12	136,669				136,669	(129,720)				\$ 6,949			(129,720)
Textbook Aid	100-034-5120-064	7/1/10-6/30/11	155,628	\$ 12,357					\$ (12,357)						
Non Public Auxiliary Services (Ch. 192):															
English as a Second Language	100-034-5120-067	7/1/11-6/30/12	3,448				3,448							3,448	
English as a Second Language		7/1/10-6/30/11	3,415		2,561				(2,561)						
Home Instruction		7/1/11-6/30/12	1,640					(1,640)				(1,640)			(1,640)
Compensatory Education		7/1/11-6/30/12	49,367				49,367	(47,590)						1,777	(47,590)
Compensatory Education		7/1/10-6/30/11	52,246		2,929				(2,929)						
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction	100-034-5120-066	7/1/11-6/30/12	24,553				24,553	(12,066)						12,487	(12,066)
Supplemental Instruction		7/1/10-6/30/11	29,183		12,716				(12,716)						
Examination and Classification		7/1/11-6/30/12	69,870				69,870	(53,279)						16,591	(53,279)
Examination and Classification		7/1/10-6/30/11	64,411		3,191				(3,191)						
Corrective Speech		7/1/11-6/30/12	82,934				82,934	(56,873)						26,061	(56,873)
Corrective Speech		7/1/10-6/30/11	91,531		27,069				(27,069)						
Non Public Nursing Services	100-034-5120-070	7/1/11-6/30/12	195,216				195,216	(195,216)							(195,216)
Total Special Revenue Fund				(4,469)	60,823		611,076	(545,884)	(60,823)			(1,640)	67,313	(4,950)	(545,884)
New Jersey School Development Authority															
Capital Projects Fund:															
School Development Authority Grant	4255-050-04-1000	7/1/01-completion	24,879,610	1,683,608				(814,839)				\$ 868,769			(23,772,319)
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3360-023	7/1/11-6/30/12	7,424				6,954	(7,424)					(470)		(7,424)
State School Lunch Program (State share)	100-010-3360-023	7/1/10-6/30/11	7,703	(1,926)			1,926								
Total Enterprise Fund				(1,926)			8,880	(7,424)				(470)			(7,424)
Total State Financial Assistance				\$ 716,443	\$ 60,823	\$ -	\$ 6,689,177	\$ (7,657,134)	\$ (60,823)	\$ -	\$ 868,769	\$ (906,908)	\$ 67,313	\$ (280,688)	\$ (30,614,614)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Princeton Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2012

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal award and state financial assistance programs of the District. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules and statements (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP

Princeton Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2012

3. Relationship to Basic Financial Statements (continued)

purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$182,286 for the general fund and \$3,355 for the special revenue fund. See Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to GAAP of accounting for the general and special revenue funds. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 204,663	\$ 9,041,770	\$ 9,246,433
Special Revenue Fund	1,656,314	544,071	2,200,385
Capital Projects Fund		814,839	814,839
Food Service Fund	249,450	7,424	256,874
Total financial award revenues	<u>\$ 2,110,427</u>	<u>\$ 10,408,104</u>	<u>\$ 12,518,531</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Princeton Regional School District

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2012

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value of USDA commodities received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2012.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2012 amounted to \$2,935,069. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB's Circular 04-04 and are not reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Adjustments

The adjustment presented on the schedule of expenditures of federal awards represents a cancellation of a prior year encumbrance.

Princeton Regional School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2012

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of auditor's report issued on compliance for major programs:	Unqualified
Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
84.027A	IDEIA, Part B, Regular Cluster
84.173A	IDEIA, Preschool Cluster
84.391	ARRA IDEIA, Part B, Regular Cluster
84.392	ARRA IDEIA, Preschool Cluster

Princeton Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2012

Part I - Summary of Auditor's Results (continued)

State Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

✓ Yes No

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

Unqualified

Internal control over major programs:

Material weakness(es) identified?

 Yes ✓ No

Significant deficiency (ies) identified?

 Yes ✓ None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?

 Yes ✓ No

Identification of major programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Ad
495-034-5120-044	Extraordinary Aid
495-034-5120-014	Transportation Aid

Princeton Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2012

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Princeton Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2012

**Part III - Schedule of Federal Award and State Financial Assistance
Findings and Questioned Costs**

No compliance or internal control findings noted that are required to be reported in accordance with OMB Circular A-133 and New Jersey State OMB Circular 04-04.

Princeton Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2012

None.