

PRINCETON PUBLIC SCHOOLS
Princeton, New Jersey

Princeton Public Schools



Live to Learn, Learn to Live

Comprehensive Annual Financial Report for the
Year ended June 30, 2020

Princeton Public Schools

Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

Princeton Public Schools
Princeton, New Jersey

Prepared by Princeton Public Schools
Business Office
Matthew Bouldin
Business Administrator, Board Secretary

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Introductory Section

**Princeton
Public Schools**



Live to Learn, Learn to Live

Matt Bouldin, Business Administrator/Board Secretary
25 Valley Road, Princeton, New Jersey 08540 t 609-806-4204 f 609-806-4225

January 12, 2021

Honorable President and Members
of the Princeton Board of Education
Princeton Public Schools
County of Mercer
Princeton, New Jersey

Dear Board Members and Constituents:

The Comprehensive Annual Financial Report (“CAFR”) of the Princeton Public Schools (hereinafter, the “District”) as of and for the year ended June 30, 2020, 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, 2020 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 supplementary information, as well as the auditors’ report thereon. 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, the Uniform Guidance and the New Jersey OMB Circular 15-08, “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 Public Schools 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 disabled students. The District sends its vocational students to county vocational schools, which are more suited to provide that form of educational program. The District completed the 2019-2020 fiscal year with an average daily enrollment of 3,841 students, which is 100 or 2.67% more students more 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 seven years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	% Change
2019-20	3,841	2.67%
2018-19	3,741	-0.27%
2017-18	3,751	0.73%
2016-17	3,724	4.81%
2015-16	3,553	-0.28%
2014-15	3,563	4.12%
2013-14	3,422	0.20%

2. Economic Condition and Outlook

The economy in the Princeton community and local region is stable and home property values are on the rise. Undeveloped land in Princeton is primarily owned by University of Princeton and a few other entities. Avalon Bay Apartment complex, located on Witherspoon Street is complete. The property known as Merwick-Stanworth, Bayard Street has been completed. Residents continue to move in to these housing complexes. The District continues to welcome students from these neighborhoods into the six schools. The administration is concerned about enrollment growth. Enrollment was expected to increase again for September 2020, however Covid-19 has had some effects, with a lot of move-in's but also a lot of students enrolling in private schools. Additionally, the Municipality released the new housing requirements to include affordable housing units, as directed by the courts. Proposed new housing will cause an additional increase in enrollment over the next ten years and into the future. The recent demographic report identifies a growth in enrollment at the high school in the next few years while the middle school will experience overcrowding in the next two years.

The Princeton Charter School ("PCS") opened its doors in 1997 with an initial enrollment of 72 students. Enrollment history of the last ten years and a projection for next year is noted:

<u>Fiscal</u> <u>Year</u>	<u>Enrollment</u>
2011-12	343
2012-13	342
2013-14	341
2014-15	346
2015-16	348
2016-17	348
2017-18	402
2018-19	414
2019-20	416
2020-21	418

The Charter School offers education to Princeton residents in grades kindergarten through eighth with most students enrolling at Princeton High School in ninth grade. Princeton Charter School Board received approval from the Commissioner of Education to expand the charter enrollment limit to 424 by 2018-19. The Board of Education petitioned the Commissioner not to approve the expansion. PCS's application ultimately was approved. The Charter School planned to enroll 8 additional students in September 2019 to meet the maximum of 424 students. The students attending the charter school may reduce enrollment at some Princeton Public Schools but not in a manner that allows for an accompanying reduction in Princeton Public Schools' operating expenses. The expansion will divert over \$1 million funding from the District's general budget to the tuition expense for PCS. The additional expense has impacted the District's budgeting efforts and will continue to do so as the District deals with rising enrollment.

The school district is located in the County of Mercer, New Jersey with a population of 374,733 (2017) while the Municipality of Princeton itself has a resident population of 31,822. The Board of Education of Princeton has the legal level of budgetary control.

All Board policies that address financial matters are fully in line with New Jersey Statute 18A:18A, public school district matters.

The district is comprised of six schools. There is one high school originally built in 1927 and since has had multiple additions with the most recent completed in 2005. There is one middle school currently serving grades six through eight built in 1965 and four neighborhood elementary schools. Two elementary schools were built in 1959 while one was built in 1957 and the newest school was built in 1962.

3. Major Initiatives

Facilities Improvement Plan

All school buildings are in relatively good condition in terms of general maintenance. In December of 2018, the community voted in favor of the District's \$26,928,000 referendum. The referendum includes HVAC/Security upgrades at all schools, as well as a small addition at the high school to address anticipated enrollment growth and programs. It also converts a space at the middle school into three additional classrooms. The plans to address needs of the entire District as well as the community are in review by the DOE. Representatives of the Board and Municipality are working together to determine solutions to enrollment growth and other community needs, having recently

approved a planning consultant who will work with the District and all stakeholders to develop a long range plan for growth.

The District had trailers installed at the high school where teachers' offices and collaboration spaces are housed. These trailers enabled the school to gain back needed classroom space. This project did not require the collection of additional taxes as it was funded through capital reserve funds. The project was approved by the Department of Education and was included in the District's Long Range Facility Plan.

Personnel Management

The Office of Human Resources uses an established protocol to ensure that all candidates are properly credentialed and certified under New Jersey law. To find the best possible candidates, District staff participated in many job fairs in the mid-Atlantic and south-Atlantic regions and performed extension outreach efforts nationally. The Human Resource Administrator made a concerted effort to recruit people of color to match the diverse student population. Recruitment of this type will continue through job fairs and college visitations. Additionally, a software program *Applitrack* is used to successfully manage job applications. Human Resources manuals 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 support new hires to the teaching profession in the District's seven-year mentoring and induction program. 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. Personnel policies and specified job descriptions were reviewed and revised as necessary in collaboration with the Board's Personnel Committee. The Office of Human Resources continues to revise the faculty and administrator evaluation process to meet the changing State requirements as well as developing innovative methods for enhancing classroom instruction with State approval.

Educational Program

The District's rigorous academic program prepares students for college and career choices, enabling them to compete with high school graduates. Technology and college/career readiness are embedded throughout the curriculum. The general education program includes language arts, mathematics, science, social studies, visual 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 visual 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, full day pre-kindergarten as well as a full day kindergarten is offered. There is an enhanced performing arts 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 elementary grades; 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 as well as Spanish and French. A Spanish-English dual language immersion program ran for a third year at Community Park Elementary School during 2018-2020. The school now has DLI classes in Preschool through grade five. All of our elementary schools are fully equipped with science labs, computer labs

and/or mobile laptop carts, and school libraries. Eligible high school students may take courses at Princeton University. All high school students may choose from a wide range of rigorous courses and electives.

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 students of color as well as 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 all children to reach their greatest potential.

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 and the State.

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 legal level of budgetary control is established at the line item accounts within each fund. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the 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 the District's 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 assigned - 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. 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, the related Uniform Guidance and New Jersey OMB Circular 15-08. 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, 2019, and was again granted the award for the *23rd consecutive* year. In order to earn this award, the District published an easily readable and efficiently organized comprehensive annual financial report and satisfied both generally accepted accounting principles and applicable legal requirements.

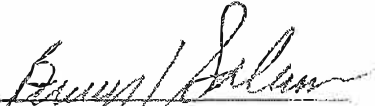
We believe that our current comprehensive annual financial report continues to meet the Program's rigorous requirements.

8. COVID-19 Pandemic

Princeton Public Schools began a program to prevent the transmission of the coronavirus in March 2020, beginning with cautionary signage and enhanced cleaning of buildings as well as more frequent cleaning of surfaces. As the pandemic continued, the District took a variety of safety precautions, including implementing remote learning, providing PPE to staff, enforcing physical distancing in the buildings, improving ventilation and HVAC systems, and sharing information with employees and students about safety protocols. The District has changed protocols for classrooms, buses, cafeterias, and shared spaces. Improvements to the ventilation and HVAC systems have included upgrades to MERV-13 filters wherever possible and the installation of Needlepoint Bipolar Ionization technology in schools to improve air filtration. The District has also implemented more frequent cleaning and deployed more people to do cleaning. In addition, the District has provided hand sanitizer, and distributed a range of PPE to staff including cloth masks, surgical masks, N95 masks, face shields, and lab coats as needed. Masks are required in all buildings. Students and staff are screened before entering buildings and non-touch temperature taking has been instituted as well as daily health screening form. The District anticipates continued vigilance will be necessary and will examine any new options or protocols that become available to keep students and staff as safe as possible.

9. 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.

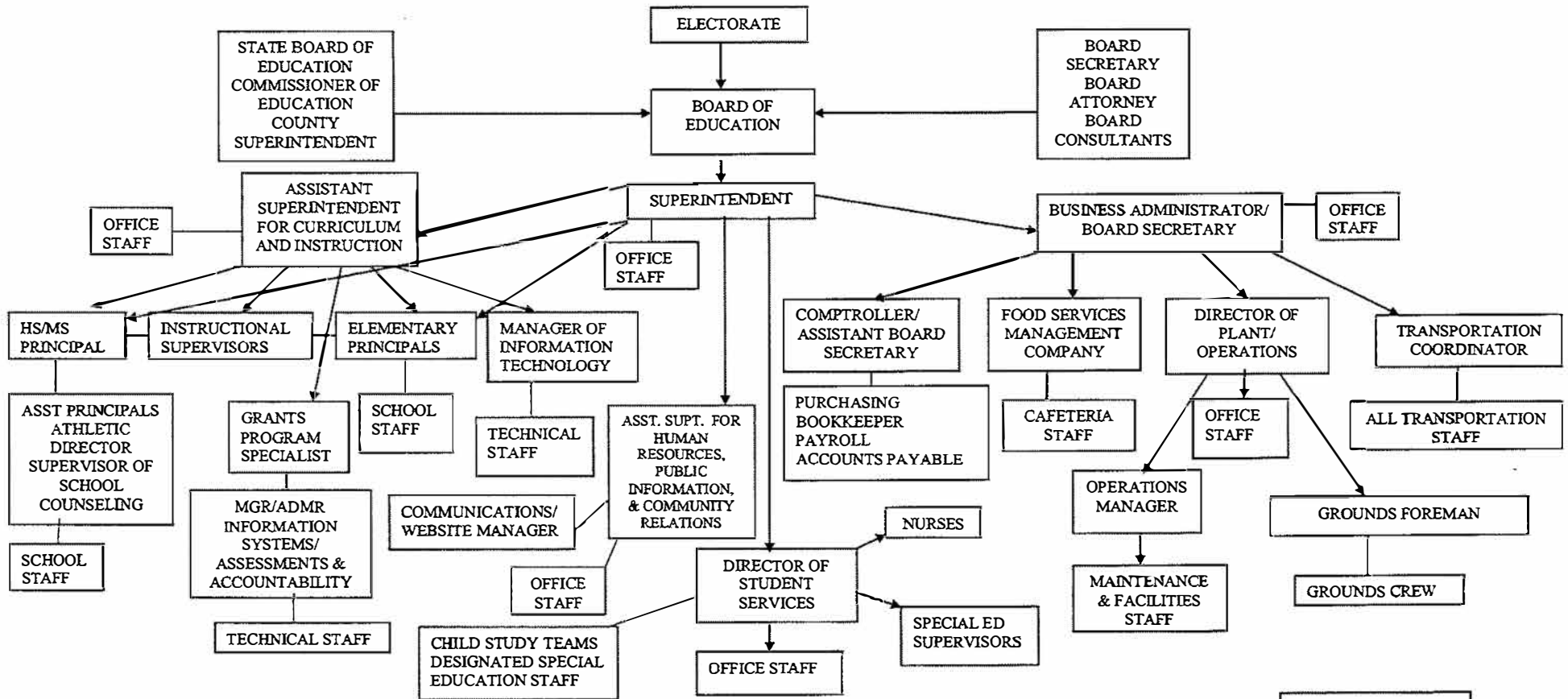


Dr. Barry J. Galasso
Superintendent of Schools



Matt Bouldin
Business Administrator/Board Secretary

PRINCETON PUBLIC SCHOOLS ORGANIZATIONAL CHART



Board Adopted 1-6-2020

Princeton Public Schools
Princeton, New Jersey

Roster of Officials

June 30, 2020

	Term Expires (December)
<u>Members of the Board of Education</u>	
Beth Behrend, President	2020
Michele Tuck-Ponder, Vice President	2020
Debbie Bronfeld	2022
Daniel Dart	2021
Jessica Deutsch	2020
Betsy Kalber-Baglio	2021
Susan Kanter	2022
Dafna Kendal	2022
Brian McDonald	2021
Peter Katz	*
 <u>Other Officials</u>	
Dr. Barry J. Galasso, Superintendent of Schools	Effective 7/1/20
Stephen C. Cochrane, Superintendent of Schools	(Retired 6/30/20)
Matthew Bouldin, Business Administrator/Board Secretary	
Dr. Robert Ginsberg, Assistant Superintendent of Curriculum and Instruction	Effective 7/1/20
Annie G. Kosek, Assistant Superintendent of Curriculum and Instruction	(Retired 6/30/20)
Michael Volpe, Assistant Superintendent for Human Resources	
Micki Crisafulli, Director of Student Services	
David Harding, Director of Plant and Operations	
Jennifer Micale, Comptroller	
John Calavano, Treasurer of School Monies	

* Appointed Cranbury representative

Princeton Public Schools
Princeton, New Jersey

Independent Auditors and Advisors

Independent Auditors

Wiss & Company, LLP
100 Campus Drive
Suite 400
Florham Park, New Jersey 07932

Architect

Spiezle Group
1395 Yardville Hamilton Square Road
Second Floor
Hamilton, New Jersey 08691

Attorney

Fogarty & Hara, Esqs.
21-00 Route 208 South
Fair Lawn, New Jersey 07410

Parker McCay, P.A.
9000 Midlantic Drive,
Suite 300
Mount Laurel, New Jersey 08054

Official Depository

The Bank of Princeton
21 Chambers Street
Princeton, New Jersey 08542



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Princeton Public Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
Princeton Public Schools
Princeton, New Jersey
County of Mercer

Report on the Financial Statements

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 Princeton Public Schools, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the net OPEB liability associated with the District and changes in the total OPEB liability and related ratios – (PERS and TPAF), and budgetary comparison information as identified 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 Governmental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 12, 2021
Florham Park, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

Princeton Public Schools Management's Discussion and Analysis

Year ended June 30, 2020

As management of Princeton Public Schools, 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, 2020. 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 supplementary and other 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 position presents information on all of the assets, deferred outflows and inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position 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 position of the District changed during the most recent fiscal year. All changes in net position 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 and pension liability).

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 33-77 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 78-102 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,618,443 (net position) for the fiscal year ended June 30, 2020 and our overall financial position has increased in the current year. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2020 and 2019:

Princeton Public Schools Princeton, New Jersey Net Position June 30,						
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 29,077,197	\$ 552,545	\$ 29,629,742	\$ 35,774,001	\$ 402,658	\$ 36,176,659
Capital assets, net	87,493,153	167,832	87,660,985	81,440,028	164,861	81,604,889
Total assets	116,570,350	720,377	117,290,727	117,214,029	567,519	117,781,548
Deferred outflows of resources	7,840,573		7,840,573	9,079,754		9,079,754
Liabilities:						
Current liabilities	9,896,869	199,776	10,096,645	9,308,137	78,329	9,386,466
Net pension liability	25,983,537		25,983,537	26,808,273		26,808,273
Long-term liabilities	38,465,135		38,465,135	44,279,977		44,279,977
Total liabilities	74,345,541	199,776	74,545,317	80,396,387	78,329	80,474,716
Deferred inflow of resources	9,967,540		9,967,540	9,556,232		9,556,232
Net position:						
Net investment in capital assets	64,325,475	167,832	64,493,307	62,887,801	164,861	63,052,662
Restricted for capital reserve	3,015,413		3,015,413	2,303,847		2,303,847
Restricted for maintenance reserve	410,684		410,684	110,684		110,684
Restricted for excess surplus-current year	1,892,163		1,892,163	-		-
Unrestricted (deficit)	(29,545,893)	352,769	(29,193,124)	(28,961,168)	324,329	(28,636,839)
Total net position	\$ 40,097,842	\$ 520,601	\$ 40,618,443	\$ 36,341,164	\$ 489,190	\$ 36,830,354

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

Current and other assets decreased primarily due to the decrease in cash and cash equivalents, as bonds approved by referendum of \$26,928,000 was issued in January 2019 and a portion of these funds were utilized in the current year as the projects were progressing during the fiscal year. Deferred outflows of resources decreased due to the decrease in pension deferrals based on actuarial calculations mainly from the change in assumptions used. Net pension liability decreased as a result of changes of assumptions by the pension plan's actuary as well as changes in proportion of the allocation of the net pension liability. Long-term liabilities decreased mainly due to the payments made on the outstanding debt. Deferred inflow of resources related to pensions increased due to the change in assumptions used.

Capital assets, net increased from the prior year due to the completion of several projects, which resulted in some of prior year construction in progress balance being placed in service and depreciated in the current year. As a result, capital asset additions exceeded depreciation expense, contributing to the overall increase.

Net investment in capital assets increased from the prior year due to increases in capital assets and the regular payments of principal made during the current year.

There was no substantial change in business-type activity assets, liabilities and net position for the year ended June 30, 2019.

Government-wide activities. The key elements of the District's net position for the years ended June 30, 2020 and 2019 are as follows:

Princeton Public Schools Princeton, New Jersey Net Position Year Ended June 30,						
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 5,550,152	\$ 614,450	\$ 6,164,602	\$ 5,735,909	\$ 738,705	\$ 6,474,614
Operating grants and contributions	3,329,870	440,444	3,770,314	2,761,618	321,573	3,083,191
General revenues:						
Property taxes	83,999,185		83,999,185	81,415,395		81,415,395
Federal and state aid not restricted to specific purposes	24,315,955		24,315,955	27,462,239		27,462,239
Earnings on investments	526,089	2,445	528,534	423,997	2,165	426,162
Miscellaneous	489,408		489,408	949,073		949,073
Total Revenues	118,210,659	1,057,339	119,267,998	118,748,231	1,062,443	119,810,674
Expenses:						
Instructional services	65,933,225		65,933,225	68,332,193		68,332,193
Support services	40,753,615	1,025,928	41,779,543	42,497,561	1,040,449	43,538,010
Charter school	6,544,147		6,544,147	6,161,680		6,161,680
Interest on long-term debt	1,222,994		1,222,994	864,673		864,673
Total Expenses	114,453,981	1,025,928	115,479,909	117,856,107	1,040,449	118,896,556
Change in net position	3,756,678	31,411	3,788,089	892,124	21,994	914,118
Net position-beginning of year	36,341,164	489,190	36,830,354	35,449,040	467,196	35,916,236
Net position-end of year	\$ 40,097,842	\$ 520,601	\$ 40,618,443	\$ 36,341,164	\$ 489,190	\$ 36,830,354

Property taxes increased \$2,583,790, which was in accordance with state regulations.

The decrease in unrestricted federal and state aid is mainly due to the decrease related to GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record \$2,457,884 less in additional revenues and expenses, which were contributions made on behalf of the District by the State for post-employment health benefits. This decrease is also caused by a decrease in the TPAF full accrual pension adjustment of \$1,356,473.

The increase in earnings on investments is due to the \$26,928,000 bond issued in the prior year of which approximately \$22 million was invested in U.S. Treasury Bonds at the beginning of the year.

Instructional services expenses decreased due to the increase in number of students attending charter schools in the current year as well as the District decreasing spending and budgeting better in this area. Support services expenses decreased due to decreases in the number of employees, and salary and benefits increases, as well as increases in the on-behalf TPAF pension contributions by the State. Additionally, both of these areas were affected by the COVID-19 pandemic which caused schools to close in the State in mid-March. As such, there were fewer expenditures as students and faculty were

remote.

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.

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$2,604,101, while the total fund balance was \$11,367,092. The net change in total fund balance for the General Fund was an increase of \$3,071,597, which was mainly attributable to District having more revenues than expenditures.

Special Revenue Fund. The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year increased over the prior fiscal year, with an increase of \$568,252 attributable mostly to an increase in federal and state grants expended. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,132,283.

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 assets (other than those financed by proprietary funds). There were expenditures of \$9,478,916 in the current fiscal year compared to expenditures of \$1,534,848 in the prior year. The increase was mainly due to current year expenditures associated with the \$26,928,000 referendum projects which continued in the current year.

Debt Service Fund. The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$606,701.

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, 2020, and the increases in relation to prior year.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Local sources	\$ 90,260,166	80.0%	\$ 2,042,488	2.3 %
State sources	20,954,833	18.6	1,385,160	7.1
Federal sources	1,529,078	1.4	(223,959)	(12.8)
Total	<u>\$112,744,077</u>	<u>100.0%</u>	<u>\$ 3,203,689</u>	<u>2.9%</u>

The increase in local sources is mainly attributable to an increase in the tax levy of \$2,583,790.

The increase in state sources is mainly attributable to the increase in the TPAF pension contributions made by the State of New Jersey on-behalf of the District during the current year of \$850,852, plus increases in various other state grants.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020, and the increases and decreases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2019</u>	<u>Percent of (Decrease) Increase</u>
Current expenditures:				
Instruction	\$ 40,880,589	37.1%	\$ (876,467)	(2.1)%
Support services	56,057,282	50.9	900,712	1.6
Charter schools	6,544,147	5.9	382,467	6.2
Debt service:				
Principal	5,209,765	4.7	(70,000)	(1.3)
Interest	1,442,026	1.4	792,529	122.0
Cost of Issuance	-	0.0	(231,355)	(100.0)
Total	\$110,133,809	100.0%	\$ 897,886	0.8%

The decrease in instruction and increase in support services expenditures is mainly attributable to the allocation of instruction and support related employees. The increase in charter schools is mainly attributable to more students attending charter schools in the current year. The increase in interest is due to the \$26 million referendum completed in the prior year for which interest payments were due in the current year. The decrease in cost of issuance is attributable to the District not issuing any new debt in the current year.

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Expenditures

- The modified budget for regular programs – undistributed instruction – other salaries for instruction decreased from the original budget by approximately \$614,000 or 42% as a result of moving funds to cover retirements and leaves of absence.
- The modified budget for special education instruction – resource room – other salaries for instruction decreased from the original budget by approximately \$188,000 or 11% as a result of realigning aides based upon enrollment during the current year.

- The modified budget for special education instruction – autism – other salaries for instruction increased from the original budget by approximately \$175,000 or 19% as a result of realigning aides based upon enrollment during the current year.
- The modified budget for undistributed expenditures – instruction – tuition to CSSD & regional day schools increased from the original budget by approximately \$177,000 or 29% as a result of increased special education placements in the current year.
- The modified budget for undistributed expenditures – required maintenance for school facilities – cleaning, repair and maintenance services increased from the original budget by approximately \$426,000 or 68% as a result of requiring additional funds for maintenance work in the current year.
- The modified budget for undistributed expenditures – unallocated benefits – health benefits increased from the original budget by approximately \$591,000 or 5% as a result of the district health benefit rates increased higher than expected in the current year.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the actual by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenues

- Actual extraordinary aid was in excess of the modified budget by \$1,178,693 or 61% as a result of the fact that the final award amount is calculated by the State of New Jersey and is not required to be budgeted for.

Capital Assets

At the end of the fiscal years ended June 30, 2020 and 2019, the District had \$87,660,985 and \$81,604,889, respectively, invested in land, construction in progress, land improvements, building and building improvements and machinery and equipment and vehicles, net of accumulated depreciation or amortization.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Land	\$ 195,190	\$ 195,190		
Construction in progress	8,716,567	1,212,649		
Building and building improvements	77,221,127	78,391,226		
Machinery and equipment	1,360,269	1,640,963	\$ 167,832	\$ 164,861
Total	\$ 87,493,153	\$ 81,440,028	\$ 167,832	\$ 164,861

The increase in capital assets, net is due to capital asset additions being more than depreciation expense during the 2019-20 year. For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration and Long-Term Liabilities

At June 30, 2020, the District had \$70,991,317 of outstanding long-term liabilities. Of this amount, \$25,983,537 is for the net pension liability, \$5,763,410 is for compensated absences; \$38,748,000 of serial bonds for school construction; and \$496,370 is for the unamortized premium on bonds. The District paid \$4,970,000 of the principal balance of outstanding bonds during the 2019-20 fiscal year. The legal debt margin at June 30, 2020 is \$298,118,112.

Additional information on Princeton Public Schools' long-term liabilities can be found in Note 5 to the basic financial statements.

Economic Factors and Next Year's Budget

- The District budgeted \$2,500,000 of its 2020 fund balance to partially fund 2020-2021 operations, an increase of \$150,000 from the prior year.
- The 2020-2021 tax levy was increased in accordance with state regulations.
- The District considered the effects of the COVID-19 pandemic, potential for state aid reductions, and CARES Act grant funding.

All of the above factors were considered in preparing the District's 2020-21 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of Princeton Public 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, 2020.

Princeton Public Schools

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 18,800,224	\$ 339,325	\$ 19,139,549
Investments	4,227,967		4,227,967
Accounts receivable	2,725,473	81,872	2,807,345
Internal balances	(102,564)	102,564	-
Inventories		28,784	28,784
Restricted assets:			
Cash and cash equivalents	3,426,097		3,426,097
Capital assets, non-depreciable	8,911,757		8,911,757
Capital assets, depreciable, net	78,581,396	167,832	78,749,228
Total assets	116,570,350	720,377	117,290,727
Deferred Outflows of Resources			
Deferred loss on defeasance of debt	162,458		162,458
Pension deferrals	7,678,115		7,678,115
Total deferred outflows of resources	7,840,573		7,840,573
Liabilities			
Accounts payable	2,606,454	106,335	2,712,789
Accrued interest payable	522,443		522,443
Intergovernmental payables:			
State	136,217		136,217
Other	3,371		3,371
Unearned revenue	84,919	93,441	178,360
Other liabilities	820		820
Net pension liability	25,983,537		25,983,537
Current portion of long-term obligations	6,542,645		6,542,645
Noncurrent portion of long-term obligations	38,465,135		38,465,135
Total liabilities	74,345,541	199,776	74,545,317
Deferred Inflow of Resources			
Pension deferrals	9,967,540		9,967,540
Net position			
Net investment in capital assets	64,325,475	167,832	64,493,307
Restricted for:			
Capital reserve	3,015,413		3,015,413
Maintenance reserve	410,684		410,684
Excess Surplus-current year	1,892,163		1,892,163
Unrestricted (deficit)	(29,545,893)	352,769	(29,193,124)
Total net position	\$ 40,097,842	\$ 520,601	\$ 40,618,443

See accompanying notes to the basic financial statements.

Princeton Public Schools

Statement of Activities

Year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction	\$ 65,933,225	\$ 5,405,652	\$ 1,898,892	\$ (58,628,681)		\$ (58,628,681)
Support services:						
Attendance/social work	387,514			(387,514)		(387,514)
Health services	1,464,876			(1,464,876)		(1,464,876)
Other support services	12,648,828		1,430,978	(11,217,850)		(11,217,850)
Improvement of instruction	456,998			(456,998)		(456,998)
Other support: instructional staff	2,004,321			(2,004,321)		(2,004,321)
School library	2,207,029			(2,207,029)		(2,207,029)
General administration	1,438,226			(1,438,226)		(1,438,226)
School administration	4,364,530			(4,364,530)		(4,364,530)
Central services	1,918,751			(1,918,751)		(1,918,751)
Admin info technology	958,739			(958,739)		(958,739)
Required maintenance of plant services	1,948,317			(1,948,317)		(1,948,317)
Operation of plant	6,954,783			(6,954,783)		(6,954,783)
Student transportation	4,000,703	144,500		(3,856,203)		(3,856,203)
Charter schools	6,544,147			(6,544,147)		(6,544,147)
Interest on long-term debt	1,222,994			(1,222,994)		(1,222,994)
Total governmental activities	114,453,981	5,550,152	3,329,870	(105,573,959)		(105,573,959)
Business-type activities						
Food service	1,025,928	614,450	440,444		\$ 28,966	28,966
Total business-type activities	1,025,928	614,450	440,444		28,966	28,966
Total primary government	\$ 115,479,909	\$ 6,164,602	\$ 3,770,314	(105,573,959)	28,966	(105,544,993)
General revenues:						
Property taxes, levied for general purposes				78,244,587		78,244,587
Property taxes, levied for debt service				5,754,598		5,754,598
Federal and state sources				24,315,955		24,315,955
Investment earnings				526,089	2,445	528,534
Miscellaneous income				489,408		489,408
Total general revenues				109,330,637	2,445	109,333,082
Change in net position				3,756,678	31,411	3,788,089
Net position—beginning				36,341,164	489,190	36,830,354
Net position—ending				\$ 40,097,842	\$ 520,601	\$ 40,618,443

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Princeton Public Schools
Governmental Funds

Balance Sheet

June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 5,376,585	\$ 222,110	\$ 13,201,529		\$ 18,800,224
Investments			4,227,967		4,227,967
Accounts receivable:					
State	2,221,532	18,067			2,239,599
Federal		209,722			209,722
Local		2,748			2,748
Interfund	847,208			\$ 1,136,973	1,984,181
Other	251,405		21,999		273,404
Restricted cash and cash equivalents	3,426,097				3,426,097
Total assets	<u>\$ 12,122,827</u>	<u>\$ 452,647</u>	<u>\$ 17,451,495</u>	<u>\$ 1,136,973</u>	<u>\$ 31,163,942</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 649,149	\$ 262,704	\$ 83,352		\$ 995,205
Intergovernmental payables:					
State		136,217			136,217
Other		3,371			3,371
Interfunds payable	102,564		1,453,909	\$ 530,272	2,086,745
Unearned revenue	4,022	80,897			84,919
Other liabilities		820			820
Total liabilities	<u>755,735</u>	<u>484,009</u>	<u>1,537,261</u>	<u>530,272</u>	<u>3,307,277</u>
Fund balances:					
Restricted for:					
Capital reserve	3,015,413				3,015,413
Maintenance reserve	410,684				410,684
Capital projects			15,914,234		15,914,234
Debt service				606,701	606,701
Excess surplus-current year	2,248,120				2,248,120
Assigned to:					
Designated for subsequent year expenditures	2,500,000				2,500,000
Other purposes	588,774				588,774
Unassigned (deficit)	2,604,101	(31,362)			2,572,739
Total fund balances	<u>11,367,092</u>	<u>(31,362)</u>	<u>15,914,234</u>	<u>606,701</u>	<u>27,856,665</u>
Total liabilities and fund balances	<u>\$ 12,122,827</u>	<u>\$ 452,647</u>	<u>\$ 17,451,495</u>	<u>\$ 1,136,973</u>	

Amounts reported for governmental activities in the statement of net position (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 \$139,594,732 and the accumulated depreciation is \$52,101,579. (See Note 4)	87,493,153
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.	(522,443)
Long-term liabilities, including bonds payable and compensated absences are not due in the current period and therefore are not liabilities in the funds.	(45,007,780)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	162,458
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(2,289,425)
Accrued pension contributions for the June 30, 2020 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,611,249)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(25,983,537)
Net position of governmental activities	<u>\$ 40,097,842</u>

See accompanying notes to the basic financial statements.

Princeton Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues:					
Local sources:					
Local tax levy	\$ 78,244,587			\$ 5,754,598	\$ 83,999,185
Tuition	5,405,652				5,405,652
Interest on investments	102,006		\$ 424,083		526,089
Transportation-hazardous routes	144,500				144,500
Miscellaneous	489,408	\$ 119,415			608,823
Total local sources	84,386,153	119,415	424,083	5,754,598	90,684,249
State sources	19,009,252	1,722,835		222,746	20,954,833
Federal sources	41,458	1,487,620			1,529,078
Total revenues	103,436,863	3,329,870	424,083	5,977,344	113,168,160
Expenditures:					
Current:					
Instruction	35,929,816	1,925,304			37,855,120
Support services:					
Instruction - tuition to other districts	3,025,469				3,025,469
Attendance/social work	203,273				203,273
Health services	874,254				874,254
Support services	6,791,647	1,430,978			8,222,625
Improvement of instruction	303,449				303,449
Other support: instructional staff	971,109				971,109
School library	1,236,760				1,236,760
General administration	1,055,497				1,055,497
School administration	2,444,746				2,444,746
Central services	1,154,097				1,154,097
Administration information technology	843,185				843,185
Required maintenance of plant services	1,458,324				1,458,324
Operation of plant-custodial services	4,167,556				4,167,556
Care and upkeep of grounds	350,920				350,920
Security	387,328				387,328
Student transportation	3,214,314				3,214,314
Employee benefits	16,240,558				16,240,558
On-behalf pension, medical and disability contributions	10,316,008				10,316,008
On-behalf TPAF social security contributions	2,613,279				2,613,279
Contribution to charter schools - current	6,544,147				6,544,147
Capital outlay			9,478,916		9,478,916
Debt Service:					
Principal	239,765			4,970,000	5,209,765
Interest				1,442,026	1,442,026
Total expenditures	100,365,501	3,356,282	9,478,916	6,412,026	119,612,725
Excess (deficiency) of revenues over (under) expenditures	3,071,362	(26,412)	(9,054,833)	(434,682)	(6,444,565)
Other financing sources (uses):					
Transfers in	235			678,419	678,654
Transfers out			(678,654)		(678,654)
Total other financing sources (uses)	235		(678,654)	678,419	-
Net change in fund balances	3,071,597	(26,412)	(9,733,487)	243,737	(6,444,565)
Fund balances (deficit), July 1	8,295,495	(4,950)	25,647,721	362,964	34,301,230
Fund balances (deficit), June 30	\$ 11,367,092	\$ (31,362)	\$ 15,914,234	\$ 606,701	\$ 27,856,665

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

See accompanying notes to the basic financial statements.

Princeton Public Schools
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, 2020

Total net change in fund balances - governmental funds (from B-2)		\$ (6,444,565)
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 capital asset additions exceeded depreciation expense in the period.		
Depreciation expense	\$ (3,675,558)	
Capital asset additions	9,728,683	6,053,125
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The amount presented is the change from prior year.		
		70,996
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		4,970,000
Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred interest costs.		
Amortization of Premium on Bonds	256,342	
Amortization of Deferred Loss on Defeasance	(108,306)	148,036
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.		
		(114,913)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Pension expense		(926,001)
Change in net position of governmental activities (A-2)		\$ 3,756,678

See accompanying notes to the basic financial statements.

Proprietary Fund

Princeton Public Schools
Proprietary Fund

Statement of Net Position

June 30, 2020

	Major Fund
	Business-Type Activity
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 339,325
Accounts receivable:	
State	2,864
Federal	58,520
Interfund	102,564
Other	20,488
Inventories	28,784
Total current assets	552,545
Non-current assets:	
Capital assets:	
Equipment	953,336
Accumulated depreciation	(785,504)
Total capital assets, net	167,832
Total assets	720,377
Liabilities	
Current liabilities:	
Accounts payable	106,335
Unearned revenue	93,441
Total current liabilities	199,776
Net position	
Investment in capital assets	167,832
Unrestricted	352,769
Total net position	\$ 520,601

See accompanying notes to the basic financial statements.

Princeton Public Schools
Proprietary Fund

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2020

	Major Fund
	Business-Type Activity
	Food
	Service
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 113,478
Daily food sales-non-reimbursable programs	359,057
Special event income	85,647
Miscellaneous income	56,268
Total operating revenues	614,450
Operating expenses:	
Salaries	314,001
Employee benefits	43,319
Other purchased services	12,684
Supplies and materials	50,100
Depreciation	17,779
Cost of sales- non-program revenues	183,459
Cost of sales- program revenues	312,672
Management and administrative fees	78,045
Miscellaneous	13,869
Total operating expenses	1,025,928
Operating (loss)	(411,478)
Nonoperating revenues:	
State sources:	
State school lunch program	10,238
Federal sources:	
National school breakfast program	97,689
National school lunch program	293,021
Food donation program	39,496
Interest	2,445
Total nonoperating revenues	442,889
Change in net position	31,411
Total net position-beginning	489,190
Total net position-ending	\$ 520,601

See accompanying notes to the basic financial statements.

Princeton Public Schools
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2020

	<u>Major Fund</u>
	<u>Business-Type Activity</u>
	<u>Food</u>
	<u>Service</u>
Cash flows from operating activities:	
Receipts from customers	\$ 630,536
Payments to employees	(314,001)
Payments for employee benefits	(43,319)
Payments to suppliers	(643,839)
Net cash used in operating activities	<u>(370,623)</u>
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	359,773
Receipts from food donation program	52,550
Net cash provided by noncapital financing activities	<u>412,323</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(20,750)
Net cash used in capital and related financing activities	<u>(20,750)</u>
Cash flows from investing activities:	
Interest received	2,445
Net cash provided by investing activities	<u>2,445</u>
Net increase in cash and cash equivalents	23,395
Cash and cash equivalents, beginning of year	315,930
Cash and cash equivalents, end of year	<u>\$ 339,325</u>
Reconciliation of operating (loss) to net cash	
(used in) operating activities	
Operating (loss)	\$ (411,478)
Adjustments to reconcile operating loss to net cash	
used in operating activities:	
Depreciation	17,779
Change in assets and liabilities:	
Increase in accounts receivable	(8,764)
Increase in inventory	(7,561)
Increase in accounts payable	83,543
Increase in interfund receivable	(68,992)
Increase in unearned revenue	24,850
Net cash used in operating activities	<u>\$ (370,623)</u>

Noncash noncapital financing activities:

The District received \$52,550 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2020.

See accompanying notes to the basic financial statements.

Fiduciary Funds

Princeton Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2020

	Private- Purpose Scholarship Funds	Unemployment Compensation Trust	Agency Funds
Assets			
Cash and cash equivalents	\$ 12,218	\$ 547,428	\$ 1,240,410
Total assets	12,218	547,428	\$ 1,240,410
Liabilities			
Accounts payable		51,411	
Payroll deductions and withholdings payable			\$ 571,439
Summer savings payable			347,112
Due to student groups			321,859
Total liabilities		51,411	\$ 1,240,410
Net Position			
Held in trust for scholarships	\$ 12,218		
Held in trust for unemployment claims and other purposes		\$ 496,017	

See accompanying notes to the basic financial statements.

Princeton Public Schools
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2020

	Private- Purpose Scholarship Fund	Unemployment Compensation Trust
Additions		
Contributions:		
Plan member contributions		\$ 77,497
Total contributions		<u>77,497</u>
Investment earnings:		
Interest	\$ 93	3,825
Federal contributions:		
COVID-19 CARES ACT - Unemployment Relief		63,336
Total additions	<u>93</u>	<u>144,658</u>
Deductions		
Unemployment benefit payments		197,112
Scholarship payments	1,000	
Total deductions	<u>1,000</u>	<u>197,112</u>
Change in net position	(907)	(52,454)
Net position-beginning	13,125	548,471
Net position-ending	<u>\$ 12,218</u>	<u>\$ 496,017</u>

See accompanying notes to the basic financial statements.

Princeton Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education (the “Board”) of Princeton Public Schools (the “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 Princeton Public Schools 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 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 Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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 intergovernmental 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.

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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school election to the date of the November general election thereby eliminating the vote on the annual base budget. 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 all revenue to be available if they are collected within sixty 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, certain legal settlements and capital leases, are recorded only when payment is due.

Property taxes, interest, and state aid 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. All other revenue items are considered to be measurable and available only when the District receives cash.

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.

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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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.

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.

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

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Amounts reported as program revenues include 1) fees charged 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.

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

The District reports unearned revenue on its balance sheets and statement of net position. Unearned revenue 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 unearned revenue is removed from the balance sheets and statements of net position and revenue is recognized.

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 County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditures related to on-behalf payments in the general fund are 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.

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition in the general fund of the last two state aid payments for budgetary purposes and the treatment of encumbrances in 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.

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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Investments are stated at fair value in accordance with the GASB. 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, 2020, the unused Food Donation Program commodities of \$15,745 are reported as unearned revenue in the Enterprise Fund.

H. Capital Assets

Capital assets, which include land, construction in progress, land improvements, 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 acquisition value on the date of acquisition.

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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

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, 2020, the amount earned by these employees but not disbursed was \$347,112 and is included in liabilities – summer savings payable in the fiduciary fund.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

K. 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 Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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 \$5,763,410 at June 30, 2020. 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.

L. Deferred Loss on Defeasance of Debt

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2020, the District has recorded an unamortized balance of \$162,458 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2020 was \$108,306.

M. Unearned Revenue

Unearned revenue in the general fund and special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period.

N. 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 position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

O. 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 Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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 \$11,367,092 of fund balance in the General Fund, \$3,015,413 has been restricted in the capital reserve account, \$410,684 has been restricted in the maintenance reserve account, \$2,248,120 is restricted for excess surplus – current year, \$588,774 of encumbrances is assigned to other purposes, \$2,500,000 has been classified as assigned fund balance designated for subsequent year's expenditures, and \$2,604,101 is unassigned. The Capital Projects Fund fund balance is \$15,914,234, which is restricted for capital projects and the Debt Service Fund fund balance is \$606,701, which is restricted for debt service.

P. 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. 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 generated \$2,248,120 of excess fund balance during the 2020 fiscal year.

Q. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets 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 positions are reported as restricted in the government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

R. 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 Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

S. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$4,211,550 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

T. GASB Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed for eighteen months. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

The GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* in August 2018. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has determined that this Statement did not impact the District's financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

U. Subsequent events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 12, 2021, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

As of June 30, 2020, District operations and the ways in which education is provided have been disrupted by the outbreak of the novel coronavirus COVID-19. Going forward, COVID-19 could further limit the District's operations, including unexpected deferrals of tax payments from the municipality, deferrals or reductions in state aid or an increase in expenses associated with this or any other potential infectious disease outbreak. District management cannot reasonably predict how long the Pandemic in New Jersey is expected to last and how the outbreak may impact the financial condition or operations of the District. District management continues to monitor the Pandemic and plans to take action to address any significant impact on future operations.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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 Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 \$45,007,780 difference are as follows:

Bonds payable	\$ 38,748,000
Unamortized premium on bonds	496,370
Compensated absences	<u>5,763,410</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	<u>\$ 45,007,780</u>

3. Deposits and Investments

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

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 governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five 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.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan 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 and the New Jersey Asset and Rebate Management Fund.

New Jersey statutes 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%.

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.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2020, the District's carrying value of its deposits was \$9,458,496, and the bank balance was \$13,787,045. Based on levels of risk, \$250,000 of the District's cash deposits on June 30, 2020 were secured by federal depository insurance and \$12,564,296 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$972,749 held in the District's agency accounts are not covered by 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

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

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 and 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, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

Custodial Credit Risk: The District does not have a policy for custodial credit risk other than to maintain a safekeeping account for the securities at a financial institution.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

The following presents the components of investments held at June 30, 2020:

Investment Type	Fair Value	Investment Maturities Less than 1 year
United States Treasury Notes	\$ 4,227,967	\$ 4,227,967
Total Investments	\$ 4,227,967	\$ 4,227,967

The investments in United States Treasury Notes are recorded as investments in the capital projects fund.

New Jersey Asset and Rebate Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management Fund ("NJARM").

The NJARM, which is an investment pool managed by Public Financial Management Company, allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At June 30, 2020, the District's balance was \$14,907,206 with NJARM. The NJARM Joint Account portfolio is rated AAA by Standard & Poor's.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

The following table sets forth by level, within fair value hierarchy, the investment assets at fair value as of June 30, 2020:

Investment Type	Assets at Fair Value as of June 30, 2020	
	Level 2	Total
United States Treasury Notes	\$ 4,227,967	\$ 4,227,967

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2020:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$195,190			\$195,190
Construction in progress	1,212,649	\$9,478,916	\$ (1,974,998)	8,716,567
Total capital assets, not being depreciated	1,407,839	9,478,916	(1,974,998)	8,911,757
Capital assets, being depreciated				
Land improvements	596,300			596,300
Buildings and building improvements	120,004,298		1,974,998	121,979,296
Machinery, equipment, and vehicles	7,857,612	249,767		8,107,379
Total capital assets being depreciated	128,458,210	249,767	1,974,998	130,682,975
Less accumulated depreciation for:				
Land improvements	596,300			596,300
Buildings and building improvements	41,613,072	3,145,097		44,758,169
Machinery, equipment, and vehicles	6,216,649	530,461		6,747,110
Total accumulated depreciation	48,426,021	3,675,558		52,101,579
Total capital assets being depreciated, net	80,032,189	(3,425,791)	1,974,998	78,581,396
Governmental activities capital assets, net	\$81,440,028	\$ 6,053,125	\$ -	\$87,493,153

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

4. Capital Assets (continued)

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

Instruction	\$	2,217,255
Attendance/social work		11,025
Health services		47,417
Other support services		445,973
Improvement of instruction		16,458
Other support - instructional staff		52,670
School library		67,079
General administration		57,247
School administration		132,597
Central services		62,595
Information technology		45,732
Required maintenance of plant services		79,096
Operation of plant		266,078
Student transportation		174,336
		\$ 3,675,558

The following is a summary of business-type activities changes in capital assets for the year ended June 30, 2020.

	Beginning Balance	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 932,586	\$ 20,750	\$ 953,336
Less accumulated depreciation for:			
Equipment	767,725	17,779	785,504
Total business-type activities capital assets, net	\$ 164,861	\$ 2,971	\$ 167,832

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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.

Bonds payable at June 30, 2020 are comprised of the following issues:

\$10,980,000, 2013 school improvement bonds, due in annual installments ranging from \$1,165,000 to \$1,225,000 through February 1, 2023 at interest rates ranging from 1.50% to 2.00%. These bonds were issued to finance the school facilities project approved in September 2012.

\$12,155,000, 2018 refunding bonds, due in annual installments ranging from \$4,030,000 to \$4,205,000 through February 1, 2022 at interest rates ranging from 4.489% to 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2020, none of the refunded debt remains outstanding.

\$26,928,000, 2019 school bonds, due in annual installments ranging from \$800,000 to \$1,600,000 through July 15, 2038 at interest rates ranging from 2.50% to 3.00%. These bonds were issued to finance the school facilities projects approved by referendum in November 2018.

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

	Principal	Interest	Total
Fiscal year ending June 30:			
2021	\$ 5,998,000	\$ 1,243,826	\$ 7,241,826
2022	6,200,000	1,025,412	7,225,412
2023	2,025,000	772,250	2,797,250
2024	1,300,000	716,250	2,016,250
2025	1,350,000	676,500	2,026,500
2026-2030	7,475,000	2,735,625	10,210,625
2031-2035	8,000,000	1,560,000	9,560,000
2036-2040	6,400,000	384,000	6,784,000
	\$ 38,748,000	\$ 9,113,863	\$ 47,861,863

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

5. Long-Term Liabilities (continued)

Bonds Authorized But Not Issued

As of June 30, 2020, the District had no authorized but not issued bonds.

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable	\$43,718,000		\$4,970,000	\$38,748,000	\$5,998,000
Premium on bonds	752,712		256,342	496,370	256,342
Compensated absences	5,648,497	\$205,817	90,904	5,763,410	288,303
Subtotal	50,119,209	205,817	5,317,246	45,007,780	6,542,645
Net pension liability	26,808,273		824,736	25,983,537	
Total governmental activities long-term liabilities	<u>\$76,927,482</u>	<u>\$205,817</u>	<u>\$6,141,982</u>	<u>\$70,991,317</u>	<u>\$6,542,645</u>

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

6. Pension Plans

Description of Systems

Substantially all of the District'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 District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. 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 school employees in 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. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued 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.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5%. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2020, the State of New Jersey contributed \$10,316,008 to the TPAF for post-retirement medical benefits, disability insurance 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 \$2,613,279 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the Government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for the years ended June 30, 2020, 2019, and 2018 were \$1,402,695, \$1,354,304, and \$1,210,252, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At June 30, 2020, the District reported a liability of \$25,983,537 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.1442049101 percent, which was an increase of 0.0080497501 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$2,328,696 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows and inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,594,552	\$ 9,018,803
Difference between expected and actual experience	466,371	114,784
Net difference between projected and actual earnings on pension plan investments		410,160
Changes in proportion and differences between District contributions and proportionate share of contributions	3,005,943	423,793
District contributions subsequent to the measurement date	1,611,249	
	<u>\$ 7,678,115</u>	<u>\$ 9,967,540</u>

\$1,611,249 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Year ended June 30:

2021	\$	187,037
2022		(1,728,628)
2023		(1,710,874)
2024		(604,537)
2025		(43,672)
	\$	<u>(3,900,674)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:

Price	2.75%
Wage	3.25%

Salary increases:

Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service

Investment rate of return 7.00%

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019 and 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Sensitivity of the District's proportionate share of the collective net pension liability to changes in the discount rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
State's proportionate share of the net pension liability associated with the District	\$ 32,821,429	\$ 25,983,537	\$ 20,221,644

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616
Deferred inflows of resources	\$ 7,645,087,574
Net pension liability	\$18,143,832,135
 District's Proportion	 0.1442049101%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2020 was \$198,910,382. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3241116554 percent, which was a decrease of 0.0014998889 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$11,732,266 for contributions incurred by the State.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%
	100.00%	

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019 and 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 70% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	At 1% decrease (4.60%)	At current discount rate (5.60%)	At 1% increase (6.60%)
State's proportionate share of the net pension liability associated with the District	\$ 234,559,366	\$ 198,910,382	\$ 169,332,982

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$10,077,460,797
Deferred inflows of resources	\$17,525,379,167
Net pension liability	\$61,370,943,870
District's Proportion	0.3241116554%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2019 is \$3,642,191,152.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2019, 2018, 2017, 2016, 2015, and 2014 is 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

7. Post-Retirement Benefits

Plan description and benefits provided

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a 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 the SHBP. That report may be obtained in writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires in a disability pension from one or more of the following

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of health care coverage in retirement provided that they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement coverage.

Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees. The total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

The State's contribution to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019, and 2018 were \$2,790,048, \$2,951,985, and \$3,172,217, respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. For Fiscal Year 2019, the total OPEB liability for the state is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The School Employees Health Benefits Program (SEHBP) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total OPEB Liability

The total OPEB liability from New Jersey's plan is \$41,729,081,045.

Changes in Total Nonemployer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2020:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2018	\$ 129,370,421
Changes for the year:	
Service cost	5,221,756
Interest cost	5,140,801
Differences between expected and actual experiences	(19,001,431)
Changes in assumptions and other inputs	1,773,730
Member contributions	108,249
Benefit payments	<u>(3,651,771)</u>
Net changes	<u>(10,408,666)</u>
Ending Total OPEB Liability, June 30, 2019	<u>\$ 118,961,755</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u>364,943</u>

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2020 was \$118,961,755. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERs, respectively.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	At 1% decrease (2.50%)	At current discount rate (3.50%)	At 1% increase (4.50%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 140,540,843	\$ 118,961,755	\$ 101,820,510

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2019 calculated using the healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 98,019,184	\$ 118,961,755	\$ 146,685,419

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$3,620,997 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 1,921,145,183
Deferred inflows of resources	\$ 20,887,639,826
Collective OPEB Expense	\$ 1,015,664,874
District's Proportion	0.29%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

8. 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.

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.

9. Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are 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 Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

10. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2020 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 847,208	\$ 102,564
Capital Projects Fund		1,453,909
Debt Service Fund	1,136,973	530,272
Food Service Enterprise Fund	102,564	
	<u>\$ 2,086,745</u>	<u>\$ 2,086,745</u>

The interfunds between the capital projects fund, general fund and debt service fund represent interest earned on investments in the capital projects fund that were transferred to the general fund and debt service fund, as required by statute and completed capital projects transferred back to the original funding sources and funds paid by the general fund that were reclassified to the capital projects fund. The interfund between general fund and the food service enterprise fund represent monies received in the general fund not yet remitted to the food service enterprise fund. All interfunds are expected to be repaid within one year.

11. 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.

12. 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, 2020 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 the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies. The District is also involved in several other claims and lawsuits incidental to its operations. In the opinion of

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

12. Contingent Liabilities (continued)

the administration and legal counsel, the ultimate resolution of these matters will not have a materially adverse effect on the financial position of the District.

13. 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$ 2,303,847
Deposits:	
Interest earned on capital reserve funds	11,566
Deposit into Capital Reserve (June 2020 Board Resolution)	700,000
Ending balance, June 30, 2020	<u>\$ 3,015,413</u>

The balance in the capital reserve does not exceed the LRFP balance of local support costs of uncompleted capital projects at June 30, 2020. The District budgeted \$1,500,000 of the June 30, 2020 capital reserve balance in its 2020-21 fiscal year budget.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in June 2019 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance 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. The 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-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$ 110,684
Deposits:	
Deposit into Maintenance Reserve (June 2020 Board Resolution)	<u>300,000</u>
Ending balance, June 30, 2020	<u>\$ 410,684</u>

The District did not budget any of the June 30, 2020 maintenance reserve balance in its 2020-21 fiscal year budget.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

15. Deficit Fund Balances

The District has a deficit fund balance of \$31,362 in the Special Revenue Fund as of June 30, 2020 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 2020 fiscal year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 235	
Capital Projects Fund		\$ 678,654
Debt Service Fund	678,419	
	<u>\$ 678,654</u>	<u>\$ 678,654</u>

The transfer out of the capital projects fund to the general fund relates to a transfer of interest in the amount of \$235. \$254,571 of the transfer out of the capital projects fund to the debt service fund relates to a portion of fund balance remaining from a completed project and \$423,848 of interest was transferred to the debt service fund. 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.

17. Restricted Assets

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

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

18. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2020. These encumbrances, in the amount of \$588,774 are recorded as assigned to other purposes on the general fund balance sheet and \$13,859,602 as part of the restricted fund balance in the capital projects fund.

19. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, 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. The net investment in capital assets of \$64,311,765 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 87,493,153
Bonds payable (used to build or acquire capital assets)	(38,748,000)
Unspent bond proceeds	15,914,234
Deferred loss on defeasance of debt	162,458
Unamortized deferred premium	<u>(496,370)</u>
Total net investment in capital assets	<u>\$ 64,325,475</u>

20. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Princeton Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

20. Tax Abatements (continued)

The Municipality of Princeton provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality of Princeton are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

The Municipality of Princeton recognized revenue of \$1,353,668 from the annual service charge in lieu of payment of taxes in 2019 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amounted to \$6,013,283, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$4,659,615 abatement would have been allocated to the District.

21. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the school year. The Pandemic did not have a significant impact on the financial statements of the District for the year ended June 30, 2020. However, the Pandemic did result in the State of New Jersey taking steps to reduce the amount of state aid to be provided to the District in the 2020-21 fiscal year subsequent to the District's adoption of its budget. Management has taken steps to reduce certain expenses related to operating the District and also plans to utilize existing funds to balance its budget for the 2020-21 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2020 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.

Required Supplementary Information
Part II

Princeton Public Schools
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	0.1131855499%	0.1200403097%	0.1224672619%	0.1362304658%	0.1319352300%	0.1361551600%	0.1442049101%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	\$ 21,632,007	\$ 22,474,829	\$ 27,491,446	\$ 40,347,557	\$ 30,712,413	\$ 26,808,273	\$ 25,983,537
District's covered-employee payroll	\$ 8,321,725	\$ 7,612,134	\$ 7,555,725	\$ 7,927,404	\$ 8,239,488	\$ 9,157,896	\$ 8,864,968	\$ 9,192,234	\$ 9,860,178	\$ 10,279,776
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	272.88%	272.77%	300.19%	455.13%	334.11%	271.88%	252.76%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

Princeton Public Schools
Schedule of District Contributions
Public Employee's Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 996,498	\$ 858,227	\$ 852,830	\$ 989,595	\$ 1,052,890	\$ 1,185,410	\$ 1,222,239	\$ 1,210,252	\$ 1,354,304	\$ 1,402,695
Contributions in relation to the contractually required contribution	(996,498)	(858,227)	(852,830)	(989,595)	(1,052,890)	(1,185,410)	(1,222,239)	(1,210,252)	(1,354,304)	(1,402,695)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 7,612,134	\$ 7,555,725	\$ 7,927,404	\$ 8,239,488	\$ 9,157,896	\$ 8,864,968	\$ 9,192,234	\$ 9,860,178	\$ 10,279,776	\$ 10,255,387
Contributions as a percentage of covered-employee payroll	13.09%	11.36%	10.76%	12.01%	11.50%	13.37%	13.30%	12.27%	13.17%	13.68%

Princeton Public Schools
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information
 Last Ten Fiscal Years*

	Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3126860786%	0.3194868784%	0.3175550101%	0.3114428785%	0.3256115443%	0.3241116554%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 167,120,532	\$ 201,929,350	\$ 249,808,990	\$ 209,986,019	\$ 207,147,070	\$ 198,910,382
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 167,120,532</u>	<u>\$ 201,929,350</u>	<u>\$ 249,808,990</u>	<u>\$ 209,986,019</u>	<u>\$ 207,147,070</u>	<u>\$ 198,910,382</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Princeton Public Schools
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employee's Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.29%	0.28%	0.28%	0.28%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 118,961,755	\$ 129,370,421	\$ 149,722,295	\$ 160,761,108
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 118,961,755</u>	<u>\$ 129,370,421</u>	<u>\$ 149,722,295</u>	<u>\$ 160,761,108</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Total OPEB Liability	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>
Service cost	\$ 5,221,756	\$ 5,681,946	\$ 6,829,938	
Interest cost	5,140,801	5,504,216	4,729,081	
Changes in assumptions and other inputs	(17,227,701)	(28,198,277)	(19,257,642)	
Member contributions	108,249	119,560	127,696	
Gross benefit payments	(3,651,771)	(3,459,319)	(3,467,886)	
Net change in total OPEB liability	<u>(10,408,666)</u>	<u>(20,351,874)</u>	<u>(11,038,813)</u>	
Total OPEB liability - beginning	<u>129,370,421</u>	<u>149,722,295</u>	<u>160,761,108</u>	
Total OPEB liability - ending	<u>\$ 118,961,755</u>	<u>\$ 129,370,421</u>	<u>\$ 149,722,295</u>	
Covered-employee payroll	\$ 46,264,312	\$ 44,713,717	\$ 42,968,951	
Total OPEB liability as a percentage of covered-employee payroll	257.14%	289.33%	348.44%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

** information not available.

Princeton Public Schools

Notes to Required Supplementary Information
Year Ended June 30, 2020

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

2. PENSION - TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

PRINCETON PUBLIC SCHOOLS

Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 78,244,588		\$ 78,244,588	\$ 78,244,587	\$ (1)
Tuition	5,438,585		5,438,585	5,405,652	(32,933)
Transportation - Hazardous Routes	168,000		168,000	144,500	(23,500)
Interest Earned on Investments	73,800		73,800	102,006	28,206
Miscellaneous	479,360		479,360	489,408	10,048
Total - Local Sources	84,404,333		84,404,333	84,386,153	(18,180)
State Sources:					
Categorical Special Education Aid	2,804,966		2,804,966	2,804,966	
Transportation Aid	869,413		869,413	869,413	
Security Aid	371,547		371,547	371,547	
Adjustment Aid	107,606		107,606	107,606	
Non-Public Transportation Aid				32,641	32,641
Extraordinary Aid	752,609		752,609	1,931,302	1,178,693
TPAF Pension (On-Behalf - Non-Budgeted)				7,520,716	7,520,716
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				2,790,048	2,790,048
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,244	5,244
TPAF Social Security (Reimbursed - Non-Budgeted)				2,613,279	2,613,279
Total - State Sources	4,906,141		4,906,141	19,046,762	14,140,621
Federal Sources:					
Medical Assistance Program	68,617		68,617	41,458	(27,159)
Total - Federal Sources	68,617		68,617	41,458	(27,159)
Total Revenues	89,379,091		89,379,091	103,474,373	14,095,282
EXPENDITURES:					
Current:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	129,795		129,795		129,795
Kindergarten - Salaries of Teachers	1,043,611	\$ (128,324)	915,287	904,106	11,181
Grades 1-5 - Salaries of Teachers	7,992,917	(145,960)	7,846,957	7,740,861	106,096
Grades 6-8 - Salaries of Teachers	4,026,515	47,957	4,074,472	4,049,913	24,559
Grades 9-12 - Salaries of Teachers	9,416,674	(143,176)	9,273,498	9,268,347	5,151
Regular Programs - Home Instruction					
Salaries of Teachers	56,000	(4,563)	51,437	30,796	20,641
Purchased Professional-Educational Services	55,002	4,563	59,565	26,751	32,814
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,457,166	(614,158)	843,008	729,580	113,428
Purchased Professional-Educational Services	394,427	(54,895)	339,532	153,882	185,650
Other Purchased Services	303,575	(13,977)	289,598	204,266	85,332
General Supplies	1,262,439	45,086	1,307,525	999,669	307,856
Textbooks	276,214	(92,302)	183,912	107,429	76,483
Other Objects	171,881	7,742	179,623	103,111	76,512
TOTAL REGULAR PROGRAMS - INSTRUCTION	26,586,216	(1,092,007)	25,494,209	24,318,711	1,175,498
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	282,661	35,001	317,662	225,405	92,257
Other Salaries for Instruction	117,416	54,731	172,147	172,119	28
General Supplies	8,000	(7,658)	342	341	1
Other Objects	15,000	(15,000)			
Total Learning and/or Language Disabilities	423,077	67,074	490,151	397,865	92,286
Visual Impairments					
Other Salaries for Instruction		31,107	31,107	31,107	
Total Visual Impairments		31,107	31,107	31,107	
Behavioral Disabilities					
Salaries of Teachers	61,095		61,095	61,095	
Total Behavioral Disabilities	61,095		61,095	61,095	
Multiple Disabilities					
Salaries of Teachers	84,330	21,451	105,781	68,193	37,588
Other Salaries for Instruction	124,317	19,156	143,473	143,473	
Total Multiple Disabilities	208,647	40,607	249,254	211,666	37,588

Princeton Public Schools
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	\$ 3,426,856	\$ 58,820	\$ 3,485,676	\$ 3,454,953	\$ 30,723
Other Salaries for Instruction	1,745,052	(187,570)	1,557,482	1,511,726	45,756
General Supplies	9,250	(2,739)	6,511	4,989	1,522
Total Resource Room/Resource Center	<u>5,181,158</u>	<u>(131,489)</u>	<u>5,049,669</u>	<u>4,971,668</u>	<u>78,001</u>
Autism:					
Salaries of Teachers	614,761	83,265	698,026	645,528	52,498
Other Salaries for Instruction	898,245	175,070	1,073,315	1,054,723	18,592
General Supplies	10,000	500	10,500	5,640	4,860
Other Objects	4,000		4,000	200	3,800
Total Autism	<u>1,527,006</u>	<u>258,835</u>	<u>1,785,841</u>	<u>1,706,091</u>	<u>79,750</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	381,068		381,068	376,483	4,585
Other Salaries for Instruction	257,229	(14,495)	242,734	242,734	
General Supplies	2,400		2,400	331	2,069
Total Preschool Disabilities - Full-Time	<u>640,697</u>	<u>(14,495)</u>	<u>626,202</u>	<u>619,548</u>	<u>6,654</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>8,041,680</u>	<u>251,639</u>	<u>8,293,319</u>	<u>7,999,040</u>	<u>294,279</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	867,344	130,000	997,344	940,798	56,546
Other Salaries for Instruction	104,292		104,292	64,620	39,672
Total Basic Skills/Remedial - Instruction	<u>971,636</u>	<u>130,000</u>	<u>1,101,636</u>	<u>1,005,418</u>	<u>96,218</u>
Bilingual Education - Instruction					
Salaries of Teachers	742,719		742,719	739,235	3,484
Other Salaries for Instruction	191,698	13,697	205,395	204,763	632
General Supplies	2,631		2,631	866	1,765
Total Bilingual Education - Instruction	<u>937,048</u>	<u>13,697</u>	<u>950,745</u>	<u>944,864</u>	<u>5,881</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	301,033		301,033	293,346	7,687
Purchased Services	6,000		6,000	4,419	1,581
Supplies and Materials	15,217	(610)	14,607	9,182	5,425
Other Objects	3,940		3,940	3,190	750
Total School-Spon, Cocurricular Actvts. - Inst.	<u>326,190</u>	<u>(610)</u>	<u>325,580</u>	<u>310,137</u>	<u>15,443</u>
School-Spon. Athletics					
Salaries	989,486	15,190	1,004,676	987,595	17,081
Purchased Services	173,421	342	173,763	123,818	49,945
Supplies and Materials	122,079	1,609	123,688	117,227	6,461
Other Objects	34,000	(3,610)	30,390	19,778	10,612
Total School-Spon. Athletics	<u>1,318,986</u>	<u>13,531</u>	<u>1,332,517</u>	<u>1,248,418</u>	<u>84,099</u>
Other Supplemental/At Risk Programs					
Salaries of Reading Specialists	84,330		84,330	84,330	
Other Supplemental/At Risk Programs	<u>84,330</u>		<u>84,330</u>	<u>84,330</u>	
TOTAL INSTRUCTION	<u>38,266,086</u>	<u>(683,750)</u>	<u>37,582,336</u>	<u>35,910,918</u>	<u>1,671,418</u>

Princeton Public Schools
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to</u> <u>Actual</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Special	\$ 277,743	\$ 28,308	\$ 306,051	\$ 306,050	\$ 1
Tuition to County Voc. School Dist. - Regular	219,140	(41,389)	177,751	173,780	3,971
Tuition to CSSD & Regional Day Schools	618,660	176,856	795,516	795,516	
Tuition to Private Schools for the Disabled - Within State	1,259,407	165,160	1,424,567	1,334,337	90,230
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	141,370	(10,988)	130,382	106,203	24,179
Tuition - State Facilities	115,886		115,886	115,886	
Tuition - Other	360,429	(81,459)	278,970	193,697	85,273
Total Undistributed Expenditures - Instruction	<u>2,992,635</u>	<u>236,488</u>	<u>3,229,123</u>	<u>3,025,469</u>	<u>203,654</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	211,026	(32,035)	178,991	178,990	1
Purchased Professional-Educational Services		24,000	24,000	24,000	
Other Purchased Services	3,000	(2,501)	499	283	216
Total Undistributed Expend. - Attend. & Social Work	<u>214,026</u>	<u>(10,536)</u>	<u>203,490</u>	<u>203,273</u>	<u>217</u>
Undist. Expend. - Health Services					
Salaries	851,735	(5,319)	846,416	833,049	13,367
Purchased Professional and Technical Services	6,000		6,000	4,000	2,000
Supplies and Materials	41,849	8,283	50,132	37,205	12,927
Total Undistributed Expenditures - Health Services	<u>899,584</u>	<u>2,964</u>	<u>902,548</u>	<u>874,254</u>	<u>28,294</u>
Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Serv.					
Salaries	1,213,544	2,501	1,216,045	1,209,649	6,396
Purchased Professional - Educational Services		24,700	24,700	24,700	
Supplies and Materials	3,600	50	3,650	3,540	110
Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Serv.	<u>1,217,144</u>	<u>27,251</u>	<u>1,244,395</u>	<u>1,237,889</u>	<u>6,506</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	108,733	(18,282)	90,451	90,451	
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>108,733</u>	<u>(18,282)</u>	<u>90,451</u>	<u>90,451</u>	
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,650,672	(5,683)	1,644,989	1,644,952	37
Salaries of Secretarial and Clerical Assistants	243,623	(2,144)	241,479	207,362	34,117
Other Salaries	29,950	2,144	32,094	32,094	
Other Purchased Services	5,375	(2,011)	3,364	1,075	2,289
Supplies and Materials	18,909	(1,250)	17,659	16,341	1,318
Other Objects	1,105		1,105	400	705
Total Undist. Expend. - Guidance	<u>1,949,634</u>	<u>(8,944)</u>	<u>1,940,690</u>	<u>1,902,224</u>	<u>38,466</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	2,328,330	(70,224)	2,258,106	2,254,177	3,929
Salaries of Secretarial and Clerical Assistants	213,452	(11,459)	201,993	201,479	514
Other Salaries	338,000	(127,083)	210,917	189,807	21,110
Unused Vacation Payment to Terminated/Retired Staff		1,021	1,021	1,021	
Purchased Prof. - Educational Services	772,000	143,535	915,535	860,263	55,272
Other Purchased Services	63,198	(41,128)	22,070	17,689	4,381
Supplies and Materials	52,200	(16,753)	35,447	31,427	4,020
Other Objects	1,002	2,000	3,002	3,002	
Total Undist. Expend. - Child Study Teams	<u>3,768,182</u>	<u>(120,091)</u>	<u>3,648,091</u>	<u>3,555,863</u>	<u>92,228</u>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	111,698		111,698	111,698	
Other Salaries	108,733	70,270	179,003	158,403	20,600
Other Purchased Services	15,500	(1,500)	14,000	4,008	9,992
Supplies and Materials	9,087	3,175	12,262	9,873	2,389
Other Objects	23,986		23,986	19,467	4,519
Total Undist. Expend. - Improvement of Inst. Serv.	<u>269,004</u>	<u>71,945</u>	<u>340,949</u>	<u>303,449</u>	<u>37,500</u>

Princeton Public Schools
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to</u> <u>Actual</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 844,099	\$ 22,589	\$ 866,688	\$ 852,786	\$ 13,902
Supplies and Materials	127,885	(5,009)	122,876	118,323	4,553
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>971,984</u>	<u>17,580</u>	<u>989,564</u>	<u>971,109</u>	<u>18,455</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	1,057,680	(112,262)	945,418	937,415	8,003
Salaries - Other Professional Staff	123,156		123,156	123,156	
Salaries - Secretaries and Clerical Assistants	146,722	(2,151)	144,571	137,773	6,798
Unused Vacation Payment to Terminated/Retired Staff		38,416	38,416	38,416	
Purchased Professional - Educational Services	11,500	(10,501)	999		999
Total Undist. Expend. - Instructional Staff Training Serv.	<u>1,339,058</u>	<u>(86,498)</u>	<u>1,252,560</u>	<u>1,236,760</u>	<u>15,800</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	490,521	(9,499)	481,022	481,021	1
Unused Vacation Payment to Terminated/Retired Staff		88,387	88,387	88,387	
Legal Services	162,000	85,521	247,521	243,789	3,732
Audit Fees	82,800		82,800	82,800	
Other Purchased Professional Services	11,000	15,000	26,000	20,000	6,000
Communications/Telephone	110,000	(12,628)	97,372	78,304	19,068
Board of Education Other Purchased Services	3,000	(2,349)	651	651	
Miscellaneous Purchased Services	52,550	(27,170)	25,380	7,604	17,776
General Supplies	59,882	(41,947)	17,935	12,178	5,757
Miscellaneous Expenditures	18,000	991	18,991	11,600	7,391
Board of Education Dues and Fees	37,000	(7,803)	29,197	29,163	34
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>1,026,753</u>	<u>88,503</u>	<u>1,115,256</u>	<u>1,055,497</u>	<u>59,759</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,483,164	93,402	1,576,566	1,561,940	14,626
Salaries of Secretarial and Clerical Assistants	803,266	(17,382)	785,884	753,276	32,608
Other Salaries	7,475	5,025	12,500	9,185	3,315
Unused Vacation Payment to Term/Ret Staff		23,954	23,954	23,954	
Other Purchased Services	56,895	(8,140)	48,755	13,253	35,502
Supplies and Materials	54,390	(7,340)	47,050	35,319	11,731
Other Objects	40,430	2,717	43,147	35,944	7,203
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,445,620</u>	<u>92,236</u>	<u>2,537,856</u>	<u>2,432,871</u>	<u>104,985</u>
Undist. Expend. - Central Services					
Salaries	1,026,737	(27,126)	999,611	981,488	18,123
Unused Vacation Payment to Term/Ret Staff		306	306	306	
Purchased Professional Services	33,550	16,416	49,966	28,037	21,929
Purchased Professional Services - Public Relations Costs		14,246	14,246	8,129	6,117
Purchased Technical Services	75,000	(5,000)	70,000	51,843	18,157
Miscellaneous Purchased Services	90,700	(3,524)	87,176	54,292	32,884
Supplies and Materials	66,500	(16,431)	50,069	26,719	23,350
Miscellaneous Expenditures	8,300	(900)	7,400	3,283	4,117
Total Undist. Expend. - Central Services	<u>1,300,787</u>	<u>(22,013)</u>	<u>1,278,774</u>	<u>1,154,097</u>	<u>124,677</u>
Undist. Expend. - Technology Admin.					
Salaries	583,408	(2,789)	580,619	580,093	526
Purchased Professional Services	45,670	22,678	68,348	53,044	15,304
Other Purchased Services	125,330	(83,063)	42,267	35,057	7,210
Travel	1,000	(1,000)			
Supplies and Materials	210,000	(61,228)	148,772	137,911	10,861
Total Undist. Expend. - Technology Admin.	<u>965,408</u>	<u>(125,402)</u>	<u>840,006</u>	<u>806,105</u>	<u>33,901</u>
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	449,053	(10,491)	438,562	429,310	9,252
Cleaning, Repair and Maintenance Services	629,157	425,551	1,054,708	874,709	179,999
Travel	600		600	83	517
General Supplies	136,571	9,760	146,331	136,969	9,362
Other Objects	6,500	10,754	17,254	17,253	1
Total Undist. Expend. - Required Maint. for Sch. Facil.	<u>1,221,881</u>	<u>435,574</u>	<u>1,657,455</u>	<u>1,458,324</u>	<u>199,131</u>

Princeton Public Schools
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to</u> <u>Actual</u>
Undist. Expend. - Custodial Services					
Salaries	\$ 2,127,234	\$ (15,720)	\$ 2,111,514	\$ 2,052,151	\$ 59,363
Salaries of Non-Instructional Aides	160,869		160,869	135,545	25,324
Unused Vacation Payment to Term/Ret Staff		355	355	355	
Purchased Professional - Technical Services	15,600	(9,700)	5,900	3,065	2,835
Cleaning, Repair and Maintenance Services	76,940	10,731	87,671	74,114	13,557
Rental of Land & Buildings other than Leases	50,000	3,807	53,807	53,807	
Other Purchased Property Services	115,000		115,000	90,428	24,572
Insurance	347,969	(11,557)	336,412	335,913	499
General Supplies	191,653	7,653	199,306	177,499	21,807
Miscellaneous Purchased Services	600	(405)	195	195	
Natural Gas	400,000	(21,424)	378,576	315,008	63,568
Electricity	1,095,000	(48,447)	1,046,553	920,687	125,866
Energy - Gasoline	14,000	1,036	15,036	8,789	6,247
Total Undist. Expend. - Custodial Services	4,594,865	(83,671)	4,511,194	4,167,556	343,638
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	335,066	(11,500)	323,566	309,208	14,358
Cleaning, Repair and Maintenance Services	30,000	(5,000)	25,000	20,375	4,625
General Supplies	37,000	(8,513)	28,487	21,337	7,150
Total Undist. Expend. - Care and Upkeep of Grounds	402,066	(25,013)	377,053	350,920	26,133
Undist. Expend. - Security					
Salaries	283,362	24,280	307,642	282,288	25,354
Cleaning, Repair and Maintenance Services	15,000	36,210	51,210	47,318	3,892
General Supplies	93,000	(39,017)	53,983	53,983	
Total Undist. Expend. - Security	391,362	21,473	412,835	383,589	29,246
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	197,924	16,835	214,759	211,873	2,886
Salaries for Pupil Trans. (Between Home & School) - Regular	511,931	92,001	603,932	598,864	5,068
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	519,287	(84,826)	434,461	424,752	9,709
Salaries for Pupil Trans. Other than Between Home & School	129,500	(367)	129,133	31,458	97,675
Cleaning, Repair & Maintenance Services	130,000	(16,835)	113,165	73,201	39,964
Contracted Services Aid In Lieu of Payment for Non-public School Students	180,000	(68,500)	111,500	68,317	43,183
Contracted Services (Between Home and School) - Vendors	1,540,000	(2,000)	1,538,000	1,237,986	300,014
Contracted Services (Other than Between Home and School) - Vendors	308,888	(16,535)	292,353	150,365	141,988
Contracted Services (Sp. Ed.) - Vendors	200,000	(30,750)	169,250	75,462	93,788
Contracted Services (Sp. Ed.) - Joint Agreements	150,000	(124,000)	26,000		26,000
Miscellaneous Purchased Services - Transportation	68,000	26,025	94,025	92,482	1,543
General Supplies	114,100	3,959	118,059	86,042	32,017
Transportation Supplies	11,000	500	11,500	6,875	4,625
Other Objects	7,000	1,000	8,000	5,917	2,083
Total Undist. Expend. - Student Transportation Serv.	4,067,630	(203,493)	3,864,137	3,063,594	800,543
Unallocated Benefits					
Group Insurance	2,500		2,500	2,328	172
Social Security Contributions	1,370,000	(26,376)	1,343,624	1,233,668	109,956
Other Retirement Contributions - Regular	1,525,000	(74,202)	1,450,798	1,447,644	3,154
Workmen's Compensation	507,000	(20,841)	486,159	484,739	1,420
Health Benefits	11,791,920	591,230	12,383,150	11,901,093	482,057
Tuition Reimbursement	95,000		95,000	69,350	25,650
Other Employee Benefits	1,012,201		1,012,201	926,386	85,815
Unused Vac. Payment to Term/Ret. Staff	100,000	94,200	194,200	175,350	18,850
Total Unallocated Benefits	16,403,621	564,011	16,967,632	16,240,558	727,074
On-behalf TPAF Pension Contributions (Non-Budgeted)				7,520,716	(7,520,716)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				2,790,048	(2,790,048)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,244	(5,244)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,613,279	(2,613,279)
Total On-behalf Contributions				12,929,287	(12,929,287)
TOTAL UNDISTRIBUTED EXPENDITURES	46,549,977	854,082	47,404,059	57,443,139	(10,039,080)
TOTAL GENERAL	84,816,063	170,332	84,986,395	93,354,057	(8,367,662)

Princeton Public Schools
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to</u> <u>Actual</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction:					
Grades 6-8		\$ 2,199	\$ 2,199	\$ 2,199	
Grades 9-12		3,699	3,699	3,699	
Special Education-Instruction:					
School- Spons. & Other Instruction Program	\$ 16,000	(3,000)	13,000	13,000	
Undistributed Expenditures:					
Support Services - Students-Reg.	15,000	(15,000)			
Support Services - Students-Spec.	15,000	(8,997)	6,003	5,220	\$ 783
School Administration			11,995	11,875	120
Admin. Info. Tech,	85,000	(42,032)	42,968	37,080	5,888
Undistributed Exp.-Security		3,740	3,740	3,739	1
Undistributed Exp.-Non-Instructional Services					
School buses-regular		153,750	153,750	150,720	3,030
Total Equipment	<u>131,000</u>	<u>106,354</u>	<u>237,354</u>	<u>227,532</u>	<u>9,822</u>
Facilities Acquisition and Construction Services					
Other Objects - Debt Service Assessment	239,765		239,765	239,765	
Total Facilities Acquisition and Construction Services	<u>239,765</u>		<u>239,765</u>	<u>239,765</u>	
TOTAL CAPITAL OUTLAY	<u>370,765</u>	<u>106,354</u>	<u>477,119</u>	<u>467,297</u>	<u>9,822</u>
Contribution to Charter Schools	6,534,463	9,684	6,544,147	6,544,147	
TOTAL EXPENDITURES	<u>91,721,291</u>	<u>286,370</u>	<u>92,007,661</u>	<u>100,365,501</u>	<u>(8,357,840)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(2,342,200)</u>	<u>(286,370)</u>	<u>(2,628,570)</u>	<u>3,108,872</u>	<u>5,737,442</u>
Other Financing Sources:					
Transfer In				235	235
Total Other Financing Sources				<u>235</u>	<u>235</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources	<u>(2,342,200)</u>	<u>(286,370)</u>	<u>(2,628,570)</u>	<u>3,109,107</u>	<u>5,737,677</u>
Fund Balance, July 1	<u>8,613,942</u>		<u>8,613,942</u>	<u>8,613,942</u>	
Fund Balance, June 30	<u>\$ 6,271,742</u>	<u>\$ (286,370)</u>	<u>\$ 5,985,372</u>	<u>\$ 11,723,049</u>	<u>\$ 5,737,677</u>
Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (2,350,000)		\$ (2,350,000)	\$ 3,383,911	\$ 5,733,911
Adjustment for Prior Year Encumbrances		\$ (286,370)	(286,370)	(286,370)	
(Decrease) Increase in Capital Reserve	7,800		7,800	11,566	3,766
Total	<u>\$ (2,342,200)</u>	<u>\$ (286,370)</u>	<u>\$ (2,628,570)</u>	<u>\$ 3,109,107</u>	<u>\$ 5,737,677</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus-current year				\$ 2,248,120	
Capital Reserve				3,015,413	
Maintenance Reserve				410,684	
Assigned to:					
Designated for Subsequent Year's Expenditures				2,500,000	
Year End Encumbrances				588,774	
Unassigned Fund Balance				<u>2,960,058</u>	
				11,723,049	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(355,957)	
Fund balance per Government Funds (GAAP)				<u>\$ 11,367,092</u>	

**Princeton Public Schools
Special Revenue Fund**

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
State sources	\$ 985,323	\$ 843,458	\$ 1,828,781	\$ 1,664,008	\$ (164,773)
Federal sources	1,299,547	570,694	1,870,241	1,446,236	(424,005)
Local sources		311,881	311,881	122,522	(189,359)
Total revenues	<u>2,284,870</u>	<u>1,726,033</u>	<u>4,010,903</u>	<u>3,232,766</u>	<u>(778,137)</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	325,198	358,922	684,120	560,357	123,763
Purchased professional services	164,942	(20,556)	144,386	108,223	36,163
Other purchased services	871,433	133,552	1,004,985	999,778	5,207
General supplies	13,284	298,528	311,812	79,482	232,330
Textbooks	114,338	15,540	129,878	85,280	44,598
Other objects	77,081	13,031	90,112	74,957	15,155
Total instruction	<u>1,566,276</u>	<u>799,017</u>	<u>2,365,293</u>	<u>1,908,077</u>	<u>457,216</u>
Support services:					
Salaries	87,837	44,293	132,130	115,815	16,315
Personal services—employee benefits		127,955	127,955	117,800	10,155
Purchased professional services	278,857	482,308	761,165	582,848	178,317
Other purchased professional services		25,204	25,204	9,561	15,643
Supplies and materials		114,459	114,459	26,919	87,540
CARES equipment		9,795	9,795		9,795
Other objects	351,900	64,097	415,997	412,841	3,156
Total support services	<u>718,594</u>	<u>868,111</u>	<u>1,586,705</u>	<u>1,265,784</u>	<u>320,921</u>
Capital outlay:					
Noninstructional equipment	-	58,905	58,905	58,905	-
Total capital outlay	<u>-</u>	<u>58,905</u>	<u>58,905</u>	<u>58,905</u>	<u>-</u>
Total expenditures	<u>2,284,870</u>	<u>1,726,033</u>	<u>4,010,903</u>	<u>3,232,766</u>	<u>778,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2020

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 103,474,373	\$ 3,232,766
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		192,283
Current year		(68,767)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	318,447	4,950
Current year	(355,957)	(31,362)
	\$ 103,436,863	\$ 3,329,870
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 100,365,501	\$ 3,232,766
Differences - Budgetary 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		192,283
Current year		(68,767)
	\$ 100,365,501	\$ 3,356,282

Supplementary Information

Special Revenue Fund

**Princeton Public Schools
Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures
(Budgetary Basis)**

Year ended June 30, 2020

	Nonpublic Aid						Preschool Education and Expansion Aid	Title I	
	Textbooks	Nursing	Auxiliary	Handicapped	Security	Technology		Current	Prior Year
Revenues:									
State sources	\$ 85,280	\$ 229,001	\$ 31,487	\$ 99,088	\$ 403,940	\$ 73,547	\$ 741,665		
Federal sources								\$ 154,752	\$ 35,994
Local sources									
Total revenues	<u>\$ 85,280</u>	<u>\$ 229,001</u>	<u>\$ 31,487</u>	<u>\$ 99,088</u>	<u>\$ 403,940</u>	<u>\$ 73,547</u>	<u>\$ 741,665</u>	<u>\$ 154,752</u>	<u>\$ 35,994</u>
Expenditures:									
Instruction:									
Salaries of teachers							\$ 322,072	\$ 106,755	\$ 27,308
Purchased services			\$ 31,487	\$ 69,911				1,520	230
Other purchased services									
General supplies							21,468	16,508	6,367
Textbooks	\$ 85,280								
Other objects						\$ 73,547			
Total instruction	<u>85,280</u>		<u>31,487</u>	<u>69,911</u>		<u>73,547</u>	<u>343,540</u>	<u>124,783</u>	<u>33,905</u>
Undistributed:									
Support services:									
Salaries							76,662	14,140	
Personal services-employee benefits							90,981	9,249	2,089
Purchased professional services		\$ 229,001		29,177			168,128	6,580	
Other purchased professional service									
Supplies and materials							3,449		
Other objects					\$ 403,940				
Total support services		<u>229,001</u>		<u>29,177</u>	<u>403,940</u>		<u>339,220</u>	<u>29,969</u>	<u>2,089</u>
Capital outlay:									
Noninstructional equipment							58,905		
Total capital outlay							<u>58,905</u>		
Total expenditures	<u>\$ 85,280</u>	<u>\$ 229,001</u>	<u>\$ 31,487</u>	<u>\$ 99,088</u>	<u>\$ 403,940</u>	<u>\$ 73,547</u>	<u>\$ 741,665</u>	<u>\$ 154,752</u>	<u>\$ 35,994</u>

Princeton Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
(Budgetary Basis)

Year ended June 30, 2020

	Title II A		Title III		Title IV		I.D.E.A.		Confucious Classroom	PEF Grant	Sustain NJ	Other Local	Totals
	Current	Current	Immigrant	Current	Part B Basic	Preschool							
Revenues:													
State sources													\$ 1,664,008
Federal sources	\$ 54,595	\$ 27,588	\$ 22,396	\$ 18,628	\$ 1,112,347	\$ 19,936							1,446,236
Local sources							\$ 16,933	\$ 25,671	\$ 8,404	\$ 71,514			122,522
Total revenues	\$ 54,595	\$ 27,588	\$ 22,396	\$ 18,628	\$ 1,112,347	\$ 19,936	\$ 16,933	\$ 25,671	\$ 8,404	\$ 71,514			\$ 3,232,766
Expenditures:													
Instruction:													
Salaries of teachers		\$ 25,031	\$ 7,234		\$ 13,956			\$ 11,778	\$ 1,059	\$ 45,164	\$ 560,357		
Purchased professional services			5,075								108,223		
Other purchased services					999,778						999,778		
General supplies	\$ 1,028	325	4,393	\$ 2,898				12,992		13,503	79,482		
Textbooks											85,280		
Other objects			1,410								74,957		
Total instruction	1,028	25,356	18,112	2,898	1,013,734			24,770	1,059	58,667	1,908,077		
Undistributed:													
Support services:													
Salaries	1,724	295	416		20,600						1,978	115,815	
Personal services—employee benefits	132	1,937	585		8,482			901			3,444	117,800	
Purchased professional services	40,770			15,730	69,531	\$ 19,936				1,995	2,000	582,848	
Other purchased professional service			3,283				\$ 4,795				1,483	9,561	
Supplies and materials	3,941						10,257		5,350		3,922	26,919	
Other objects	7,000						1,881				20	412,841	
Total support services	53,567	2,232	4,284	15,730	98,613	19,936	16,933	901	7,345	12,847	1,265,784		
Capital outlay:													
Noninstructional equipment													58,905
Total capital outlay													58,905
Total expenditures	\$ 54,595	\$ 27,588	\$ 22,396	\$ 18,628	\$ 1,112,347	\$ 19,936	\$ 16,933	\$ 25,671	\$ 8,404	\$ 71,514	\$ 3,232,766		

Princeton Public Schools
Special Revenue Fund

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

Year ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	\$ 322,072	\$ 322,072	
General supplies	22,078	21,468	\$ 610
Total instruction	<u>344,150</u>	<u>343,540</u>	<u>610</u>
Undistributed:			
Support Services:			
Salaries	86,568	76,662	9,906
Personal services--employee benefits	90,981	90,981	
Purchased professional services	186,665	168,128	18,537
Supplies and materials	3,670	3,449	221
Total Support Services	<u>367,884</u>	<u>339,220</u>	<u>28,664</u>
Capital Outlay:			
Noninstructional equipment	58,905	58,905	
Total Capital Outlay	<u>58,905</u>	<u>58,905</u>	
Total expenditures	<u>\$ 770,939</u>	<u>\$ 741,665</u>	<u>\$ 29,274</u>

Calculation of Budget and Carryover

Total revised 2019-20 Preschool Education and Expansion Aid allocation	\$ 770,939
Add: Actual Preschool Education Aid carryover (June 30, 2019)	<u>-</u>
Total funds available for 2019-20 budget	770,939
Less: 2019-20 budgeted Preschool Education and Expansion Aid (including prior year budgeted carryover)	<u>770,939</u>
Available and unbudgeted funds as of June 30, 2020	-
Add: 2019-20 unexpended Preschool Education and Expansion Aid	<u>29,274</u>
2019-20 carryover Preschool Education and Expansion Aid/ Preschool	<u>\$ 29,274</u>
2019-20 Preschool Education and Expansion Aid carryover budgeted in 2020-21	<u>\$ -</u>

Capital Projects Fund

Princeton Public Schools
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2020

	Current Year
Revenues and other financing sources	
Bond Proceeds and Transfers	
Interest	\$ 424,083
Premium on bonds	
Total revenues and other financing sources	424,083
Expenditures and other financing uses	
Purchased professional and technical services	1,061,250
Construction services	8,417,666
Equipment	
Cost of issuance	
Transfer to debt service fund	678,417
Transfer to capital reserve	235
Total expenditures and other financing uses	10,157,568
Change in fund balance	(9,733,485)
Fund Balance, July 1	25,647,721
Fund Balance, June 30	\$ 15,914,236

Princeton Public Schools
Capital Projects Fund

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

Year ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources				
Bond proceeds and transfers	\$ 59,474,422		\$ 59,474,422	\$ 59,474,422
State sources - SDA	14,297,667		14,297,667	14,297,667
Contribution from private sources	500,000		500,000	500,000
Premium on bonds				
Transfer from capital reserve	1,579,836		1,579,836	1,579,836
Transfer from capital outlay	104,219		104,219	104,219
Total revenues and other financing sources	<u>75,956,144</u>		<u>75,956,144</u>	<u>75,956,144</u>
Expenditures and other financing uses				
Purchased professional and technical services	7,891,385	\$ 1,061,250	8,952,635	
Construction services	40,573,917	8,417,666	48,991,583	
Equipment	477,858		477,858	
Cost of issuance				
Transfer to capital reserve				
Transfer to debt service fund	1,365,263	254,569	1,619,832	
Total expenditures and other financing uses	<u>50,308,423</u>	<u>9,733,485</u>	<u>60,041,908</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	<u>\$ 25,647,721</u>	<u>\$ (9,733,485)</u>	<u>\$ 15,914,236</u>	<u>\$ 75,956,144</u>

Princeton Public Schools
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)
Princeton High School
Year ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
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 capital outlay	104,219		104,219	104,219
Total revenues and other financing sources	49,028,144		49,028,144	49,028,144
Expenditures and other financing uses				
Purchased professional and technical services	6,610,927		6,610,927	
Construction services	40,319,527		40,319,527	
Equipment	477,858		477,858	
Transfer to capital reserve				
Transfer to debt service fund	1,365,263	\$ 254,569	1,619,832	
Total expenditures and other financing uses	48,773,575	254,569	49,028,144	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 254,569</u>	<u>\$ (254,569)</u>	<u>\$ -</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			
Original authorized cost	\$ 47,448,308			
Additional authorized cost	\$ 1,579,836			
Revised authorized cost	\$ 49,028,144			
Percentage increase over original authorized cost	3.22%			
Percentage completion	100.00%			
Original target completion date	10/1/2003			
Revised target completion date	Complete			

Princeton Public Schools
Capital Projects Fund

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

2019 Bond Referendum Capital Projects

Year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds and transfers	\$ 26,928,000		\$ 26,928,000	\$ 26,928,000
State sources - SDA				
Contribution from private sources				
Premium on bonds	123,657		123,657	
Transfer from capital reserve				
Transfer from capital outlay				
	<u>27,051,657</u>		<u>27,051,657</u>	<u>26,928,000</u>
Expenditures and other financing uses				
Purchased professional and technical services	1,280,458	\$ 1,061,250	2,341,708	
Construction services	254,390	8,417,666	8,672,056	
Equipment				
Cost of issuance	123,657		123,657	
Transfer to capital reserve				
Transfer to debt service fund				
Total expenditures and other financing uses	<u>1,658,505</u>	<u>9,478,916</u>	<u>11,137,421</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 25,393,152</u>	<u>\$ (9,478,916)</u>	<u>\$ 15,914,236</u>	<u>\$ 26,928,000</u>
Additional project information				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		1/9/2019		
Bonds Authorized	\$ 26,928,000			
Bonds Issued	\$ 26,928,000			
Percentage increase over original authorized cost		0%		
Percentage completion		41.36%		
Target completion date		9/30/2021		
Revised target completion date		9/30/2021		

Princeton Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2020

Issue/Project Title	Appropriations	Expenditures to Date		Return of Funding Sources	Unexpended Balance
		Prior Year	Current Year		
School facility projects - referendum	\$ 49,028,144	\$ 48,773,575		\$ 254,569	
2019 Bond Referendum Capital Projects	26,928,000	1,534,848	\$ 9,478,916		\$15,914,236
	<u>\$ 75,956,144</u>	<u>\$ 50,308,423</u>	<u>\$ 9,478,916</u>	<u>\$ 254,569</u>	<u>\$15,914,236</u>

Components of appropriations for referendum question - school facility projects

Bonds issued	\$ 32,546,422
Fund balance utilized	104,219
State grant	14,297,667
Other local funds	500,000
Subtotal	<u>47,448,308</u>

Increased by:

Capital reserve transfer:	
Approved by statement of purpose:	<u>1,579,836</u>
	<u>\$ 49,028,144</u>

Components of appropriations - 2018 Referendum Capital Projects - 2019 FY

Bond proceeds approved by referendum	<u>\$ 26,928,000</u>
	<u>\$ 75,956,144</u>

Fiduciary Funds

Princeton Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2020

	Trust			Agency		
	Private - Purpose Scholarship Funds	Unemployment Compensation	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 12,218	\$ 547,428	\$ 559,646	\$ 321,859	\$ 918,551	\$1,240,410
Total assets	<u>12,218</u>	<u>547,428</u>	<u>559,646</u>	<u>\$ 321,859</u>	<u>\$ 918,551</u>	<u>\$1,240,410</u>
Liabilities						
Accounts payable		51,411	51,411			
Payroll deductions and withholdings payable					\$ 571,439	\$ 571,439
Summer savings payable					347,112	347,112
Due to student groups				\$ 321,859		321,859
Total liabilities		<u>51,411</u>	<u>51,411</u>	<u>\$ 321,859</u>	<u>\$ 918,551</u>	<u>\$1,240,410</u>
Net Position						
Held in trust	12,218	496,017	508,235			
Total net position	<u>\$ 12,218</u>	<u>\$ 496,017</u>	<u>\$ 508,235</u>			

Princeton Public Schools
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2020

	Private- Purpose Scholarship Fund	Unemployment Compensation Fund	Total Trust
Additions:			
Local sources:			
Plan member contributions		\$ 77,497	\$ 77,497
Interest on investments	\$ 93	3,825	3,918
Total local sources	93	81,322	81,415
Federal sources:			
COVID-19 CARES ACT - Unemployment Relief		63,336	63,336
Total additions	93	144,658	144,751
Deductions:			
Unemployment benefit payments		197,112	197,112
Scholarship payments	1,000		1,000
Total deductions	1,000	197,112	198,112
Change in net position	(907)	(52,454)	(53,361)
Net position, beginning	13,125	548,471	561,596
Net position, ending	\$12,218	\$ 496,017	\$ 508,235

Princeton Public Schools
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance		Cash		Balance
	July		Receipts	Disbursements	June
	1, 2019				30, 2020
Middle school:					
John Witherspoon School	\$ 28,169	\$	35,645	\$ 43,724	\$ 20,090
High school:					
Princeton High School	490,479		550,703	739,413	301,769
Total all schools	\$ 518,648	\$	586,348	\$ 783,137	\$ 321,859

Princeton Public Schools
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Assets				
Cash and equivalents	\$ 917,977	\$ 86,893,724	\$ 86,893,150	\$ 918,551
Total assets	<u>\$ 917,977</u>	<u>\$ 86,893,724</u>	<u>\$ 86,893,150</u>	<u>\$ 918,551</u>
Liabilities				
Payroll deductions and withholdings payable	\$ 561,960	\$ 86,546,612	\$ 86,537,133	\$ 571,439
Summer savings payable	356,017	347,112	356,017	347,112
Total liabilities	<u>\$ 917,977</u>	<u>\$ 86,893,724</u>	<u>\$ 86,893,150</u>	<u>\$ 918,551</u>

Long-Term Debt

Princeton Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year Ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
School Bonds	1/29/13	\$ 10,980,000	2/1/2021	\$ 1,165,000	1.50%	\$ 4,720,000	\$ 1,135,000	\$ 3,585,000
			2/1/2022	1,195,000	1.75%			
			2/1/2023	1,225,000	2.00%			
Refunding Bonds	10/30/18	12,155,000	2/1/2021	4,030,000	4.489%	12,070,000	3,835,000	8,235,000
			2/1/2022	4,205,000	5.00%			
School Bonds	1/9/2019	26,928,000	7/15/2020	803,000	2.50%	26,928,000		26,928,000
			7/15/2021	800,000	2.50%			
			7/15/2022	800,000	3.00%			
			7/15/2023	1,300,000	3.00%			
			7/15/2024	1,350,000	3.00%			
			7/15/2025	1,395,000	3.00%			
			7/15/2026	1,445,000	3.00%			
			7/15/2027	1,495,000	3.00%			
			7/15/2028	1,545,000	3.00%			
			7/15/2029	1,595,000	3.00%			
			7/15/2030	1,600,000	3.00%			
			7/15/2031	1,600,000	3.00%			
			7/15/2032	1,600,000	3.00%			
			7/15/2033	1,600,000	3.00%			
			7/15/2034	1,600,000	3.00%			
			7/15/2035	1,600,000	3.00%			
			7/15/2036	1,600,000	3.00%			
			7/15/2037	1,600,000	3.00%			
			7/15/2038	1,600,000	3.00%			
						<u>\$ 43,718,000</u>	<u>\$ 4,970,000</u>	<u>\$ 38,748,000</u>

Princeton Public Schools
Debt Service Fund
Budgetary Comparison Schedule

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 5,754,598		\$ 5,754,598	\$ 5,754,598	
Miscellaneous	225,000		225,000		\$ (225,000)
State sources:					
Debt Service Aid	222,746		222,746	222,746	
Total revenues	<u>6,202,344</u>		<u>6,202,344</u>	5,977,344	<u>(225,000)</u>
Expenditures:					
Principal on bonds	4,970,000		4,970,000	4,970,000	
Interest on bonds	1,442,027		1,442,027	1,442,026	1
Total expenditures	<u>6,412,027</u>		<u>6,412,027</u>	6,412,026	1
Deficiency of revenues under expenditures	(209,683)		(209,683)	(434,682)	(224,999)
Other financing sources:					
Transfers in	209,683		209,683	678,419	468,736
Total other financing sources	<u>209,683</u>		<u>209,683</u>	678,419	468,736
Net change in fund balance	-		-	243,737	243,737
Fund balance, July 1	362,964	-	362,964	362,964	-
Fund balance, June 30	<u>\$ 362,964</u>	<u>\$ -</u>	<u>\$ 362,964</u>	<u>\$ 606,701</u>	<u>\$ 243,737</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 Public Schools
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Unaudited

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 48,653,097	\$ 50,073,237	\$ 51,035,776	\$ 53,120,132	\$ 55,851,942	\$ 57,046,654	\$ 59,712,054	\$ 61,422,775	\$ 62,887,801	\$ 64,325,475
Restricted	3,911,031	3,775,864	4,375,260	6,298,244	4,390,950	5,034,581	4,335,342	2,970,723	2,414,531	5,318,260
Unrestricted (deficit)	(1,332,000)	(845,268)	(659,191)	(1,433,689)	(23,004,966)	(24,033,470)	(26,952,773)	(28,944,458)	(28,961,168)	(29,545,893)
Total governmental activities net position	\$ 51,232,128	\$ 53,003,833	\$ 54,751,845	\$ 57,984,687	\$ 37,237,926	\$ 38,047,765	\$ 37,094,623	\$ 35,449,040	\$ 36,341,164	\$ 40,097,842
Business-type activities										
Investment in capital assets	\$ 237,599	\$ 240,395	\$ 269,498	\$ 248,729	\$ 212,054	\$ 171,210	\$ 150,303	\$ 159,217	\$ 164,861	\$ 167,832
Unrestricted	271,258	248,297	171,504	188,844	235,566	247,842	307,995	307,979	324,329	352,769
Total business-type activities net position	\$ 508,857	\$ 488,692	\$ 441,002	\$ 437,573	\$ 447,620	\$ 419,052	\$ 458,298	\$ 467,196	\$ 489,190	\$ 520,601
Government-wide										
Net investment in capital assets	\$ 48,890,696	\$ 50,313,632	\$ 51,305,274	\$ 53,368,861	\$ 56,063,996	\$ 57,217,864	\$ 59,862,357	\$ 61,581,992	\$ 63,052,662	\$ 64,493,307
Restricted	3,911,031	3,775,864	4,375,260	6,298,244	4,390,950	5,034,581	4,335,342	2,970,723	2,414,531	5,318,260
Unrestricted (deficit)	(1,060,742)	(596,971)	(487,687)	(1,244,845)	(22,769,400)	(23,785,628)	(26,644,778)	(28,636,479)	(28,636,839)	(29,193,124)
Total government-wide net position	\$ 51,740,985	\$ 53,492,525	\$ 55,192,847	\$ 58,422,260	\$ 37,685,546	\$ 38,466,817	\$ 37,552,921	\$ 35,916,236	\$ 36,830,354	\$ 40,618,443

Source: CAFR Schedule A-1 and District records.

Notes: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$21,632,007. This amount is not reflected in the June 30, 2014 Net Position, above.

Princeton Public Schools
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Unaudited

	Year ended June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction	\$ 44,545,423	\$ 46,781,028	\$ 48,282,148	\$ 49,651,043	\$ 56,321,975	\$ 60,336,519	\$ 66,875,881	\$ 70,334,757	\$ 68,332,193	\$ 65,933,225
Support Services:										
Attendance and social work	182,244	255,573	246,939	207,527	236,477	340,855	457,074	487,211	466,708	387,514
Health services	732,384	772,340	796,828	854,374	1,046,052	1,174,587	1,486,377	1,553,761	1,507,074	1,464,876
Other support services	8,783,670	8,743,670	8,907,490	7,944,168	10,209,305	10,627,993	12,087,016	12,633,054	12,811,403	12,648,828
Improvement of instruction	270,851	300,373	342,936	344,422	409,855	414,027	398,589	423,004	412,955	456,998
Other support instructional staff	1,484,299	1,548,754	1,668,431	1,816,154	1,869,110	2,115,351	2,471,468	2,104,682	2,356,743	2,004,321
School library	1,931,724	1,995,333	2,106,268	2,408,109	2,384,887	2,649,056	3,026,047	2,463,741	1,956,889	2,207,029
General administration	1,041,045	1,241,805	1,273,071	1,325,591	1,161,267	1,127,016	1,354,304	1,386,700	1,338,894	1,438,226
School administration	3,175,318	3,239,577	3,404,202	3,792,256	4,436,198	4,653,951	4,926,312	4,818,743	4,635,840	4,364,530
Central administration	1,333,932	1,367,684	1,543,105	1,529,225	1,650,029	1,721,539	2,059,619	2,222,864	2,172,176	1,918,751
Info Technology	125,769	129,332	133,677	137,343	157,028	169,930	191,128	1,322,921	1,050,273	958,739
Required maintenance of plant	1,292,237	1,281,290	1,255,371	1,385,356	1,492,379	1,752,868	1,755,275	2,119,581	2,111,589	1,948,317
Operation of plant	5,291,619	6,041,015	6,165,849	6,546,899	6,985,192	6,933,749	7,322,755	7,763,069	7,117,461	6,954,783
Student transportation	3,116,154	3,031,002	3,109,247	3,075,375	3,460,304	3,420,892	3,794,242	4,205,926	4,559,556	4,000,703
Charter schools	4,255,318	4,483,493	4,628,664	4,729,512	4,899,659	4,907,407	4,745,777	5,539,621	6,161,680	6,544,147
Interest on long-term debt	1,499,954	1,393,938	1,358,899	1,621,814	1,224,530	1,357,596	1,241,805	866,111	864,673	1,222,994
Total governmental activities expenses	79,061,941	82,606,207	85,223,125	87,369,168	97,944,247	103,703,336	114,193,669	120,245,746	117,856,107	114,453,981
Business-type activities:										
Food service	798,944	887,786	931,533	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928
Total business-type activities expense	798,944	887,786	931,533	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928
Total district expenses	\$ 79,860,885	\$ 83,493,993	\$ 86,154,658	\$ 88,221,526	\$ 98,850,409	\$ 104,668,864	\$ 115,223,154	\$ 121,349,328	\$ 118,896,556	\$ 115,479,909
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition and transportation)	\$ 4,950,946	\$ 4,642,958	\$ 4,493,214	\$ 4,996,346	\$ 5,001,131	\$ 5,376,277	\$ 5,150,332	\$ 5,228,140	\$ 5,565,909	\$ 5,405,652
Other support services	187,332	202,716	187,508	182,323	170,062	194,682	170,061	168,768	170,000	144,500
Operating grants and contributions	2,957,587	2,390,477	2,279,201	2,166,140	2,193,352	2,216,199	2,436,682	2,427,599	2,761,618	3,329,870
Capital grants and contributions	3,786,624	814,839	446,483	422,286	392,479	21,749	458,968			
Total governmental activities program revenues	\$ 11,882,489	\$ 8,050,990	\$ 7,406,406	\$ 7,767,095	\$ 7,757,024	\$ 7,808,907	\$ 8,216,043	\$ 7,824,507	\$ 8,497,527	\$ 8,880,022

Princeton Public Schools
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Unaudited

	Year ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	\$ 636,671	\$ 609,672	\$ 640,290	\$ 577,235	\$ 618,599	\$ 635,162	\$ 754,998	\$ 787,213	\$ 738,705	\$ 614,450
Operating grants and contributions	218,814	256,874	242,110	270,288	296,420	300,296	312,002	323,289	321,573	440,444
Total business-type activities program revenues	855,485	866,546	882,400	847,523	915,019	935,458	1,067,000	1,110,502	1,060,278	1,054,894
Total district program revenues	\$ 8,622,580	\$ 866,546	\$ 882,400	\$ 847,523	\$ 915,019	\$ 935,458	\$ 1,067,000	\$ 1,110,502	\$ 1,060,278	\$ 1,054,894
Net (Expense)/Revenue										
Governmental activities	\$ (67,179,452)	\$ (74,555,217)	\$ (77,816,719)	\$ (79,602,073)	\$ (90,187,223)	\$ (95,894,429)	\$ (105,977,626)	\$ (112,421,239)	\$ (109,358,580)	\$ (105,573,959)
Business-type activities	56,541	(21,240)	(49,133)	(4,835)	8,857	(30,070)	37,515	6,920	19,829	28,966
Total government-wide net expense	\$ (67,122,911)	\$ (74,576,457)	\$ (77,865,852)	\$ (79,606,908)	\$ (90,178,366)	\$ (95,924,499)	\$ (105,940,111)	\$ (112,414,319)	\$ (109,338,751)	\$ (105,544,993)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 60,465,817	\$ 62,190,303	\$ 63,434,112	\$ 64,702,790	\$ 65,996,845	\$ 68,227,892	\$ 70,148,719	\$ 73,055,295	\$ 76,246,634	\$ 78,244,587
Property taxes levied for debt service	4,238,916	4,481,322	4,492,690	5,617,264	5,632,588	5,184,676	5,447,926	5,512,273	5,168,761	5,754,598
Unrestricted grants and contributions	7,136,660	9,246,433	11,137,912	10,457,672	18,952,008	22,530,148	28,887,329	31,697,530	27,462,239	24,315,955
Investment earnings	70,475	44,400	94,570	98,717	86,592	87,684	83,404	83,202	423,997	526,089
Miscellaneous income	360,631	364,464	405,447	508,472	404,436	673,868	457,106	427,356	949,073	489,408
Special item				1,450,000						
Total governmental activities	72,272,499	76,326,922	79,564,731	82,834,915	91,072,469	96,704,268	105,024,484	110,775,656	110,250,704	109,330,637
Business-type activities:										
Interest earnings	1,333	1,075	1,443	1,406	1,190	1,502	1,731	1,978	2,165	2,445
Total business-type activities	1,333	1,075	1,443	1,406	1,190	1,502	1,731	1,978	2,165	2,445
Total government-wide	\$ 72,273,832	\$ 76,327,997	\$ 79,566,174	\$ 82,836,321	\$ 91,073,659	\$ 96,705,770	\$ 105,026,215	\$ 110,777,634	\$ 110,252,869	\$ 109,333,082
Change in Net Position										
Governmental activities	\$ 5,093,047	\$ 1,771,705	\$ 1,748,012	\$ 3,232,842	\$ 885,246	\$ 809,839	\$ (953,142)	\$ (1,645,583)	\$ 892,124	\$ 3,756,678
Business-type activities	57,874	(20,165)	(47,690)	(3,429)	10,047	(28,568)	39,246	8,898	21,994	31,411
Total district	\$ 5,150,921	\$ 1,751,540	\$ 1,700,322	\$ 3,229,413	\$ 895,293	\$ 781,271	\$ (913,896)	\$ (1,636,685)	\$ 914,118	\$ 3,788,089

Source: CAFR Schedule A-2 and District records.

Notes: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

The FY2012 balances reflect a reclassification of capital outlays for the General Fund and Special Revenue Fund to conform to FY2013 presentation.

The FY 2014 special item was the result of a legal settlement in favor of the District during the 2014 fiscal year.

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

Princeton Public Schools
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Unaudited

	June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 2,272,762	\$ 2,954,776	\$ 3,581,968	\$ 4,221,440	\$ 2,980,007	\$ 3,082,576	\$ 3,179,518	\$ 2,436,059	\$ 2,414,531	\$ 5,674,217
Assigned	2,947,324	3,115,273	3,376,199	2,564,496	2,767,686	2,497,562	3,147,073	3,223,468	2,636,370	3,088,774
Unassigned	1,846,510	1,437,885	1,782,705	2,089,412	2,416,510	2,227,902	2,159,598	1,708,174	3,244,594	2,604,101
Total general fund	<u>\$ 7,066,596</u>	<u>\$ 7,507,934</u>	<u>\$ 8,740,872</u>	<u>\$ 8,875,348</u>	<u>\$ 8,164,203</u>	<u>\$ 7,808,040</u>	<u>\$ 8,486,189</u>	<u>\$ 7,367,701</u>	<u>\$ 8,295,495</u>	<u>\$ 11,367,092</u>
All Other Governmental Funds										
Restricted for:										
Capital projects		\$ 200,596	\$ 8,672,752	\$ 2,638,335	\$ 2,076,811	\$ 2,331,483	\$ 1,360,096	\$ 622,496	\$ 25,647,721	\$ 15,914,234
Debt service	\$ 42,738	25,341	33,271	51,740	39,218	26,702		134,683	362,964	606,701
Committed for capital projects	1,600,000	1,280,000	960,000	640,000						
Unassigned (deficit)	(795,647)	(684,849)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(31,362)
Total all other governmental funds	<u>\$ 847,091</u>	<u>\$ 821,088</u>	<u>\$ 9,661,073</u>	<u>\$ 3,325,125</u>	<u>\$ 2,111,079</u>	<u>\$ 2,353,235</u>	<u>\$ 1,355,146</u>	<u>\$ 752,229</u>	<u>\$ 26,005,735</u>	<u>\$ 16,489,573</u>

Source: CAFR Schedule B-1 and District records.

The change in the restricted for capital projects amount in the 2013 and 2019 fiscal years is the result of bonds issued in which expenditures were not been incurred as of the end of the fiscal year.

Princeton Public Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Unaudited

	Year ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 64,704,733	\$ 66,671,625	\$ 67,926,802	\$ 70,320,054	\$ 71,629,433	\$ 73,412,568	\$ 75,596,645	\$ 78,567,568	\$ 81,415,395	\$ 83,999,185
Tuition charges	4,950,946	4,642,958	4,493,214	4,996,346	5,001,131	5,376,277	5,150,332	5,228,140	5,565,909	5,405,652
Interest earnings	70,475	44,400	94,570	98,717	86,592	87,684	83,404	83,202	423,997	526,089
Miscellaneous	538,619	554,556	621,227	556,830	510,679	519,200	504,693	488,913	993,363	608,823
Hazardous routes	187,332	202,716	187,508	182,323	170,062	170,061	170,061	168,768	170,000	144,500
Transportation-other LEAs						24,621				
State sources	11,335,038	10,400,680	12,147,092	11,366,225	12,742,581	13,452,835	14,882,094	16,509,223	19,569,673	20,954,833
Federal sources	2,367,845	1,860,977	1,500,724	1,631,515	1,423,624	1,432,793	1,586,747	1,529,965	1,753,037	1,529,078
Total revenue	84,154,988	84,377,912	86,971,137	89,152,010	91,564,102	94,476,039	97,973,976	102,575,779	109,891,374	113,168,160
Expenditures										
Instruction										
Regular and special educ instruct	32,941,431	34,429,071	35,042,191	35,896,808	36,841,020	37,514,063	38,166,287	40,512,992	41,757,056	40,880,589
Support Services:										
Attendance and social work	127,704	177,467	169,791	142,132	145,061	197,915	241,931	263,481	268,185	203,273
Health services	524,191	552,359	558,533	597,235	656,122	697,932	808,401	849,999	881,386	874,254
Other support services	6,544,513	6,548,522	6,573,745	7,065,197	6,680,976	6,622,840	7,099,318	7,463,798	8,141,755	8,222,625
Improvement of instruction	192,278	221,213	246,630	248,390	264,155	260,426	224,120	243,689	253,058	303,449
Other support: instructional staff	978,245	1,014,811	1,094,758	1,174,692	1,062,201	1,161,809	1,259,391	867,495	1,248,336	971,109
School library	1,484,555	1,537,448	1,594,709	1,843,236	1,681,563	1,782,457	1,875,472	1,299,750	945,703	1,236,760
General administration	817,958	878,921	970,444	975,957	852,728	785,218	925,642	942,831	939,515	1,055,497
School administration	2,231,347	2,164,828	2,503,379	2,525,401	2,751,712	2,736,859	2,695,930	2,517,971	2,595,530	2,444,746
Central services	981,059	994,459	1,120,455	1,100,916	1,052,953	1,103,190	1,177,230	1,303,813	1,351,836	1,154,097
Information technology	87,996	89,756	91,776	93,841	96,093	98,495	100,957	1,180,271	922,913	843,185
Required maintenance of plant	1,023,694	1,023,849	1,021,321	1,124,175	1,153,405	1,350,502	1,211,611	1,542,574	1,585,179	1,458,324
Operation of plant-custodial services	3,966,048	4,564,637	4,420,764	4,770,420	4,712,491	4,397,712	4,391,677	4,715,409	4,213,203	4,167,556
Care and upkeep of grounds	307,303	362,784	501,089	378,089	344,270	371,902	434,988	406,268	363,352	350,920
Security	86,866	101,040	122,138	181,892	178,927	190,611	155,794	206,457	367,641	387,328
Student transportation	2,725,417	2,680,585	2,749,349	2,713,308	2,934,994	2,837,918	2,928,654	3,296,172	3,698,554	3,214,314
Business and other support services and benefits	10,916,955	11,616,704	10,988,595	11,577,669	12,611,174	13,262,380	13,848,964	14,501,228	15,397,571	16,240,558
On-behalf contributions	4,258,868	5,193,241	6,593,297	5,814,940	6,726,916	7,999,923	8,847,781	10,655,330	12,106,510	12,929,287
Capital outlay	6,933,693	822,964	2,517,837	8,226,703	2,182,722	381,872	1,322,626	116,620	1,534,848	9,478,916
Charter school	4,255,318	4,483,493	4,628,664	4,729,512	4,899,659	4,907,407	4,745,777	5,539,621	6,161,680	6,544,147
Debt service:										
Principal	2,945,000	3,070,000	3,170,000	4,245,000	4,365,000	4,734,765	4,874,765	5,009,765	5,279,765	5,209,765
Cost of bond issuance			137,754						231,355	
Interest and other charges	1,554,050	1,434,425	1,342,325	1,377,969	1,295,153	1,193,850	1,079,600	961,650	649,497	1,442,026
Total expenditures	85,884,489	83,962,577	87,959,544	96,803,482	93,489,293	94,590,046	98,418,916	104,397,184	110,894,428	119,612,725
Excess (Deficiency) of revenues over (under) expenditures	(1,729,501)	415,335	(988,407)	(7,651,472)	(1,925,191)	(114,007)	(444,940)	(1,821,405)	(1,003,054)	(6,444,565)
Other financing sources (uses)										
Refunding bonds issued									12,155,000	
Premium on bonds issued			81,330						847,672	
Payment to refunding bond escrow agent									(12,771,318)	
Bond proceeds			10,980,000						26,928,000	
Transfers in	1,156,935	5,706	47,732	24,174	974,170	1,591,689	243,858	730,375	743,913	678,654
Transfers out	(1,156,935)	(5,706)	(47,732)	(24,174)	(974,170)	(1,591,689)	(243,858)	(730,375)	(743,913)	(678,654)
Total other financing sources (uses)	-	-	11,061,330	-	-	-	-	-	27,159,354	-
Special item				1,450,000			125,000	100,000	25,000	
Net change in fund balances	\$ (1,729,501)	\$ 415,335	\$ 10,072,923	\$ (6,201,472)	\$ (1,925,191)	\$ (114,007)	\$ (319,940)	\$ (1,721,405)	\$ 26,181,300	\$ (6,444,565)
Debt service as a percentage of noncapital expenditures	5.7%	5.4%	5.3%	6.3%	6.2%	6.3%	6.1%	5.7%	5.4%	6.0%
Source: CAFR Schedule B-2										
Notes:										
The FY2012 balances reflect a reclassification of capital outlays for the General Fund and Special Revenue Fund to conform to FY2013 presentation.										
The FY 2014 special item was the result of a legal settlement in favor of the District during the 2014 fiscal year.										
The FY 2017 special item was the result of a legal settlement in favor of the District during the 2017 fiscal year.										

Princeton Public Schools
 General Fund Other Local Revenues by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ending June 30,	Interest	Transportation Hazardous Routes	Transportation Other LEAs	Tuition	Rentals	Refunds	In Lieu	Misc.	Total
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
2013	67,005	187,508		4,493,214	210,999		72,000	122,448	5,153,174
2014	74,543	182,323		4,996,346	235,034		72,000	201,438	5,761,684
2015	69,803	170,062		5,001,131	224,080		72,000	108,356	5,645,432
2016	70,790	170,061	\$ 24,621	5,376,277	237,393		72,000	114,475	6,065,617
2017	72,275	170,061		5,150,332	238,380		72,000	146,726	5,849,774
2018	73,807	168,768		5,228,140	238,800		72,000	116,556	5,898,071
2019	73,011	170,000		5,565,909	270,979	322,199	90,000	258,358	6,750,456
2020	102,006	144,500		5,405,652	233,459			255,949	6,141,566

Source: District records.

Princeton Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Unaudited

Municipality of Princeton

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 151,466,800	\$ 5,591,810,284	\$ 38,603,900	\$ 324,210	\$ 796,619,850	\$ 8,981,700	\$ 215,682,200	\$ 6,803,488,944	\$ 2,406,479,700	\$ 10,961,651	\$ 6,814,450,595	\$ 0.97	\$ 7,215,461,221
2012	127,050,200	5,566,105,984	55,138,500	344,710	791,514,350	8,981,700	212,721,500	6,761,856,944	2,380,360,500	11,080,562	6,772,937,506	1.00	7,200,549,221
2013	97,017,800	5,525,385,000	53,415,200	341,610	810,620,450	8,981,700	229,839,100	6,725,600,860	2,272,162,500	9,976,866	6,735,577,726	1.03	7,136,657,900
2014	90,710,900	5,572,589,600	46,939,300	341,110	788,160,750	8,981,700	261,905,400	6,769,628,760	2,264,409,000	8,619,869	6,778,248,629	1.05	7,275,140,742
2015	92,656,100	5,619,263,400	49,064,500	338,910	772,598,550	8,981,700	270,198,500	6,813,101,660	2,306,295,900	8,545,211	6,821,646,871	1.06	7,477,416,279
2016	88,842,500	5,700,180,500	37,814,600	335,600	778,304,700	11,759,700	274,387,200	6,891,624,800	2,354,194,900	8,698,857	6,900,323,657	1.08	7,700,394,662
2017	87,865,000	5,779,425,700	36,620,900	326,700	779,781,900	11,759,700	295,171,800	6,990,951,700	2,364,002,700	8,823,569	6,999,775,269	1.10	7,901,500,303
2018	95,025,100	5,861,854,100	32,065,000	321,800	811,414,900	11,759,700	326,774,000	7,139,214,600	2,374,220,400	8,583,276	7,147,797,876	1.12	8,201,774,339
2019	91,957,500	5,912,086,600	32,081,600	324,000	800,016,900	11,759,700	326,475,100	7,174,701,400	2,384,256,400	8,602,343	7,183,303,743	1.15	8,336,727,558
2020	89,572,800	5,936,592,800	31,595,500	293,000	794,814,300	11,759,700	328,748,000	7,193,376,100	2,391,273,200	8,343,297	7,201,719,397	1.18	8,680,953,950

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

Note: tax rate for years 2011 through 2012 are average between previous rates for Borough & Township.

All information is combined history of Borough & Township from years 2011 through 2017.

Princeton Public Schools
 Property Tax Rates - Direct and Overlapping Governments
 Last Eight Fiscal Years
(rate per \$100 of assessed value)
 Unaudited

Municipality of Princeton

Fiscal Year Ended June 30,	Princeton Public Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Princeton	Mercer County	
2013	\$ 0.951	\$ 0.075	\$ 1.026	\$ 0.469	\$ 0.634	\$ 2.129
2014	0.964	0.083	1.047	0.470	0.668	2.185
2015	0.979	0.084	1.063	0.486	0.663	2.212
2016	1.004	0.076	1.080	0.494	0.689	2.264
2017	1.024	0.077	1.101	0.502	0.697	2.300
2018	1.041	0.078	1.119	0.502	0.711	2.332
2019	1.075	0.076	1.151	0.511	0.711	2.373
2020	1.102	0.078	1.180	0.510	0.727	2.417

Source: District Records and Municipal Tax Collector

Note: The recent Fiscal Years are presented separately from the previous two fiscal years as a result of the merger of the municipalities in the 2013 fiscal year.

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.

Princeton Public Schools
 Property Tax Rates - Direct and Overlapping Governments
 Two Fiscal Years from 2011 - 2012
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended June 30,	Princeton Public Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Princeton Borough	Mercer County	
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
Consolidation Occurred January 2012						

Fiscal Year Ended June 30,	Princeton Public Schools			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Princeton Township	Mercer County	
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
Consolidation Occurred January 2012						

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.

Princeton Public Schools
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Municipality of Princeton

Taxpayer	Princeton 2020		Taxpayer	Princeton Township & Borough 2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Trustees of Princeton University	\$ 392,726,300	5.45%	Trustees of Princeton University	\$ 205,061,400	3.01%
Palmer Residences 1 LLC/PSN	81,753,200	1.14%	Princeton University	167,793,300	2.46%
Avalon Properties, LLC	65,212,000	0.91%	Palmer Residences 1 LLC/PSN	44,155,000	0.65%
Princeton (Edens) LLC	52,917,400	0.73%	Palmer Sq. Ltd. Partners	35,484,500	0.52%
Palmer Sq. Ltd. Partners	35,310,000	0.49%	Jasna Polana	34,780,900	0.51%
Jasna Polana Golf Club	31,500,000	0.44%	Princeton Shopping Center	30,741,400	0.45%
Institute For Advanced Study	31,103,200	0.43%	PSN Partners	29,669,100	0.44%
Fountain Ridge (Copperwood)	28,170,100	0.39%	Nassau Inn Partnership	26,000,000	0.38%
Nassau Inn Partnership	26,030,000	0.36%	Church & Dwight Co.	14,612,400	0.21%
Princeton Theological Seminary	21,758,000	0.30%	Princeton International Properties	13,922,000	0.20%
Total	<u>\$ 766,480,200</u>	<u>10.64%</u>		<u>\$ 602,220,000</u>	<u>8.84%</u>
Net Assessed Value	<u>\$ 7,201,719,397</u>			<u>\$ 6,814,450,595</u>	

Source: District CAFR and Municipal Tax Collector

Princeton Public Schools
 Property Tax Levies and Collections
 Last Eight Fiscal Years
 Unaudited

Municipality of Princeton

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	
2013	\$ 67,926,802	\$ 67,926,802	100.00%	-
2014	70,320,054	70,320,054	100.00%	-
2015	71,629,433	71,629,433	100.00%	-
2016	73,412,568	73,412,568	100.00%	-
2017	75,596,645	75,596,645	100.00%	-
2018	78,567,568	78,567,568	100.00%	-
2019	81,415,395	81,415,395	100.00%	-
2020	83,999,185	83,999,185	100.00%	-

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

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

Last eight fiscal years are presented separately from the previous two fiscal years as a result of the merger of the municipalities in the 2013 fiscal year.

Princeton Public Schools
Property Tax Levies and Collections
Two Fiscal Years from 2011 - 2012
Unaudited

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	
Princeton Borough				
2011	\$ 21,729,255	\$ 21,729,255	100.00%	-
2012	22,212,510	22,212,510	100.00%	-
Princeton Township				
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 certified prior to the end of the school year.

Princeton Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Municipality of Princeton

Ended June 30,	General Obligation Bonds	Total District	Per Capita Estimate	Percentage of Per Capita	Per Capita Personal Income	Percentage of Per Capita Income
2013	\$ 44,740,000	\$ 44,740,000	\$ 29,076	0.06%	\$ 56,906	0.13%
2014	40,495,000	40,495,000	29,103	0.07%	59,875	0.15%
2015	36,130,000	36,130,000	29,603	0.08%	59,875	0.17%
2016	31,635,000	31,635,000	29,603	0.09%	59,875	0.19%
2017	27,000,000	27,000,000	31,249	0.12%	63,247	0.23%
2018	22,230,000	22,230,000	31,822	0.14%	67,660	0.30%
2019	43,718,000	43,718,000	31,177	0.07%	66,343	0.15%
2020	38,748,000	38,748,000	31,187	0.08%	76,697	0.20%

Borough and Township Information Noted Below

Fiscal Year Ended June 30,	Governmental Activities			Borough Per Capita ^a	Percentage of Per Capita Income ^a	Township Per Capita ^a	Percentage of Per Capita Income ^a
	General Obligation Bonds	Capital Leases	Total District				
2011	\$ 40,000,000	\$ 29,859	\$ 40,029,859	\$ 12,131	0.13%	\$ 16,304	0.04%
2012	36,930,000	-	36,930,000	12,339	0.16%	16,298	0.04%

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 Public Schools
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ending June 30,	Municipality of Princeton General Bonded Debt Outstanding			Percentage of	
	General Obligation Bonds	Restricted for Debt Service	Net General Bonded Debt Outstanding	Actual Taxable Value of Property	Per Capita
2013	\$ 44,740,000	\$ 33,271	\$ 44,706,729	0.62%	\$ 56,497
2014	40,495,000	51,740	40,443,260	0.56%	59,260
2015	36,130,000	39,218	36,090,782	0.48%	58,083
2016	31,635,000	26,703	31,608,297	0.41%	62,018
2017	27,000,000	-	27,000,000	0.34%	63,470
2018	22,230,000	134,683	22,095,317	0.27%	64,505
2019	43,718,000	362,964	43,355,036	0.52%	65,877
2020	38,748,000	606,701	38,141,299	0.44%	69,344

Borough and Township Information Noted Below

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Borough Percentage of Actual Taxable Value ^a of Property	Borough Per Capita ^b	Township Percentage of Actual Taxable Value ^a of Property	Township Per Capita ^b
	General Obligation Bonds	Net General Bonded Debt Outstanding				
2011	\$ 40,000,000	\$ 40,000,000	0.59%	\$ 52,255	0.87%	\$ 63,056
2012	36,930,000	36,930,000	0.51%	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 Public Schools
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2020
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality of Princeton	\$ 64,200,000	100.0000%	\$ 64,200,000
Other debt			
M.C.I.A.	182,944,000	18.2151%	33,323,433
County of Mercer	519,231,091	18.2151%	<u>94,578,462</u>
Subtotal overlapping debt			192,101,895
Princeton Public Schools: Direct Debt			<u>38,141,299</u>
Total direct and overlapping debt			<u><u>\$ 230,243,194</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 the Municipality of Princeton. 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 Public Schools
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis	
2020	\$ 8,680,953,950
2019	8,336,727,558
2018	8,201,774,339
	\$25,219,455,847

Average equalized valuation of taxable property	\$ 8,406,485,282
Debt limit (4 % of average equalization value)	\$ 336,259,411
Net bonded school debt	38,141,299
Legal debt margin	\$ 298,118,112

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 301,471,638	\$ 290,792,962	\$ 319,468,403	\$ 352,546,182	\$ 291,856,199	\$ 299,372,689	\$ 307,724,150	\$ 317,382,257	\$ 325,866,696	\$ 336,259,411
Total net debt applicable to limit	40,000,000	36,930,000	44,706,729	40,443,260	36,090,782	31,608,297	27,000,000	22,095,317	43,355,036	38,141,299
Legal debt margin	\$ 261,471,638	\$ 253,862,962	\$ 274,761,674	\$ 312,102,922	\$ 255,765,417	\$ 267,764,392	\$ 280,724,150	\$ 295,286,940	\$ 282,511,660	\$ 298,118,112
Total net debt applicable to the limit as a percentage of debt limit	13.27%	12.70%	13.99%	11.47%	12.37%	10.56%	8.77%	6.96%	13.30%	11.34%

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

Princeton Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income	Unemployment Rate ^d
2011	28,122	\$ 1,498,087,062	\$ 53,271	8.1%
2012	28,699	1,598,936,086	55,714 *	5.4%
2013	29,076	1,654,598,856	56,906 *	3.9%
2014	29,103	1,742,542,125	59,875 *	3.7%
2015	29,603	1,872,300,941	63,247	3.1%
2016	31,249	2,114,307,340	67,660	2.8%
2017	31,822	2,111,166,946	66,343	2.6%
2018	31,386	2,176,430,784	69,344	2.2%
2019	31,270	2,189,681,750	70,025	1.9%
2020	31,187	2,229,839,313	71,499	3.1%

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

N/A - Information was not available.

* Per Capita Personal Income provided by the NJ Dept of Education

Princeton Public Schools
Principal Employers
Current Year and Nine Years Ago
Unaudited

Princeton

Employer	2020			2011		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Trustees of Princeton University	6,950	1	74.13%	5,750	1	52.93%
Princeton Public Schools	800	2	8.53%	620	3	5.71%
Princeton House Behavioral	350	3	3.73%	N/A		
Princeton Theological Seminary	295	4	3.15%	278	6	2.56%
Princeton Day School	267	5	2.85%	N/A		
Institute for Advanced Study	245	6	2.61%	N/A		
Hun School	214	7	2.28%	N/A		
Princeton Township	145	8	1.55%	N/A		
YMCA	110	9	1.17%	N/A		
University Medical Center at Princeton				2,485	2	22.87%
Church & Dwight Co.				598	4	5.50%
Princeton Plasma Physics Lab				433	5	3.99%
Princeton Packet				200	7	1.84%
Westminster Choir College - Rider				200	8	1.84%
Westminster Conservatory				160	9	1.47%
Princeton Township				140	10	1.29%
	<u>9,376</u>		<u>100.00%</u>	<u>10,864</u>		<u>100.00%</u>

Source: Princeton Chamber of Commerce

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	270	281	282	277	287	290	294	293	287	280
Special education	45	43	49	51	52	54	54	56	60	59
Other special education	70	54	53	50	52	52	50	52	121	107
Other instruction	56	74	89	74	81	81	97	99	40	43
Support Services:										
Student & instruction related services	43	42	48	51	53	56	69	72	75	72
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	44	44	48	55	50	49	49	51	50	45
Business administrative services	12	13	13	12	12	12	12	12	11	10
Plant operations and maintenance	60	60	60	62	68	72	70	76	75	79
Pupil transportation	25	26	25	25	25	22	32	42	46	45
Total	630	642	672	662	685	693	732	758	770	745

Source: District Personnel Records

Princeton Public Schools
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

At June 30,	<u>Pupil/Teacher Ratio</u>						Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage		
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary					Middle School	High School
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	78,635,188	23,279	5.71%	324	1:9	1:10	1:12	3,378	3,225	-0.09%	95.48%
2013	3,415	80,791,628	23,658	1.63%	331	1:8	1:10	1:11	3,415	3,247	1.10%	95.08%
2014	3,422	82,953,810	24,241	2.47%	328	1:9	1:11	1:12	3,422	3,236	0.20%	94.55%
2015	3,563	85,646,418	24,038	-0.84%	339	1:9	1:10	1:11	3,563	3,353	4.12%	95.21%
2016	3,553	88,279,559	24,846	3.36%	344	1:10	1:10	1:11	3,553	3,365	-0.28%	94.71%
2017	3,751	91,141,925	24,298	-2.21%	349	1:10	1:10	1:11	3,724	3,469	4.81%	93.15%
2018	3,827	98,309,149	25,688	5.72%	308	1:10	1:10	1:11	3,751	3,535	0.73%	94.23%
2019	3,773	103,198,963	27,352	6.48%	332	1:10	1:10	1:11	3,741	3,479	-0.27%	94.43%
2020	3,856	106,416,787	27,598	0.90%	329	1:10	1:10	1:11	3,841	3,600	2.67%	93.71%

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

Note: 'Enrollment' based June 30, 2020 SRS report.

- a Operating expenditures equal total expenditures less debt service, cost of bond issuance 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).

The FY2012 Operating Expenditures reflect a reclassification of capital outlays for the General Fund and Special Revenue Fund to conform to FY2013 presentation.

Princeton Public Schools
School Building Information
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
Community Park School (1962)										
Square Feet	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	318	301	284	302	324	320	371	380	375	409
Johnson Park School (1959)										
Square Feet	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455
Capacity (students)	393	393	393	393	393	393	393	393	393	393
Enrollment	375	357	351	350	376	346	388	389	374	374
Littlebrook School (1957)										
Square Feet	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629
Capacity (students)	416	416	416	416	416	416	416	416	416	416
Enrollment	347	339	342	342	356	333	337	371	380	408
Riverside School (1959)										
Square Feet	60,094	60,094	60,094	60,094	60,094	60,094	60,094	60,094	60,094	60,094
Capacity (students)	409	409	409	409	409	409	409	409	409	409
Enrollment	278	254	265	281	271	261	283	298	317	316
<u>Middle School</u>										
John Witherspoon (1965)										
Square Feet	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531
Capacity (students)	860	860	860	860	860	860	860	860	860	860
Enrollment	659	715	742	691	713	723	788	788	752	777
<u>High School</u>										
Princeton High School (1927)										
Square Feet	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020
Capacity (students)	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
Enrollment	1,404	1,412	1,430	1,456	1,523	1,570	1,584	1,601	1,575	1,572
<u>Other</u>										
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, 2020:

 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 Public Schools
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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
High School	\$ 418,501	\$ 626,349	\$ 396,099	\$ 374,250	\$ 455,054	\$ 340,318	\$ 312,476	\$ 385,851	\$ 461,625	\$ 412,842
John Witherspoon Middle	349,210	370,262	502,436	265,878	276,127	248,577	264,244	195,511	100,764	150,553
Community Park Elementary	131,747	139,052	123,467	135,525	136,973	127,857	132,429	119,870	145,063	147,188
Johnson Park Elementary	211,594	91,122	181,817	141,076	148,948	141,025	196,006	117,786	113,389	113,400
Littlebrook Elementary	161,029	175,456	141,697	143,672	139,448	156,703	111,547	113,770	104,308	100,938
Riverside Elementary	186,243	164,845	168,027	149,084	141,106	138,925	107,473	88,533	98,700	98,773
Grand Total	<u>\$ 1,458,324</u>	<u>\$ 1,567,086</u>	<u>\$ 1,513,543</u>	<u>\$ 1,209,485</u>	<u>\$ 1,297,656</u>	<u>\$ 1,153,405</u>	<u>\$ 1,124,175</u>	<u>\$ 1,021,321</u>	<u>\$ 1,023,849</u>	<u>\$ 1,023,694</u>

Source: District records of required maintenance.

Princeton Public Schools
Insurance Schedule
Year ended June 30, 2020
Unaudited

Type of Coverage	Coverage	Deductible
Burlington County Insurance Pool Joint Insurance Fund BCIPJIF		
Section I - Property:		
Blanket building and contents	\$ 220,160,913	\$ 5,000
Extra expense		5,000
Flood/Earthquake		5,000
Valuable papers		5,000
Computer equipment:		1,000
Hardware		1,000
Software		1,000
Musical instruments		1,000
Demolition/Incr. Cost of Construction		
Energy systems-boiler and machinery	220,160,913	5,000
Section II - General Liability:		
Bodily Injury & Property Damage	16,000,000	None
Section III - Automobile Liability:		
Bodily Injury & Property Damage	16,000,000	None
Section IV - School Board Legal Liability Policy:		
Aggregate limit of liability	16,000,000	10,000
Section V - Crime:		
Blanket employee dishonesty	1,000,000	1,000
Money & Securities	100,000	1,000
Faithful Performance	1,000,000	1,000
Depositors Forgery	50,000	1,000
Workers Compensation:		
Section A	Statutory	None
Section B-Employers Liability Limit	2,000,000	

Source: District Records

Princeton Public Schools
Insurance Schedule
Year ended June 30, 2020
Unaudited

Type of Coverage	Coverage	Deductible
Automobile: Physical Damage	Comprehensive Collision	\$ 1,000 1,000
Environmental Pollution Legal Liability: Aggregate limit of liability	\$ 1,000,000	50,000
Cyber Liability Limits of Liability	1,000,000	Various
Fidelity Bonds: Selective Insurance Company Treasurer of School Monies Business Administrator/ Board Secretary Comptroller/ Asst. Board Secretary	 450,000 375,000 375,000	
Foreign Travel Liability Student & Adult Chaperones	1,000,000	None
Excess Liability ~ Umbrella Coverage	5,000,000	

Source: District Records

Single Audit Section



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

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Princeton Public Schools
Princeton, New Jersey
County of Mercer

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Princeton Public Schools, in the County of Mercer, New Jersey (the "District") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 12, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 12, 2021
Florham Park, New Jersey



Report on Compliance For Each Major Federal and State Program and Report
on Internal Control Over Compliance Required by the Uniform Guidance and New
Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Princeton Public Schools
Princeton, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

We have audited the Princeton Public Schools', in the County of Mercer, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 12, 2021
Florham Park, New Jersey

Princeton Public Schools
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2019	Carryover/Walkover Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020				
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Health and Human Services - Passed - Through State Department of Education																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 41,458	7/1/2019	6/30/2020			\$ 41,458	\$ (41,458)							
Total U.S. Department of Health and Human Services - Passed - Through State Department of Education									<u>41,458</u>	<u>(41,458)</u>							
Total General Fund									<u>41,458</u>	<u>(41,458)</u>							
U.S. Department of Education—Passed-Through State Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010A	S010A190030	N/A	279,274	7/1/2019	9/30/2020			183,726	(190,746)		\$ (7,020)					
Title I, Part A	84.010A	S010A180030	N/A	263,758	7/1/2018	6/30/2019	\$ (5,375)		5,375								
Title II A	84.367A	S367A190029	N/A	69,449	7/1/2019	9/30/2020			51,033	(54,595)			(3,562)				
Title II A	84.367A	S367A180029	N/A	60,347	7/1/2018	6/30/2019	(6,036)		6,056								
Language Instruction for English Learners and Immigrant Students:																	
Title III	84.365A	S365A190030	N/A	37,767	7/1/2019	9/30/2020			26,172	(27,588)			(1,416)				
Title III, Supplemental Immigrant Student Aid	84.365A	S365A190030	N/A	40,143	7/1/2019	9/30/2020			17,176	(22,396)			(5,220)				
Title III	84.365A	S365A180030	N/A	36,929	7/1/2018	6/30/2019	(1,940)		1,940								
Title III, Supplemental Immigrant Student Aid	84.365A	S365A180030	N/A	35,972	7/1/2018	6/30/2019	(2,786)		2,786								
Subtotal Language Instruction for English Learners and Immigrant Students							<u>(4,726)</u>		<u>48,074</u>	<u>(49,984)</u>			<u>(6,636)</u>				
Title IV	84.424	S424A190031	N/A	24,345	7/1/2019	9/30/2020			17,054	(18,628)			(1,574)				
Title IV	84.424	S424A180031	N/A	23,976	7/1/2018	6/30/2019	(2,128)		2,128								
Special Education Grant Cluster:																	
I.D.E.I.A. Part B, Regular	84.027	H027A190100	N/A	1,190,999	7/1/2019	9/30/2020			921,455	(1,112,347)			(190,892)				
I.D.E.I.A. Part B, Regular	84.027	H027A180100	N/A	1,097,220	7/1/2018	6/30/2019	(215,693)		174,568		\$ (41,125)						
I.D.E.I.A. Part B, Preschool	84.173	H173A190114	N/A	32,745	7/1/2019	9/30/2020			19,898	(19,936)			(38)				
I.D.E.I.A. Part B, Preschool	84.173	H173A180114	N/A	31,333	7/1/2018	6/30/2019	(5,686)		5,686								
Subtotal of Special Education Grant Cluster							<u>(221,379)</u>		<u>1,121,607</u>	<u>(1,132,283)</u>	<u>(41,125)</u>		<u>(190,930)</u>				
Total Special Revenue Fund							<u>(239,642)</u>		<u>1,435,031</u>	<u>(1,446,236)</u>	<u>(41,125)</u>		<u>(209,722)</u>				
U.S. Department of Agriculture—Passed-Through State Department of Agriculture																	
Enterprise Fund:																	
Child Nutrition Cluster:																	
Noncash Assistance (Commodities):																	
Food Donation Program (NC)	10.555	201NJ304N1099	N/A	52,550	7/1/2019	6/30/2020			52,550	(36,805)			\$ 15,745				
Food Donation Program (NC)	10.555	191NJ304N1099	N/A	64,950	7/1/2018	6/30/2019	2,691			(2,691)							
Cash Assistance:																	
COVID-19 - Unanticipated School Closures 2019-20	10.553	201NJ304N1099	N/A	19,373	7/1/2019	6/30/2020			19,373	(19,373)							
School Breakfast Program	10.553	201NJ304N1099	N/A	78,316	7/1/2019	6/30/2020			58,076	(78,316)			(20,240)				
School Breakfast Program	10.553	191NJ304N1099	N/A	34,449	7/1/2018	6/30/2019	(2,805)		2,805								
COVID-19 - Unanticipated School Closures 2019-20	10.555	201NJ304N1099	N/A	36,641	7/1/2019	6/30/2020			36,641	(36,641)							
National School Lunch Program	10.555	201NJ304N1099	N/A	256,380	7/1/2019	6/30/2020			218,100	(256,380)			(38,280)				
National School Lunch Program	10.555	191NJ304N1099	N/A	215,364	7/1/2018	6/30/2019	(16,770)		16,770								
Subtotal Child Nutrition Cluster							<u>(16,884)</u>		<u>404,315</u>	<u>(430,206)</u>			<u>(58,520)</u>	<u>15,745</u>			
Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture							<u>(16,884)</u>		<u>404,315</u>	<u>(430,206)</u>			<u>(58,520)</u>	<u>15,745</u>			
U.S. Department of Labor—Passed-Through State Department of Labor and Workforce Development																	
Unemployment Compensation Trust Fund:																	
COVID-19 CARES ACT - Unemployment Relief	17.000	Not Available	N/A	63,336	4/1/2020	6/30/2020			63,336	(63,336)							
Total Trust Fund and Total U.S. Department of Labor—Passed-Through State Department of Labor and Workforce Development									<u>63,336</u>	<u>(63,336)</u>							
Total expenditures of Federal Awards							<u>\$ (256,526)</u>	<u>\$ -</u>	<u>\$ 1,944,140</u>	<u>\$ (1,981,236)</u>	<u>\$ (41,125)</u>	<u>\$ -</u>	<u>\$ (268,242)</u>	<u>\$ 15,745</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 Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2021

State Department of Education General Fund:	State Grant or Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Carryover/ Withdrawal	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		Memo
			From	To	Unexpended Rec. (Accts Rec)	Due to Grantor					Unexpended Revenue	(Accounts Receivable)	
State Department of Education													
Transmittance Aid	20-495-034-5120-014	869,413	7/1/2019	6/30/2020				794,904					
Transmittance Aid	19-495-034-5120-014	869,413	7/1/2018	6/30/2019			68,516						
Social Education Categorical Aid	20-495-034-5120-089	2,804,966	7/1/2019	6/30/2020			2,864,381						
Social Education Categorical Aid	19-495-034-5120-089	2,804,966	7/1/2018	6/30/2019			310,706						
Security Aid	20-495-034-5120-084	211,577	7/1/2019	6/30/2020			29,489						
Security Aid	19-495-034-5120-084	211,577	7/1/2018	6/30/2019			98,385						
Administrative Aid	20-495-034-5120-085	107,686	7/1/2019	6/30/2020			8,518						
Administrative Aid	19-495-034-5120-085	107,686	7/1/2018	6/30/2019			2,478,553						
Extracurricular Aid	20-495-034-5120-044	1,531,302	7/1/2019	6/30/2020			64,595						
Extracurricular Aid	19-100-034-5120-473	1,531,302	7/1/2018	6/30/2019			2,790,048						
Additional NP Transportation Aid	20-495-034-5120-014	32,641	7/1/2019	6/30/2020			5,244						
Additional NP Transportation Aid	19-495-034-5120-014	32,641	7/1/2018	6/30/2019			2,355,690						
On-Behalf Teachers' Pension and Annuity Fund	20-495-034-5094-002	7,520,716	7/1/2019	6/30/2020			131,881						
On-Behalf Teachers' Pension and Annuity Fund	19-495-034-5094-002	7,520,716	7/1/2018	6/30/2019			19,462,749						
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical Insurance	20-495-034-5094-004	5,244	7/1/2019	6/30/2020									
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical Insurance	19-495-034-5094-004	5,244	7/1/2018	6/30/2019									
Reimbursed TPAS - Social Security	20-495-034-5094-003	2,613,279	7/1/2019	6/30/2020									
Reimbursed TPAS - Social Security	19-495-034-5094-003	2,613,279	7/1/2018	6/30/2019									
Total General Fund		2,641,534											
Special Revenue Fund:													
Preschool Education and Expansion Aid	495-034-5120-086	770,939	7/1/2019	6/30/2020			710,303						
Preschool Education and Expansion Aid	495-034-5120-086	49,500	7/1/2018	6/30/2019			4,950						
New Jersey Non-Public Aid:													
Non Public Nursing Services	100-034-5120-070	263,579	7/1/2019	6/30/2020			262,579						
Non Public Nursing Services	100-034-5120-070	267,720	7/1/2018	6/30/2019			406,050						
Non Public Security Aid	100-034-5120-569	406,050	7/1/2019	6/30/2020			17,462						
Non Public Security Aid	100-034-5120-569	414,000	7/1/2018	6/30/2019			25,626						
Non Public Technology Initiative	100-034-5120-373	88,704	7/1/2019	6/30/2020			88,704						
Non Public Technology Initiative	100-034-5120-373	90,684	7/1/2018	6/30/2019			2,223						
Non Public Textbook Aid	100-034-5120-064	129,878	7/1/2019	6/30/2020			129,878						
Non Public Textbook Aid	100-034-5120-064	134,515	7/1/2018	6/30/2019			10,361						
Non Public Ancillary Services (Ch. 192):													
English as a Second Language	100-034-5120-067	13,236	7/1/2019	6/30/2020			11,812						
English as a Second Language	100-034-5120-067	23,294	7/1/2018	6/30/2019			16,892						
Home Instruction	100-034-5120-067	718	7/1/2019	6/30/2020			1,181						
Home Instruction	100-034-5120-067	21,147	7/1/2018	6/30/2019			22,633						
Compensatory Education	100-034-5120-067	9,846	7/1/2019	6/30/2020			8,882						
Compensatory Education	100-034-5120-067	28,898	7/1/2018	6/30/2019			25,722						
Supplemental Instruction	100-034-5120-067	49,045	7/1/2019	6/30/2020			44,140						
Supplemental Instruction	100-034-5120-067	27,899	7/1/2018	6/30/2019			7,641						
Examination and Classification	100-034-5120-067	48,211	7/1/2019	6/30/2020			10,715						
Examination and Classification	100-034-5120-067	48,211	7/1/2018	6/30/2019			90,417						
Concurrent Speech	100-034-5120-067												
Concurrent Speech	100-034-5120-067												
Total Special Revenue Fund													
Debt Service Fund:													
Type II Aid	100-034-5120-075	222,746	7/1/2019	6/30/2020			222,746						
Type II Aid	100-034-5120-075	222,746	7/1/2018	6/30/2019			222,746						
Total Debt Service Fund													
State Department of Agriculture													
State School Lunch Program (State Share)	20-100-010-3350-023	10,238	7/1/2019	6/30/2020			7,374						
State School Lunch Program (State Share)	19-100-010-3350-023	8,249	7/1/2018	6/30/2019			634						
Total Enterprise Fund													
Total Enterprise Fund													
Total State Financial Assistance													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination:													
On-Behalf Teachers' Pension and Annuity Fund	20-495-034-5094-002	7,520,716	7/1/2019	6/30/2020									
On-Behalf Teachers' Pension and Annuity Fund	20-495-034-5094-001	2,790,048	7/1/2019	6/30/2020									
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical Insurance	20-495-034-5094-004	5,244	7/1/2019	6/30/2020									
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical Insurance	20-495-034-5094-004	5,244	7/1/2018	6/30/2019									
Total State Financial Assistance Subject to Single Audit Determination													
Total State Financial Assistance Subject to Single Audit Determination													

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

Princeton Public Schools

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

Year ended June 30, 2020

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2020. 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 and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code, *Code of Federal Regulations* Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's 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 statements or schedules (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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Princeton Public Schools

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

Year ended June 30, 2020

3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 payment 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 \$37,510 for the general fund and \$97,104 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. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$31,362 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Federal and state award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 41,458	\$ 19,009,252	\$ 19,050,710
Special Revenue Fund	1,487,620	1,722,835	3,210,455
Debt Service Fund	-	222,746	222,746
Food Service Enterprise Fund	430,206	10,238	440,444
Unemployment Trust Fund	63,336	-	63,336
Total financial award revenues	<u>\$2,022,620</u>	<u>\$ 20,965,071</u>	<u>\$ 22,987,691</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 Public Schools

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

Year ended June 30, 2020

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value 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 for TPAF members for the year ended June 30, 2020.

The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2020 amounted to \$10,316,008. Since on-behalf post retirement pension, disability insurance 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 15-08, as directed by the funding agency.

6. Indirect Costs

The District elected not to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

Princeton Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

Part I - Summary of Auditors' Results (continued)

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported
Is any noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	H027A190100/H173A190114	IDEA Part B, Basic and Preschool (Special Education Cluster)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Princeton Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

Part I - Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors' report on compliance for major state programs: _____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
20-495-034-5094-003	Reimbursed TPAF Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000 _____

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

Princeton Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2020

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 Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

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

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) or New Jersey State OMB Circular 15-08.

Princeton Public Schools
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2020

No prior year findings were noted.