

**PRINCETON PUBLIC SCHOOLS**  
Princeton, New Jersey



**Live to Learn, Learn to Live**

Annual Comprehensive Financial Report for the  
Year ended June 30, 2021

# **Princeton Public Schools**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2021

**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



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

February 9, 2022

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 Annual Comprehensive Financial Report (“ACFR”) of the Princeton Public Schools (hereinafter, the “District”) as of and for the year ended June 30, 2021, 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 and each major fund at June 30, 2021 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 ACFR 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 2020-2021 fiscal year with an average daily enrollment of 3,674 students, which is 167 or 4.35% fewer students than the previous year’s average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last five years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2020-21	3,674	-4.35%
2019-20	3,841	2.67%
2018-19	3,741	-0.27%
2017-18	3,751	0.73%
2016-17	3,724	4.81%

## **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 the Fall of 2021, 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 nine years and a projection for next year is noted:

<u>Fiscal</u> <u>Year</u>	<u>Enrollment</u>
2012-13	342
2013-14	341
2014-15	346
2015-16	348
2016-17	348
2017-18	402
2018-19	412
2019-20	427
2020-21	424
2021-22	424

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 2018-2021. 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 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 annual comprehensive financial report for the fiscal year ended June 30, 2020, and was again granted the award for the **23<sup>rd</sup> 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 annual comprehensive financial report continues to meet the Program's rigorous requirements.

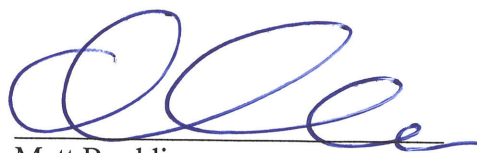
## **8. Acknowledgments**

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.

*Carol L Kelley*

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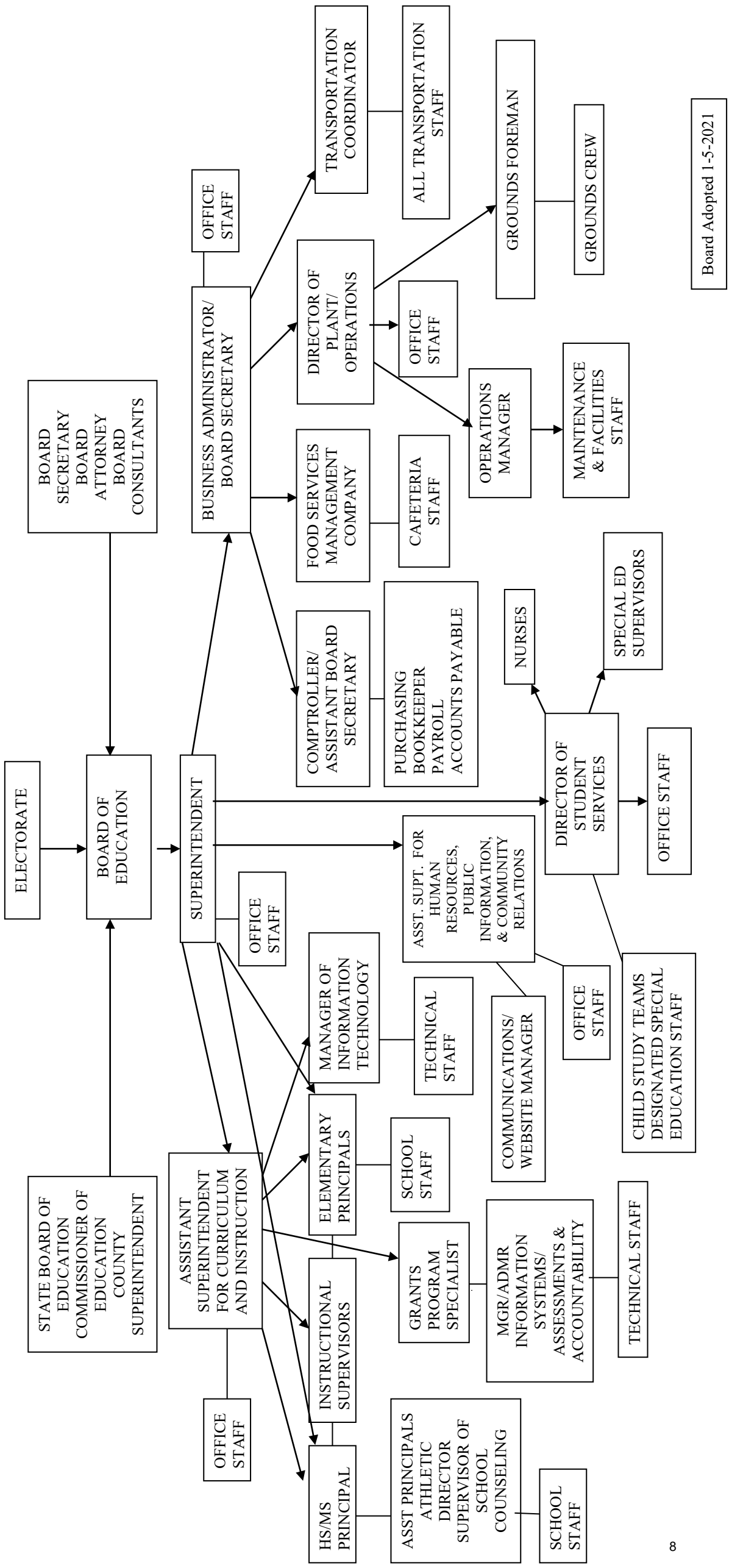
Dr. Carol Kelley  
Superintendent of Schools



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Matt Bouldin  
Business Administrator/Board Secretary

# PRINCETON PUBLIC SCHOOLS ORGANIZATIONAL CHART



Board Adopted 1-5-2021

Princeton Public Schools  
Princeton, New Jersey

Roster of Officials

June 30, 2021

	<b>Term Expires (December)</b>
<b><u>Members of the Board of Education</u></b>	
Beth Behrend, President	2023
Michele Tuck-Ponder, Vice President	2023
Debbie Bronfeld	2022
Daniel Dart	2021
Jean Durbin	2023
Betsy Kalber-Baglio	2021
Susan Kanter	2022
Dafna Kendal	2022
Brian McDonald	2021
Peter Katz	*
 <b><u>Other Officials</u></b>	
Dr. Carol Kelley, Superintendent of Schools	Effective 7/1/21
Matthew Bouldin, Business Administrator/Board Secretary	
Dr. Robert Ginsberg, Assistant Superintendent of Curriculum and Instruction	
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  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

---

W. Edward Chabal  
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 and each major fund of Princeton Public Schools, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 2021, 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 and each major fund of the District as of June 30, 2021, 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.

### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 21 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidelines, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which represents a change in accounting principle. As discussed in Note 21 to the financial statements, as of July 1, 2020, the District's government-wide financial statements net position and the fund balances of the general fund and special revenue fund were retroactively adjusted to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

### **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 February 9, 2022 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

February 9, 2022  
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, 2021

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, 2021. 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 two categories: governmental funds and proprietary 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.

**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 31-74 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 80-98 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 \$44,106,477 (net position) for the fiscal year ended June 30, 2021 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, 2021 and 2020:

Princeton Public Schools  
Princeton, New Jersey  
Net Position  
June 30,

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 23,005,545	\$ 470,928	\$ 23,476,473	\$ 29,077,197	\$ 552,545	\$ 29,629,742
Capital assets, net	94,708,263	237,414	94,945,677	87,493,153	167,832	87,660,985
Total assets	117,713,808	708,342	118,422,150	116,570,350	720,377	117,290,727
Deferred outflows of resources	6,178,323		6,178,323	7,840,573		7,840,573
Liabilities:						
Current liabilities	12,221,490	77,310	12,298,800	9,896,869	199,776	10,096,645
Net pension liability	24,018,695		24,018,695	25,983,537		25,983,537
Long-term liabilities	33,860,677		33,860,677	38,465,135		38,465,135
Total liabilities	70,100,862	77,310	70,178,172	74,345,541	199,776	74,545,317
Deferred inflow of resources	10,394,704		10,394,704	9,967,540		9,967,540
Net position:						
Net investment in capital assets	65,093,904	237,414	65,331,318	64,325,475	167,832	64,493,307
Restricted for capital reserve	2,885,813		2,885,813	3,015,413		3,015,413
Restricted for maintenance reserve	710,773		710,773	410,684		410,684
Restricted for capital projects	812,237		812,237			
Restricted for unemployment	498,364		498,364			
Restricted for scholarships	11,269		11,269			
Restricted for student activities	337,098		337,098			
Restricted for excess surplus-current year				1,892,163		1,892,163
Restricted for excess surplus-prior year	2,248,120		2,248,120			
Unrestricted (deficit)	(29,201,013)	393,618	(28,807,395)	(29,545,893)	352,769	(29,193,124)
Total net position	\$ 43,396,565	\$ 631,032	\$ 44,027,597	\$ 40,097,842	\$ 520,601	\$ 40,618,443

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 increased due to the increase 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 decreased 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, 2021.

**Government-wide activities.** The key elements of the District’s net position for the years ended June 30, 2021 and 2020 are as follows:

Princeton Public Schools  
Princeton, New Jersey  
Net Position  
Year Ended June 30,

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 5,844,057	\$ 1,222	\$ 5,845,279	\$ 5,550,152	\$ 614,450	\$ 6,164,602
Operating grants and contributions	4,877,223	915,211	5,792,434	3,329,870	440,444	3,770,314
General revenues:						
Property taxes	86,248,751		86,248,751	83,999,185		83,999,185
Federal and state aid not restricted to specific purposes	37,319,965		37,319,965	24,314,955		24,314,955
Earnings on investments	79,822	1,207	81,029	526,089	2,445	528,534
Miscellaneous	348,480		348,480	489,408		489,408
Total Revenues	134,718,298	917,640	135,635,938	118,209,659	1,057,339	119,266,998
Expenses:						
Instructional services	76,555,652		76,555,652	65,933,225		65,933,225
Support services	47,013,614	807,208	47,820,822	40,753,615	1,025,929	41,779,544
Charter school	6,603,954		6,603,954	6,544,147		6,544,147
Interest on long-term debt	2,076,449		2,076,449	1,222,994		1,222,994
Total Expenses	132,249,669	807,208	133,056,877	114,453,981	1,025,929	115,479,910
Change in net position	2,468,629	110,432	2,579,061	3,755,678	31,410	3,787,088
Net position-beginning of year (as retroactively adjusted)	40,927,936	520,600	41,448,536	36,341,164	489,190	36,830,354
Net position-end of year	\$ 43,396,565	\$ 631,032	\$ 44,027,597	\$ 40,096,842	\$ 520,600	\$ 40,617,442

Property taxes increased \$2,249,566, which was in accordance with state regulations.

The increase in unrestricted federal and state aid is mainly due to the increase related to GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record \$7,456,761 in additional revenues and expenses, which were contributions made on behalf of the District by the State for post-employment health benefits. This increase is also caused by a decrease in the TPAF full accrual pension adjustment of \$3,756,737.

The decrease in earnings on investments is due to the \$26,928,000 bond issued in the prior year of which was fully utilized and no longer invested in U.S. Treasury Bonds at the beginning of the year.

Instructional services expenses increased due to the decrease in number of students attending charter schools in the current year as well as the District increasing spending due to additional grant funds. Support services expenses increased due to increases in the number of employees, and salary and benefits increases, as well as increases in the on-behalf TPAF pension contributions by the State.

### 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 \$5,301,615, while the total fund balance was \$13,187,075. The net change in total fund balance for the General Fund was an increase of \$1,323,966, 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, however fund balance increased by \$60,830 attributable mostly to an increase in federal and state grants expended and the inclusion of student activity and scholarship funds pursuant to GASB 84. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,221,409.

*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 \$10,471,681 in the current fiscal year compared to expenditures of \$9,478,916 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 \$450,316.

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, 2021, and the increases in relation to prior year.

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2020</b>	<b>Percent of Increase</b>
Local sources	\$ 93,354,444	76.9%	\$ 3,094,278	3.4%
State sources	25,643,260	21.1	4,688,427	22.4
Federal sources	2,355,974	2.0	826,896	54.1
<b>Total</b>	<b>\$121,353,678</b>	<b>100.0%</b>	<b>\$ 8,609,601</b>	<b>7.6%</b>

The increase in local sources is mainly attributable to an increase in the tax levy of \$2,249,566.

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, 2021, and the increases in relation to the prior year:

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2020</b>	<b>Percent of Increase</b>
Current expenditures:				
Instruction	\$ 40,178,631	32.7%	\$ 2,323,511	6.1%
Support services	68,459,298	55.8	9,376,547	15.9
Charter schools	6,603,954	5.4	59,807	0.9
Debt service:				
Principal	5,998,000	4.9	788,235	15.1
Interest	1,483,590	1.2	41,564	2.9
<b>Total</b>	<b>\$122,723,473</b>	<b>100.0%</b>	<b>\$ 12,589,664</b>	<b>11.4%</b>

The increase in instruction and increase in support services expenditures is mainly attributable to the allocation of instructional and support related supplies related to the COVID-19 pandemic. The increase in interest is due to the \$3.24 million capital lease executed 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 – capital lease increased from original budget by approximately \$672,000 or 100% due to the District purchasing Macbooks through capital lease funding.
- The modified budget for undistributed expenditures – required maintenance for school facilities – cleaning, repair and maintenance services increased from the original budget by approximately \$968,000 or 98% as a result of the District requiring additional funds for COVID-19 maintenance and ionization units.
- The modified budget for unallocated benefits – health benefits decreased from the original budget by approximately \$1,055,000 or 8% as a result of the District moving funds to other budget lines to cover COVID-19 related expenditures.

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 \$2,317,905 or 76% 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, 2021 and 2020, the District had \$94,945,677 and \$87,660,985, 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.

	<b>Capital Assets (Net of Depreciation)</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 195,190	\$ 195,190		
Construction in progress	15,879,844	8,716,567		
Building and building improvements	77,548,796	77,221,127		
Machinery and equipment	1,084,433	1,360,269	\$ 237,414	\$ 164,832
<b>Total</b>	<b>\$ 94,708,263</b>	<b>\$ 87,493,153</b>	<b>\$ 237,414</b>	<b>\$ 167,832</b>

The increase in capital assets, net is due to capital asset additions being more than depreciation expense during the 2020-21 year. For more detailed information, please refer to Note 4 to the basic financial statements.

**Debt Administration and Long-Term Liabilities**

At June 30, 2021, the District had \$65,080,984 of outstanding long-term liabilities. Of this amount, \$24,018,695 is for the net pension liability, \$5,902,223 is for compensated absences; \$32,750,000 of serial bonds for school construction; \$2,170,038 is for the capital lease liability; and \$240,028 is for the unamortized premium on bonds. The District paid \$5,998,000 of the principal balance of outstanding bonds during the 2020-21 fiscal year. The legal debt margin at June 30, 2021 is \$311,236,500.

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 \$3,303,052 of its 2021 fund balance to partially fund 2021-2022 operations, an increase of \$803,052 from the prior year.
- The 2021-2022 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, CRSSA and ARP grant funding.

All of the above factors were considered in preparing the District's 2021-22 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, 2021.

## Princeton Public Schools

## Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,918,360	\$ 272,432	\$ 18,190,792
Accounts receivable	4,732,733	168,082	4,900,815
Internal balances	(25,763)	25,763	-
Inventories		4,651	4,651
Restricted assets:			
Cash and cash equivalents	380,215		380,215
Capital assets, non-depreciable	16,075,034		16,075,034
Capital assets, depreciable, net	78,633,229	237,414	78,870,643
Total assets	<u>117,713,808</u>	<u>708,342</u>	<u>118,422,150</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on defeasance of debt	54,152		54,152
Pension deferrals	6,124,171		6,124,171
Total deferred outflows of resources	<u>6,178,323</u>		<u>6,178,323</u>
<b>Liabilities</b>			
Accounts payable	2,684,772	6,779	2,691,551
Accrued interest payable	439,126		439,126
Intergovernmental payables:			
State	170,268		170,268
Other	3,371		3,371
Unearned revenue	330,189	70,531	400,720
Other liabilities	1,392,152		1,392,152
Net pension liability	24,018,695		24,018,695
Current portion of long-term obligations	7,201,612		7,201,612
Noncurrent portion of long-term obligations	33,860,677		33,860,677
Total liabilities	<u>70,100,862</u>	<u>77,310</u>	<u>70,178,172</u>
<b>Deferred Inflow of Resources</b>			
Pension deferrals	10,394,704		10,394,704
<b>Net position</b>			
Net investment in capital assets	65,093,904	237,414	65,331,318
Restricted for:			
Capital reserve	2,885,813		2,885,813
Maintenance reserve	710,773		710,773
Capital projects	812,237		812,237
Unemployment	498,364		498,364
Scholarships	11,269		11,269
Student activities	337,098		337,098
Excess Surplus-prior year	2,248,120		2,248,120
Unrestricted (deficit)	(29,201,013)	393,618	(28,807,395)
Total net position	<u>\$ 43,396,565</u>	<u>\$ 631,032</u>	<u>\$ 44,027,597</u>

*See accompanying notes to the basic financial statements.*

## Princeton Public Schools

## Statement of Activities

Year ended June 30, 2021

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	
<b>Governmental activities</b>						
Instruction	\$ 76,555,652	\$ 5,720,335	\$ 2,419,484	\$ (68,415,833)		\$ (68,415,833)
Support services:						
Attendance/social work	459,509			(459,509)		(459,509)
Health services	1,767,652			(1,767,652)		(1,767,652)
Other support services	14,817,098		2,457,739	(12,359,359)		(12,359,359)
Improvement of instruction	568,439			(568,439)		(568,439)
Other support: instructional staff	1,721,783			(1,721,783)		(1,721,783)
School library	1,849,845			(1,849,845)		(1,849,845)
General administration	1,618,674			(1,618,674)		(1,618,674)
School administration	4,542,590			(4,542,590)		(4,542,590)
Central services	2,213,697			(2,213,697)		(2,213,697)
Admin info technology	1,552,398			(1,552,398)		(1,552,398)
Required maintenance of plant services	3,036,391			(3,036,391)		(3,036,391)
Operation of plant	8,417,729			(8,417,729)		(8,417,729)
Student transportation	4,447,809	123,722		(4,324,087)		(4,324,087)
Charter schools	6,603,954			(6,603,954)		(6,603,954)
Interest on long-term debt	2,076,449			(2,076,449)		(2,076,449)
Total governmental activities	132,249,669	5,844,057	4,877,223	(121,528,389)		(121,528,389)
<b>Business-type activities</b>						
Food service	807,208	1,222	915,211		\$ 109,225	109,225
Total business-type activities	807,208	1,222	915,211		109,225	109,225
Total primary government	\$ 133,056,877	\$ 5,845,279	\$ 5,792,434	(121,528,389)	109,225	(121,419,164)
<b>General revenues:</b>						
Property taxes, levied for general purposes				79,613,869		79,613,869
Property taxes, levied for debt service				6,634,882		6,634,882
Federal and state sources				37,319,965		37,319,965
Investment earnings				79,822	1,207	81,029
Miscellaneous income				348,480		348,480
Total general revenues				123,997,018	1,207	123,998,225
Change in net position				2,468,629	110,432	2,579,061
Net position, July 1—(retroactively adjusted - see Note 21)				40,927,936	520,600	41,448,536
Net position—ending				\$ 43,396,565	\$ 631,032	\$ 44,027,597

See accompanying notes to the basic financial statements.

# Fund Financial Statements

# Governmental Funds

Princeton Public Schools  
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 10,654,590	\$ 348,367	\$ 6,915,403		\$ 17,918,360
Accounts receivable:					
State	3,482,248	2,745			3,484,993
Federal		809,159			809,159
Local		24,074			24,074
Interfund	1,476,793	245,768	839,238	\$ 1,133,869	3,695,668
Other	414,507				414,507
Restricted cash and cash equivalents	380,215				380,215
Total assets	<u>\$ 16,408,353</u>	<u>\$ 1,430,113</u>	<u>\$ 7,754,641</u>	<u>\$ 1,133,869</u>	<u>\$ 26,726,976</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$ 783,080	\$ 222,024	\$ 273		\$ 1,005,377
Intergovernmental payables:					
State		170,268			170,268
Other		3,371			3,371
Interfunds payable	1,121,724	465,578	1,450,576	\$ 683,553	3,721,431
Unearned revenue	4,022	326,167			330,189
Payroll deductions and withholdings payable	1,011,209				1,011,209
Other liabilities	380,123	820			380,943
Total liabilities	<u>3,300,158</u>	<u>1,188,228</u>	<u>1,450,849</u>	<u>683,553</u>	<u>6,622,788</u>
Fund balances:					
Restricted for:					
Capital reserve	2,885,813				2,885,813
Maintenance reserve	710,773				710,773
Unemployment compensation reserve	498,364				498,364
Capital projects			6,303,792		6,303,792
Debt service				450,316	450,316
Scholarships		11,269			11,269
Student activities		337,098			337,098
Excess surplus- designated for subsequent year expenditures	2,248,120				2,248,120
Assigned to:					
Designated for subsequent year expenditures	1,054,932				1,054,932
Other purposes	408,578				408,578
Unassigned (deficit)	5,301,615	(106,482)			5,195,133
Total fund balances	<u>13,108,195</u>	<u>241,885</u>	<u>6,303,792</u>	<u>450,316</u>	<u>20,104,188</u>
Total liabilities and fund balances	<u>\$ 16,408,353</u>	<u>\$ 1,430,113</u>	<u>\$ 7,754,641</u>	<u>\$ 1,133,869</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 \$150,541,653 and the accumulated depreciation is \$55,833,390. (See Note 4)	94,708,263
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.	(439,126)
Long-term liabilities, including bonds payable, capital leases, unamortized premium and compensated absences are not due in the current period and therefore are not liabilities in the funds.	(41,062,289)
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.	54,152
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(4,270,533)
Accrued pension contributions for the June 30, 2021 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.	(1,679,395)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(24,018,695)
Net position of governmental activities	<u>\$ 43,396,565</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, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues:</b>					
Local sources:					
Local tax levy	\$ 79,613,869			\$ 6,634,882	\$ 86,248,751
Tuition	5,720,335				5,720,335
Interest on investments	60,919		\$ 18,903		79,822
Other restricted miscellaneous revenues	2,347				2,347
Transportation-hazardous routes	123,722				123,722
Miscellaneous	346,133	\$ 852,237			1,198,370
Total local sources	85,867,325	852,237	18,903	6,634,882	93,373,347
State sources	23,458,829	1,730,769		453,662	25,643,260
Federal sources	61,757	2,294,217			2,355,974
Total revenues	109,387,911	4,877,223	18,903	7,088,544	121,372,581
<b>Expenditures:</b>					
Current:					
Instruction	37,676,317	2,502,314			40,178,631
Support services:					
Instruction - tuition to other districts	5,679,757				5,679,757
Attendance/social work	245,457				245,457
Health services	1,058,361				1,058,361
Support services	6,815,758	2,457,739			9,273,497
Improvement of instruction	313,245				313,245
Other support: instructional staff	960,696				960,696
School library	988,545				988,545
General administration	1,129,495				1,129,495
School administration	2,462,695				2,462,695
Central services	1,277,128				1,277,128
Administration information technology	942,244				942,244
Required maintenance of plant services	2,585,765				2,585,765
Operation of plant-custodial services	4,090,540				4,090,540
Care and upkeep of grounds	301,891				301,891
Security	333,585				333,585
Student transportation	3,255,572				3,255,572
Employee benefits	16,641,769				16,641,769
On-behalf pension, medical and disability contributions	13,186,510				13,186,510
On-behalf TPAF social security contributions	2,660,865				2,660,865
Contribution to charter schools - current	6,603,954				6,603,954
Capital outlay			10,471,679		10,471,679
Debt Service:					
Principal	1,069,962			5,998,000	7,067,962
Interest	241,484			1,243,825	1,485,309
Total expenditures	110,521,595	4,960,053	10,471,679	7,241,825	133,195,152
(Deficiency) of revenues (under) expenditures	(1,133,684)	(82,830)	(10,452,776)	(153,281)	(11,822,571)
Other financing sources (uses):					
Lease proceeds	3,240,000				3,240,000
Transfers in	8	22,000	861,237	18,895	902,140
Transfers out	(861,238)		(18,903)	(21,999)	(902,140)
Total other financing sources (uses)	2,378,770	22,000	842,334	(3,104)	3,240,000
Net change in fund balances	1,245,086	(60,830)	(9,610,442)	(156,385)	(8,582,571)
Fund Balance, July 1 (retroactively adjusted - see note 21)	11,863,109	302,715	15,914,234	606,701	28,686,759
Fund balances, June 30	\$ 13,108,195	\$ 241,885	\$ 6,303,792	\$ 450,316	\$ 20,104,188

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, 2021

**Total net change in fund balances - governmental funds (from B-2)** \$ (8,582,571)

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	\$ (3,731,811)	
Capital asset additions	<u>10,946,921</u>	7,215,110

In the statement of activities, interest on long-term debt/capital lease is  
accrued, regardless of when due. In the governmental funds, interest is  
reported when due. The amount presented is the change from prior year. 83,317

Proceeds from lease purchase agreements and capital leases are a  
financing source in the governmental funds. They are not revenue in the  
statement of activities; lease purchase agreements and capital leases  
increase long-term liabilities in the statement of net position. (3,240,000)

Obligations under capital leases

Repayments of bond principal and capital lease obligations 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.

Serial bonds payable		5,998,000
Obligations under capital leases		1,069,962

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	<u>(108,306)</u>	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. (138,813)

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		(84,412)
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**Change in net position of governmental activities (A-2)** \$ 2,468,629

*See accompanying notes to the basic financial statements.*



# Proprietary Fund

Princeton Public Schools  
Proprietary Fund

Statement of Net Position

June 30, 2021

	<b>Major Fund</b>
	<b>Business-Type Activity</b>
	<b>Food Service</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 272,432
Accounts receivable:	
State	4,174
Federal	150,794
Interfund	36,718
Other	13,114
Inventories	4,651
Total current assets	481,883
Non-current assets:	
Capital assets:	
Equipment	982,261
Construction in progress	87,799
Accumulated depreciation	(832,646)
Total capital assets, net	237,414
Total assets	719,297
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	6,779
Unearned revenue	70,531
Interfund payable	10,955
Total current liabilities	88,265
<b>Net position</b>	
Investment in capital assets	237,414
Unrestricted	393,618
Total net position	\$ 631,032

*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, 2021

	<b>Major Fund</b>
	<b>Business-Type Activity</b>
	<b>Food Service</b>
Operating revenues:	
Local sources:	
Special event income	\$ 1,222
Total operating revenues	1,222
Operating expenses:	
Salaries	93,315
Employee benefits	60,556
Supplies and materials	4,946
Depreciation	47,142
Cost of sales- program revenues	520,863
Management and administrative fees	80,386
Total operating expenses	807,208
Operating (loss)	(805,986)
Nonoperating revenues:	
State sources:	
State school lunch program	23,998
Federal sources:	
National school breakfast program	288,348
National school lunch program	548,651
Pandemic electronic benefit transfer	614
Food donation program	53,600
Interest	1,207
Total nonoperating revenues	916,418
Change in net position	110,432
Total net position-beginning	520,600
Total net position-ending	\$ 631,032

*See accompanying notes to the basic financial statements.*

Princeton Public Schools  
Proprietary Fund

Statement of Cash Flows

Year ended June 30, 2021

	<b>Major Fund</b>
	<b>Business-Type Activity</b>
	<b>Food Service</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ (1,615)
Payments to employees	(93,315)
Payments for employee benefits	(60,556)
Payments to suppliers	(604,817)
Net cash used in operating activities	(760,303)
<b>Cash flows from noncapital financing activities:</b>	
Cash received from state and federal reimbursements	768,027
Receipts from food donation program	40,901
Net cash provided by noncapital financing activities	808,928
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets	(116,724)
Net cash used in capital and related financing activities	(116,724)
<b>Cash flows from investing activities:</b>	
Interest received	1,207
Net cash provided by investing activities	1,207
Net decrease in cash and cash equivalents	(66,892)
Cash and cash equivalents, beginning of year	339,324
Cash and cash equivalents, end of year	\$ 272,432
<b>Reconciliation of operating (loss) to net cash (used in) operating activities</b>	
Operating (loss)	\$ (805,986)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	47,142
Change in assets and liabilities:	
Decrease in accounts receivable	7,374
Decrease in inventory	24,133
Decrease in accounts payable	(99,556)
Decrease in interfund receivable	65,846
Increase in interfund payable	10,955
Decrease in unearned revenue	(10,211)
Net cash used in operating activities	\$ (760,303)

*See accompanying notes to the basic financial statements.*

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **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.

#### **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 activities of the District. For the most part, the effect of interfund activity has been removed from these

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **1. Summary of Significant Accounting Policies (continued)**

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 and proprietary 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 1. Summary of Significant Accounting Policies (continued)

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.

*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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 1. Summary of Significant Accounting Policies (continued)

other entities on a continuing basis are financed or recovered primarily through user charges.

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

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 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

Year ended June 30, 2021

### **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

Year ended June 30, 2021

### **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, 2021, the unused Food Donation Program commodities of \$3,046 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

Year ended June 30, 2021

### 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, 2021, the amount earned by these employees but not disbursed was \$334,451 and is included in liabilities – payroll deductions and withholdings payable in the general 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

Year ended June 30, 2021

### **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 \$5,902,223 at June 30, 2021. 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, 2021, the District has recorded an unamortized balance of \$54,152 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2021 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

Year ended June 30, 2021

### 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

Year ended June 30, 2021

### **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 \$13,187,075 of fund balance in the General Fund, \$2,885,813 has been restricted in the capital reserve account, \$710,773 has been restricted in the maintenance reserve account, \$577,244 has been restricted in the unemployment compensation reserve, \$2,248,120 is restricted for excess surplus – prior year, \$408,578 of encumbrances is assigned to other purposes, \$1,054,932 has been classified as assigned fund balance designated for subsequent year's expenditures, and \$5,301,615 is unassigned.

The Capital Projects Fund fund balance is \$6,303,792, which is restricted for capital projects and the Debt Service Fund fund balance is \$450,316, 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 excess fund balance at June 30, 2021 was \$2,248,120 which has been appropriated in the 2021/22 budget.

### **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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **1. Summary of Significant Accounting Policies (continued)**

affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **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 \$3,756,737 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. Other GASB Pronouncements**

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 June 15, 2021. 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, 2020. Management has not determined the impact of the Statement on the 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, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 1. Summary of Significant Accounting Policies (continued)

#### U. Subsequent events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 9, 2022, 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.

### 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, capital leases, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$41,062,289 difference are as follows:

Bonds payable	\$	32,750,000
Unamortized premium on bonds		240,028
Capital leases		2,170,038
Compensated absences		<u>5,902,223</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>41,062,289</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



# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 3. Deposits and Investments (continued)

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.

#### 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.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 3. Deposits and Investments (continued)

At June 30, 2021, the District's carrying value of its deposits was \$18,571,007, and the bank balance was \$16,284,900. Based on levels of risk, \$250,000 of the District's cash deposits on June 30, 2021 were secured by federal depository insurance and \$14,670,292 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$984,393 held in the District's agency accounts and \$5,036,381 held in a NJ Cash Management account are not covered by GUDPA. In addition, the District has cash held with fiscal agents in the amount of \$380,215.

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

At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

#### Investments

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

- a. Bonds 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.

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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 3. Deposits and Investments (continued)

in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

#### **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, 2021, the District’s balance was \$5,036,381 with NJARM. The NJARM Joint Account portfolio is rated AAA by Standard & Poor’s.

*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.

The District had no investments at June 30, 2021.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 195,190			\$ 195,190
Construction in progress	8,716,567	\$10,701,885	\$ (3,538,608)	15,879,844
Total capital assets, not being depreciated	8,911,757	10,701,885	(3,538,608)	16,075,034
Capital assets, being depreciated				
Land improvements	596,300			596,300
Buildings and building improvements	121,979,296	14,029	3,538,608	125,531,933
Machinery, equipment, and vehicles	8,107,379	231,007		8,338,386
Total capital assets being depreciated	130,682,975	245,036	3,538,608	134,466,619
Less accumulated depreciation for:				
Land improvements	596,300			596,300
Buildings and building improvements	44,758,169	3,224,968		47,983,137
Machinery, equipment, and vehicles	6,747,110	506,843		7,253,953
Total accumulated depreciation	52,101,579	3,731,811		55,833,390
Total capital assets being depreciated, net	78,581,396	(3,486,775)	3,538,608	78,633,229
Governmental activities capital assets, net	\$ 87,493,153	\$ 7,215,110	\$ -	\$ 94,708,263

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 4. Capital Assets (continued)

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

Instruction	\$	2,288,640
Attendance/social work		12,029
Health services		51,869
Other support services		454,481
Improvement of instruction		15,352
Other support - instructional staff		47,082
School library		48,447
General administration		55,355
School administration		120,693
Central services		62,590
Information technology		46,178
Required maintenance of plant services		126,725
Operation of plant		241,321
Student transportation		161,049
		\$ 3,731,811

The following is a summary of business-type activities changes in capital assets for the year ended June 30, 2021.

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>			
Capital assets, not being depreciated:			
Construction in progress	\$ -	\$ 87,799	\$ 87,799
Total capital assets, not being depreciated	-	87,799	87,799
Capital assets, being depreciated:			
Equipment	953,336	28,925	982,261
Less accumulated depreciation for:			
Equipment	785,504	47,142	832,646
Total business-type activities capital assets, net	\$ 167,832	\$ 69,582	\$ 237,414

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 5. Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Governmental activities:					
Bonds payable	\$38,748,000		\$5,998,000	\$32,750,000	\$6,200,000
Premium on bonds	496,370		256,342	240,028	135,672
Obligations under capital leases		\$3,240,000	1,069,962	2,170,038	536,246
Compensated absences	5,763,410	276,805	137,992	5,902,223	329,694
Subtotal	45,007,780	3,516,805	7,462,296	41,062,289	7,201,612
Net pension liability	25,983,537		1,964,842	24,018,695	
Total governmental activities long-term liabilities	\$70,991,317	\$3,516,805	\$9,427,138	\$65,080,984	\$7,201,612

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.

### 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, 2021 are comprised of the following issues:

\$10,980,000, 2013 school bonds, due in annual installments ranging from \$1,195,000 to \$1,225,000 through February 1, 2023 at interest rates ranging from 1.75% to 2.00%. These bonds were issued to finance the school facilities project approved in September 2012.

\$12,155,000, 2018 refunding bonds, with the final installment of \$4,205,000 due February 1, 2022 at an interest rate of 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2021, 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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 5. Long-Term Liabilities (continued)

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:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Fiscal year ending June 30:			
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	1,395,000	635,325	2,030,325
2027-2031	7,680,000	2,508,300	10,188,300
2032-2036	6,400,000	1,560,000	7,960,000
2037-2039	6,400,000	384,000	6,784,000
	\$ 32,750,000	\$ 8,278,037	\$ 41,028,037

### Capital Leases Payable

The District entered into a capital lease with TD Equipment Finance. Inc. in the amount of \$3,240,000 with an interest rate of 0.77%. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net future minimum lease payments at June 30, 2021:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Fiscal year ending June 30:			
2022	\$ 536,246	\$ 16,810	\$ 553,056
2023	540,400	12,656	553,056
2024	544,586	8,470	553,056
2025	548,806	4,250	553,056
	\$ 2,170,038	\$ 42,186	\$ 2,212,224

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 5. Long-Term Liabilities (continued)

The assets acquired through capital lease is as follows at June 30, 2021:

Assets:		
Machinery, equipment, and vehicles	\$	89,136
Less accumulated depreciation		(619)
Total	\$	<u>88,517</u>

### Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

### 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.

#### 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<sup>th</sup> 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



# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **6. Pension Plans (continued)**

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.

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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **6. Pension Plans (continued)**

and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$13,186,510 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 \$2,660,865 during the year ended June 30, 2021 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, 2021, 2020, and 2019 were \$1,611,249, \$1,402,695, and \$1,354,304, 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.

### **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, 2021, the District reported a liability of \$24,018,695 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.1472872292 percent, which was an increase of 0.0030823191 from its proportion measured as of June 30, 2019.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 6. Pension Plans (continued)

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$1,695,659 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows and inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 779,194	\$ 10,056,855
Difference between expected and actual experience	437,341	84,940
Net difference between projected and actual earnings on pension plan investments	820,978	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,407,265	252,909
District contributions subsequent to the measurement date	1,679,395	
	\$ 6,124,173	\$ 10,394,704

\$1,679,395 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:

Year ended June 30:		
2022	\$	(2,163,785)
2023		(2,146,031)
2024		(1,039,694)
2025		(478,830)
2026		(121,586)
	\$	(5,949,926)

#### *Actuarial Assumptions*

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 6. Pension Plans (continued)

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, 2019 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.

#### *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-2020.

#### *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, 2020) 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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 6. Pension Plans (continued)

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 expecting 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 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, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 30,235,530	\$ 24,018,695	\$ 18,743,540

#### *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, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$16,435,616,426
District's Proportion	0.1472872292%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **6. Pension Plans (continued)**

#### *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 \$221,808,014. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

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, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3368444450 percent, which was an increase of 0.0127327896 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$13,792,967 for contributions incurred by the State.

#### *Actuarial assumptions*

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 6. Pension Plans (continued)

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

#### *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, 2020) 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.



# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 6. Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. 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 2062, 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

Year ended June 30, 2021

### 6. Pension Plans (continued)

*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, 2020, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	At 1% decrease (4.40%)	At current discount rate (5.40%)	At 1% increase (6.40%)
State's proportionate share of the net pension liability associated with the District	\$ 260,539,490	\$ 221,808,014	\$ 189,648,025

#### *Pension plan fiduciary net position*

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

#### **Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 9,589,140,982
Deferred inflows of resources	\$14,409,361,877
Net pension liability	\$65,848,796,740
District's Proportion	0.32368444450%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2020 is \$4,114,319,534.

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,

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **6. Pension Plans (continued)**

2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 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 State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions 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 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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **7. Post-Retirement Benefits (continued)**

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 2020, the State paid PRM benefits for 143,053 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, 2021, 2020, and 2019 were \$3,145,198, \$2,790,048, and \$2,951,985, 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 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including the new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 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. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion of 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

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.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 7. Post-Retirement Benefits (continued)

#### *Total Nonemployer OPEB Liability*

The total nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.

#### *Changes in Total Nonemployer OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2019	\$ 118,961,755
Changes for the year:	
Service cost	5,436,077
Interest cost	4,296,548
Differences between expected and actual experiences	34,727,464
Changes in assumptions and other inputs	35,783,969
Member contributions	103,370
Benefit payments	<u>(3,410,436)</u>
Net changes	<u>76,936,992</u>
Ending Total OPEB Liability, June 30, 2020	<u>\$ 195,898,747</u>

#### *Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2020</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u>366,108</u>

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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 7. Post-Retirement Benefits (continued)

District as of June 30, 2021 was \$195,898,747. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

#### *Actuarial assumptions and other inputs*

The total nonemployer OPEB liability in the June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020 and included in the June 30, 2020 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	1.55 - 4.45%	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/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 20, 2019 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.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 7. Post-Retirement Benefits (continued)

#### *Discount Rate*

The discount rate for June 30, 2020 was 2.21%. 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 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven 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, 2020 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	At 1% decrease (1.21%)	At current discount rate (2.21%)	At 1% increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 236,166,051	\$ 195,898,747	\$ 164,413,593

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 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:

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 7. Post-Retirement Benefits (continued)

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 158,136,075	\$ 195,898,747	\$ 240,865,697

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,456,761 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB Expense	\$ 3,337,755,596
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.

### 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



# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **8. Risk Management (continued)**

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 Annual Comprehensive 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. The District’s withholdings are recorded in the Unemployment Compensation Reserve in the general fund.

### **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

Year ended June 30, 2021

### 10. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2021 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,476,793	\$ 1,121,724
Special Revenue Fund	245,768	465,578
Capital Projects Fund	839,238	1,450,576
Debt Service Fund	1,133,869	683,553
Food Service Enterprise Fund	36,718	10,955
	<u>\$ 3,732,386</u>	<u>\$ 3,732,386</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 and items purchased by the general fund on behalf of the food service enterprise fund not yet reimbursed. The interfund between the general fund and the special revenue fund is related to grant monies received in the general fund not yet transferred to the special revenue 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, 2021 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 12. Contingent Liabilities (continued)

the rules and regulations governing the ESSER and CRF funds, money may be required to be returned. 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 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$ 3,015,413
Withdrawals:	
Capital Outlay – Withdrawal	(839,238)
Deposits:	
Interest earned on capital reserve funds	9,638
Deposit into Capital Reserve (June 2021 Board Resolution)	700,000
Ending balance, June 30, 2021	<u>\$ 2,885,813</u>

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 13. Capital Reserve Account (continued)

The balance in the capital reserve does not exceed the LRF balance of local support costs of uncompleted capital projects at June 30, 2021. The District budgeted \$1,519,413 of the June 30, 2021 capital reserve balance in its 2021-22 fiscal year budget.

### 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$	410,684
Deposits:		
Interest earned on maintenance reserve funds		89
Deposit into Maintenance Reserve (June 2021 Board Resolution)		300,000
Ending balance, June 30, 2021	\$	<u>710,773</u>

The District did not budget any of the June 30, 2021 maintenance reserve balance in its 2021-22 fiscal year budget.

### 15. Deficit Fund Balances

The District has a deficit unassigned fund balance of \$106,482 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 15. Deficit Fund Balances (continued)

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 2021 fiscal year:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 8	\$ 861,238
Special Revenue Fund	22,000	
Capital Projects Fund	861,237	18,903
Debt Service Fund	18,895	21,999
	<u>\$ 902,140</u>	<u>\$ 902,140</u>

The transfer out of the capital projects fund to the general fund relates to a transfer of interest in the amount of \$18,903. \$839,238 of the transfer out of the general fund to the capital projects fund relates to a transfer from capital reserve for a new project. The \$22,000 transfer between general fund and special revenue fund is related to the general fund contribution for the preschool education aid program. \$21,999 of the transfer out of the debt service fund to the capital projects fund relates to prior year accrued interest. 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.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 17. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2021. These encumbrances, in the amount of \$408,578 are recorded as assigned to other purposes on the general fund balance sheet and \$6,767,299 as part of the restricted fund balance in the capital projects fund, which is offset by an unrestricted deficit of \$1,283,842.

During the 2021 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be approximately \$253,544, however, it is expected that the Federal Government, through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

### 18. 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 \$65,093,904 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 94,708,263
Bonds payable (used to build or acquire capital assets)	(32,750,000)
Unspent bond proceeds	5,491,555
Capital leases	(2,170,038)
Deferred loss on defeasance of debt	54,152
Unamortized deferred premium	(240,028)
Total net investment in capital assets	<u>\$ 65,093,904</u>

### 19. 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

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **19. Tax Abatements (continued)**

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.

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 \$1,467,179 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amounted to \$6,140,145, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$4,672,966 abatement would have been allocated to the District.

### **20. 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, 2021. 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 2021-22 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2021 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.

# Princeton Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### 21. Change in Accounting Principle / Retroactive Adjustments

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As part of this implementation, the activity in the Unemployment Compensation Insurance Trust fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. In addition, the Student Activities and Scholarship Funds are now reported in the Special Revenue Fund. The implementation of the Statement required a retroactive adjustments of prior year net position in the government-wide statement of activities and fund balance in the general fund and special revenue fund statement of revenues, expenditures and changes in fund balance.

Government-wide financial statements:

Beginning Net Position - June 30, 2020	<u>\$ 40,097,842</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	496,017
Reserve for Scholarships	12,218
Reserve for Student Activities	<u>321,859</u>
	<u>830,094</u>
Beginning Net Position - June 30, 2020 (as adjusted)	<u>\$ 40,927,936</u>

Fund financial statements:

Beginning Fund Balance - June 30, 2020	<u>\$ 27,856,665</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	496,017
Reserve for Scholarships	12,218
Reserve for Student Activities	<u>321,859</u>
	<u>830,094</u>
Beginning Fund Balance - June 30, 2020 (as adjusted)	<u>\$ 28,686,759</u>



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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	0.1131855499%	0.1200403097%	0.1224672619%	0.1362304658%	0.1319352300%	0.1361551600%	0.1442049101%	0.1472872292%
District's proportionate share of the net pension liability (asset)	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	\$ 24,018,695
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	272.88%	272.77%	300.19%	455.13%	334.11%	271.88%	252.76%	234.21%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 858,227	\$ 852,830	\$ 989,595	\$ 1,052,890	\$ 1,185,410	\$ 1,222,239	\$ 1,210,252	\$ 1,354,304	\$ 1,402,695	\$ 1,611,249
Contributions in relation to the contractually required contribution	(858,227)	(852,830)	(989,595)	(1,052,890)	(1,185,410)	(1,222,239)	(1,210,252)	(1,354,304)	(1,402,695)	(1,611,249)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 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	\$ 10,815,504
Contributions as a percentage of covered-employee payroll	11.36%	10.76%	12.01%	11.50%	13.37%	13.30%	12.27%	13.17%	13.68%	14.90%

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	2021
State's proportionate share of the net pension liability (asset) associated with the District - Local Group	0.3126860786%	0.3194868784%	0.3175550101%	0.3114428785%	0.3256115443%	0.3241116554%	0.3368444450%
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	\$ 221,808,014
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>	<u>\$ 221,808,014</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%	24.60%

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\*

	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.29%	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	\$ 195,898,747	\$ 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>\$ 195,898,747</u>	<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%	0.00%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 5,436,077	\$ 5,221,756	\$ 5,681,946	\$ 6,829,938	
Interest cost	4,296,548	5,140,801	5,504,216	4,729,081	
Changes in assumptions and other inputs	70,511,433	(17,227,701)	(28,198,277)	(19,257,642)	
Member contributions	103,370	108,249	119,560	127,696	
Gross benefit payments	<u>(3,410,436)</u>	<u>(3,651,771)</u>	<u>(3,459,319)</u>	<u>(3,467,886)</u>	
Net change in total OPEB liability	76,936,992	(10,408,666)	(20,351,874)	(11,038,813)	
Total OPEB liability - beginning	<u>118,961,755</u>	<u>129,370,421</u>	<u>149,722,295</u>	<u>160,761,108</u>	
Total OPEB liability - ending	<u>\$ 195,898,747</u>	<u>\$ 118,961,755</u>	<u>\$ 129,370,421</u>	<u>\$ 149,722,295</u>	
Covered-employee payroll	\$ 47,150,214	\$ 47,386,192	\$ 45,708,927	\$ 42,968,951	
Total OPEB liability as a percentage of covered-employee payroll	415.48%	251.05%	283.03%	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, 2021

**1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 6.00% as of June 30, 2020.

**2. PENSION - TEACHERS' PENSION AND ANNUITY FUND**

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

**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 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

Required Supplementary Information  
Part III

Budgetary Comparison Schedules

PRINCETON PUBLIC SCHOOLS

Budgetary Comparison Schedule  
(Budgetary Basis)  
General Fund  
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 79,613,868		\$ 79,613,868	\$ 79,613,869	\$ 1
Tuition	5,892,651		5,892,651	5,720,335	(172,316)
Transportation - Hazardous Routes	168,000		168,000	123,722	(44,278)
Interest Earned on Investments	70,500		70,500	60,919	(9,581)
Other Restricted Miscellaneous Revenue				2,347	2,347
Miscellaneous	479,360		479,360	346,133	(133,227)
Total - Local Sources	86,224,379		86,224,379	85,867,325	(357,054)
State Sources:					
Categorical Special Education Aid	3,028,144		3,028,144	2,875,889	(152,255)
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				66,134	66,134
Extraordinary Aid	750,000		750,000	3,067,905	2,317,905
School Security Grant (Alyssa's Law)				216,494	216,494
TPAF Pension (On-Behalf - Non-Budgeted)				10,036,230	10,036,230
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,145,198	3,145,198
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,082	5,082
TPAF Social Security (Reimbursed - Non-Budgeted)				2,660,865	2,660,865
Total - State Sources	5,126,710		5,126,710	23,422,363	18,295,653
Federal Sources:					
Medical Assistance Program	57,486		57,486	61,757	4,271
Total - Federal Sources	57,486		57,486	61,757	4,271
<b>Total Revenues</b>	<b>91,408,575</b>		<b>91,408,575</b>	<b>109,351,445</b>	<b>17,942,870</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	921,082	\$ 79,897	1,000,979	993,941	7,038
Grades 1-5 - Salaries of Teachers	7,799,430	(72,102)	7,727,328	7,608,024	119,304
Grades 6-8 - Salaries of Teachers	4,265,384	159,987	4,425,371	4,416,882	8,489
Grades 9-12 - Salaries of Teachers	9,507,939	28,817	9,536,756	9,495,521	41,235
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	40,000	(17,675)	22,325	13,161	9,164
Purchased Professional-Educational Services	60,000	(22,675)	37,325	27,995	9,330
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	1,181,063	(401,317)	779,746	768,497	11,249
Purchased Professional-Educational Services	328,526	(40,991)	287,535	175,369	112,166
Capital Lease		671,342	671,342	671,342	
Other Purchased Services	295,742	(57,576)	238,166	174,478	63,688
General Supplies	1,076,684	506,370	1,583,054	1,436,612	146,442
Textbooks	185,320	(52,499)	132,821	116,255	16,566
Other Objects	173,252	(90,186)	83,066	59,462	23,604
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>25,834,422</b>	<b>691,392</b>	<b>26,525,814</b>	<b>25,957,539</b>	<b>568,275</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	249,120	6,083	255,203	244,707	10,496
Other Salaries for Instruction	167,274	23,906	191,180	183,604	7,576
General Supplies	5,000	(3,000)	2,000	197	1,803
Other Objects	15,000	(15,000)			
<b>Total Learning and/or Language Disabilities</b>	<b>436,394</b>	<b>11,989</b>	<b>448,383</b>	<b>428,508</b>	<b>19,875</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	62,622	3,317	65,939	65,939	
Other Salaries for Instruction		21,977	21,977	21,977	
<b>Total Behavioral Disabilities</b>	<b>62,622</b>	<b>25,294</b>	<b>87,916</b>	<b>87,916</b>	
<b>Multiple Disabilities</b>					
Salaries of Teachers	86,440	(28,213)	58,227	58,226	1
Other Salaries for Instruction	147,081	173,316	320,397	320,395	2
<b>Total Multiple Disabilities</b>	<b>233,521</b>	<b>145,103</b>	<b>378,624</b>	<b>378,621</b>	<b>3</b>



**Princeton Public Schools**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**General Fund**  
**Year Ended June 30, 2021**

	<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>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	\$ 3,697,319	\$ 269,487	\$ 3,966,806	\$ 3,870,327	\$ 96,479
Other Salaries for Instruction	1,525,838	63,191	1,589,029	1,463,658	125,371
General Supplies	9,250	4,000	13,250	9,995	3,255
<b>Total Resource Room/Resource Center</b>	<u>5,232,407</u>	<u>336,678</u>	<u>5,569,085</u>	<u>5,343,980</u>	<u>225,105</u>
<b>Autism:</b>					
Salaries of Teachers	669,667	(83,290)	586,377	502,519	83,858
Other Salaries for Instruction	1,157,459	(427,421)	730,038	664,729	65,309
General Supplies	10,500	1,830	12,330	6,053	6,277
Other Objects	4,000	(4,000)			
<b>Total Autism</b>	<u>1,841,626</u>	<u>(512,881)</u>	<u>1,328,745</u>	<u>1,173,301</u>	<u>155,444</u>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	386,213	(1,280)	384,933	384,933	
Other Salaries for Instruction	248,536	(81,994)	166,542	166,542	
General Supplies	3,000		3,000	907	2,093
<b>Total Preschool Disabilities - Full-Time</b>	<u>637,749</u>	<u>(83,274)</u>	<u>554,475</u>	<u>552,382</u>	<u>2,093</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>8,444,319</u>	<u>(77,091)</u>	<u>8,367,228</u>	<u>7,964,708</u>	<u>402,520</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	981,982	(61,054)	920,928	918,122	2,806
Other Salaries for Instruction	66,182	25,018	91,200	82,621	8,579
<b>Total Basic Skills/Remedial - Instruction</b>	<u>1,048,164</u>	<u>(36,036)</u>	<u>1,012,128</u>	<u>1,000,743</u>	<u>11,385</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	753,353	(24,226)	729,127	729,127	
Other Salaries for Instruction	210,505	36,113	246,618	246,618	
General Supplies	1,847	500	2,347	719	1,628
<b>Total Bilingual Education - Instruction</b>	<u>965,705</u>	<u>12,387</u>	<u>978,092</u>	<u>976,464</u>	<u>1,628</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	306,846	29,998	336,844	330,976	5,868
Purchased Services	6,000		6,000	3,891	2,109
Supplies and Materials	15,717		15,717	12,687	3,030
Other Objects	3,940		3,940	2,645	1,295
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>332,503</u>	<u>29,998</u>	<u>362,501</u>	<u>350,199</u>	<u>12,302</u>
<b>School-Spon. Athletics</b>					
Salaries	1,025,643	(50,422)	975,221	962,477	12,744
Purchased Services	192,421	(81)	192,340	150,888	41,452
Supplies and Materials	69,198	103,613	172,811	162,841	9,970
Other Objects	36,500	(407)	36,093	27,013	9,080
<b>Total School-Spon. Athletics</b>	<u>1,323,762</u>	<u>52,703</u>	<u>1,376,465</u>	<u>1,303,219</u>	<u>73,246</u>
<b>Other Supplemental/At Risk Programs</b>					
Salaries of Reading Specialists	86,438	1,975	88,413	88,413	
<b>Other Supplemental/At Risk Programs</b>	<u>86,438</u>	<u>1,975</u>	<u>88,413</u>	<u>88,413</u>	
<b>TOTAL INSTRUCTION</b>	<u>38,035,313</u>	<u>675,328</u>	<u>38,710,641</u>	<u>37,641,285</u>	<u>1,069,356</u>

**Princeton Public Schools**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to Other LEAs Within the State - Special	\$ 136,669	\$ (4,167)	\$ 132,502	\$ 116,748	\$ 15,754
Tuition to County Voc. School Dist. - Regular	206,640	(57,816)	148,824	143,927	4,897
Tuition to CSSD & Regional Day Schools	794,620	(36,700)	757,920	746,178	11,742
Tuition to Private Schools for the Disabled - Within State	1,511,059	17,621	1,528,680	1,396,377	132,303
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	139,920	(88,761)	51,159	41,494	9,665
Tuition - State Facilities	39,872		39,872	39,872	
Tuition - Other	620,152	(74,797)	545,355	523,477	21,878
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,448,932</b>	<b>(244,620)</b>	<b>3,204,312</b>	<b>3,008,073</b>	<b>196,239</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	252,924	(7,760)	245,164	245,164	
Other Purchased Services	1,300	(1)	1,299	293	1,006
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>254,224</b>	<b>(7,761)</b>	<b>246,463</b>	<b>245,457</b>	<b>1,006</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	870,294	(22,659)	847,635	799,577	48,058
Purchased Professional and Technical Services	10,000	60,000	70,000	40,130	29,870
Supplies and Materials	42,299	194,676	236,975	218,654	18,321
<b>Total Undistributed Expenditures - Health Services</b>	<b>922,593</b>	<b>232,017</b>	<b>1,154,610</b>	<b>1,058,361</b>	<b>96,249</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Serv.</b>					
Salaries	1,244,950	(43,956)	1,200,994	1,200,614	380
Purchased Professional - Educational Services	25,000	4,400	29,400	29,400	
Supplies and Materials	9,000	(3,074)	5,926	4,088	1,838
<b>Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT, Related Serv.</b>	<b>1,278,950</b>	<b>(42,630)</b>	<b>1,236,320</b>	<b>1,234,102</b>	<b>2,218</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>					
Salaries	111,451	(53,225)	58,226	58,226	
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>111,451</b>	<b>(53,225)</b>	<b>58,226</b>	<b>58,226</b>	
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,640,152	19,941	1,660,093	1,660,082	11
Salaries of Secretarial and Clerical Assistants	202,693	4,021	206,714	206,713	1
Other Salaries	29,950		29,950	29,950	
Other Purchased Services	4,675	(2,054)	2,621		2,621
Supplies and Materials	20,731	2,000	22,731	19,693	3,038
Other Objects	1,105		1,105		1,105
<b>Total Undist. Expend. - Guidance</b>	<b>1,899,306</b>	<b>23,908</b>	<b>1,923,214</b>	<b>1,916,438</b>	<b>6,776</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	2,342,583	89,387	2,431,970	2,429,087	2,883
Salaries of Secretarial and Clerical Assistants	208,426	2,243	210,669	210,668	1
Other Salaries	222,000	(45,330)	176,670	112,553	64,117
Purchased Prof. - Educational Services	710,000	257,331	967,331	802,725	164,606
Other Purchased Services	31,500	(5,762)	25,738	12,874	12,864
Supplies and Materials	48,000	5,457	53,457	39,085	14,372
Other Objects	900	(900)			
<b>Total Undist. Expend. - Child Study Teams</b>	<b>3,563,409</b>	<b>302,426</b>	<b>3,865,835</b>	<b>3,606,992</b>	<b>258,843</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisors of Instruction	114,458	3,798	118,256	118,255	1
Other Salaries	178,976	(6,021)	172,955	172,955	
Other Purchased Services	4,900	(598)	4,302	1,379	2,923
Supplies and Materials	9,087		9,087	4,817	4,270
Other Objects	23,986	(4,995)	18,991	15,839	3,152
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>331,407</b>	<b>(7,816)</b>	<b>323,591</b>	<b>313,245</b>	<b>10,346</b>

**Princeton Public Schools**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	\$ 823,712	\$ 43,478	\$ 867,190	\$ 867,113	\$ 77
Supplies and Materials	100,958	4,473	105,431	93,583	11,848
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>924,670</b>	<b>47,951</b>	<b>972,621</b>	<b>960,696</b>	<b>11,925</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction	833,522	10,977	844,499	843,093	1,406
Salaries - Other Professional Staff	94,753	(58,594)	36,159	36,159	
Salaries - Secretaries and Clerical Assistants	152,571	(45,798)	106,773	106,772	1
Unused Vacation Payment to Terminated/Retired Staff		421	421	421	
Purchased Professional - Educational Services	19,000	(16,900)	2,100	2,100	
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>1,099,846</b>	<b>(109,894)</b>	<b>989,952</b>	<b>988,545</b>	<b>1,407</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	482,283	38,121	520,404	520,404	
Unused Vacation Payment to Terminated/Retired Staff		10,154	10,154	10,153	1
Legal Services	185,000	169,010	354,010	330,061	23,949
Audit Fees	82,800	1,656	84,456	84,456	
Other Purchased Professional Services	11,000	6,000	17,000	14,000	3,000
Communications/Telephone	110,000	(7,744)	102,256	93,581	8,675
Board of Education Other Purchased Services	1,250	(1,250)			
Miscellaneous Purchased Services	16,845	(9,727)	7,118	7,042	76
General Supplies	24,791	(4,999)	19,792	18,264	1,528
Miscellaneous Expenditures	8,000	8,332	16,332	16,331	1
Board of Education Dues and Fees	38,500	(3,297)	35,203	35,203	
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>960,469</b>	<b>206,256</b>	<b>1,166,725</b>	<b>1,129,495</b>	<b>37,230</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	1,583,964	(35,409)	1,548,555	1,547,393	1,162
Salaries of Secretarial and Clerical Assistants	770,309	(10,120)	760,189	760,186	3
Other Salaries	7,500	(3,200)	4,300	4,220	80
Unused Vacation Payment to Term/Ret Staff		66,350	66,350	66,350	
Other Purchased Services	50,695	(31,420)	19,275	13,296	5,979
Supplies and Materials	42,890	(3,040)	39,850	33,615	6,235
Other Objects	40,430	(198)	40,232	37,635	2,597
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>2,495,788</b>	<b>(17,037)</b>	<b>2,478,751</b>	<b>2,462,695</b>	<b>16,056</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	1,051,268	6,580	1,057,848	1,057,606	242
Unused Vacation Payment to Term/Ret Staff		4,772	4,772	4,473	299
Purchased Professional Services	27,500	13,198	40,698	40,548	150
Purchased Professional Services - Public Relations Costs	7,500	36,400	43,900	43,825	75
Purchased Technical Services	58,000	4,935	62,935	58,856	4,079
Miscellaneous Purchased Services	57,800	(332)	57,468	48,318	9,150
Supplies and Materials	36,750	(8,018)	28,732	21,552	7,180
Miscellaneous Expenditures	1,000	1,350	2,350	1,950	400
<b>Total Undist. Expend. - Central Services</b>	<b>1,239,818</b>	<b>58,885</b>	<b>1,298,703</b>	<b>1,277,128</b>	<b>21,575</b>
<b>Undist. Expend. - Technology Admin.</b>					
Salaries	645,123	50,745	695,868	686,157	9,711
Purchased Professional Services	59,500	(11,779)	47,721	11,704	36,017
Other Purchased Services	42,434	(24,747)	17,687	7,694	9,993
Travel	300		300		300
Supplies and Materials	217,899	43,806	261,705	236,689	25,016
<b>Total Undist. Expend. - Technology Admin.</b>	<b>965,256</b>	<b>58,025</b>	<b>1,023,281</b>	<b>942,244</b>	<b>81,037</b>
<b>Undist. Expend. - Required Maint. for Sch. Facil.</b>					
Salaries	538,789	(44,816)	493,973	407,953	86,020
Cleaning, Repair and Maintenance Services	984,916	967,908	1,952,824	1,661,465	291,359
General Supplies	163,475	356,498	519,973	500,837	19,136
Other Objects	10,395	5,116	15,511	15,510	1
<b>Total Undist. Expend. - Required Maint. for Sch. Facil.</b>	<b>1,697,575</b>	<b>1,284,706</b>	<b>2,982,281</b>	<b>2,585,765</b>	<b>396,516</b>

**Princeton Public Schools**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	\$ 2,182,488	\$ 6,543	\$ 2,189,031	\$ 2,182,244	\$ 6,787
Salaries of Non-Instructional Aides	156,780	(37,190)	119,590	103,133	16,457
Unused Vacation Payment to Term/Ret Staff		8,394	8,394	8,394	
Purchased Professional - Technical Services	48,809	(1,579)	47,230	35,091	12,139
Cleaning, Repair and Maintenance Services	78,000	(31,180)	46,820	42,671	4,149
Rental of Land & Buildings other than Leases	50,000	(332)	49,668	49,668	
Other Purchased Property Services	110,000	1,375	111,375	69,556	41,819
Insurance	355,000	36,207	391,207	391,207	
General Supplies	176,689	(13,763)	162,926	151,609	11,317
Miscellaneous Purchased Services	275	413	688		688
Natural Gas	430,000	967	430,967	361,764	69,203
Electricity	950,000	(12,645)	937,355	791,025	146,330
Energy - Gasoline	11,963	(463)	11,500	9,584	1,916
Other Objects		92,645	92,645	92,645	
<b>Total Undist. Expend. - Custodial Services</b>	<b>4,550,004</b>	<b>49,392</b>	<b>4,599,396</b>	<b>4,288,591</b>	<b>310,805</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	330,961	(28,348)	302,613	299,620	2,993
Cleaning, Repair and Maintenance Services	7,263	3,733	10,996	2,271	8,725
General Supplies	30,248	4,588	34,836		34,836
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>368,472</b>	<b>(20,027)</b>	<b>348,445</b>	<b>301,891</b>	<b>46,554</b>
<b>Undist. Expend. - Security</b>					
Salaries	307,304	31,238	338,542	319,528	19,014
Cleaning, Repair and Maintenance Services	55,000	(44,678)	10,322	5,412	4,910
General Supplies	57,000	(48,355)	8,645	8,645	
<b>Total Undist. Expend. - Security</b>	<b>419,304</b>	<b>(61,795)</b>	<b>357,509</b>	<b>333,585</b>	<b>23,924</b>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries for Non-Instructional Aids	238,334	(26,666)	211,668	199,219	12,449
Salaries for Pupil Trans. (Between Home & School) - Regular	606,134	81,000	687,134	678,255	8,879
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	544,267	(128,846)	415,421	383,205	32,216
Salaries for Pupil Trans. Other than Between Home & School	65,000	(48,004)	16,996	6,120	10,876
Cleaning, Repair & Maintenance Services	130,000	(33,285)	96,715	65,009	31,706
Lease Purchase Payments-School Buses	18,500	12,073	30,573	30,573	
Contracted Services Aid In Lieu of Payment for Non-public School Students	120,000	(100)	119,900	91,325	28,575
Contracted Services (Between Home and School) - Vendors	1,540,000	2,762	1,542,762	1,418,180	124,582
Contracted Services (Other than Between Home and School) - Vendors	304,398	(185,692)	118,706	76,732	41,974
Contracted Services (Sp. Ed.) - Vendors	141,000	59,000	200,000	168,021	31,979
Contracted Services (Sp. Ed.) - Joint Agreements	50,000	(33,852)	16,148	7,652	8,496
Miscellaneous Purchased Services - Transportation	108,000	(21,533)	86,467	86,225	242
General Supplies	102,520	13,337	115,857	65,601	50,256
Transportation Supplies	15,000	(11,000)	4,000	3,030	970
Other Objects	7,000	1,000	8,000	6,998	1,002
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>3,990,153</b>	<b>(319,806)</b>	<b>3,670,347</b>	<b>3,286,145</b>	<b>384,202</b>
<b>Unallocated Benefits</b>					
Group Insurance	2,500		2,500	2,401	99
Social Security Contributions	1,445,000	(160,296)	1,284,704	1,253,021	31,683
Other Retirement Contributions - Regular	1,647,000	(10,119)	1,636,881	1,620,414	16,467
Workmen's Compensation	539,222	21,578	560,800	557,371	3,429
Health Benefits	13,049,002	(1,054,933)	11,994,069	11,984,069	10,000
Tuition Reimbursement	95,000	(12,964)	82,036	60,509	21,527
Other Employee Benefits	1,075,000	(204,002)	870,998	870,997	1
Unused Vac. Payment to Term/Ret. Staff	250,000	48,681	298,681	295,681	3,000
<b>Total Unallocated Benefits</b>	<b>18,102,724</b>	<b>(1,372,055)</b>	<b>16,730,669</b>	<b>16,644,463</b>	<b>86,206</b>
<b>On-behalf Contributions:</b>					
On-behalf TPAF Pension Contributions (Non-Budgeted)				10,036,230	(10,036,230)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,145,198	(3,145,198)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,082	(5,082)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,660,865	(2,660,865)
<b>Total On-behalf Contributions</b>				<b>15,847,375</b>	<b>(15,847,375)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>48,624,351</b>	<b>6,900</b>	<b>48,631,251</b>	<b>62,489,512</b>	<b>(13,858,261)</b>
<b>TOTAL GENERAL</b>	<b>86,659,664</b>	<b>682,228</b>	<b>87,341,892</b>	<b>100,130,797</b>	<b>(12,788,905)</b>

**Princeton Public Schools**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Final to</u>
					<u>Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs-Instruction:</b>					
Grades 1-5	\$ 2,000	\$ 4,763	\$ 6,763	\$ 6,763	
Grades 6-8		2,869	2,869	2,869	
Grades 9-12	8,500	9,696	18,196	18,195	\$ 1
<b>Special Education-Instruction:</b>					
School- Spons. & Other Instructional Programs	5,000	2,205	7,205	7,205	
<b>Undistributed Expenditures:</b>					
Support Services - Students-Reg.	10,000	5,221	15,221	15,221	
Support Services - Students-Spec.	10,000	(10,000)			
School Administration	5,200	1,358	6,558	6,385	173
Central Services	5,000	(2,685)	2,315	2,061	254
Admin. Info. Tech.	112,790	(40,720)	72,070	31,886	40,184
School Security Grant - Alyssa's Law	216,494		216,494	216,494	
Undistributed Exp.-Req. Maint. of School Facilities	18,093	(18,093)			
Undistributed Exp.-Care and Upkeep of Grounds	12,792	(12,792)			
<b>Total Equipment</b>	<u>405,869</u>	<u>(58,178)</u>	<u>347,691</u>	<u>307,079</u>	<u>40,612</u>
<b>Facilities Acquisition and Construction Services</b>					
Assets acquired under capital lease (nonbudgeted)				3,240,000	(3,240,000)
Other Objects - Debt Service Assessment	239,765		239,765	239,765	
<b>Total Facilities Acquisition and Construction Services</b>	<u>239,765</u>		<u>239,765</u>	<u>3,479,765</u>	<u>(3,240,000)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>645,634</u>	<u>(58,178)</u>	<u>587,456</u>	<u>3,786,844</u>	<u>(3,199,388)</u>
<b>Contribution to Charter Schools</b>	<u>6,793,271</u>	<u>(189,317)</u>	<u>6,603,954</u>	<u>6,603,954</u>	
<b>TOTAL EXPENDITURES</b>	<u>94,098,569</u>	<u>434,733</u>	<u>94,533,302</u>	<u>110,521,595</u>	<u>(15,988,293)</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(2,689,994)</u>	<u>(434,733)</u>	<u>(3,124,727)</u>	<u>(1,170,150)</u>	<u>1,954,577</u>
<b>Other Financing Sources:</b>					
Capital Lease Proceeds (nonbudgeted)				3,240,000	3,240,000
Transfer In - Debt Service				8	
Transfer Out - Transfer to Special Revenue Fund - Preschool	(22,000)		(22,000)	(22,000)	
Capital Reserve - Transfer to Capital Projects	(1,500,000)		(1,500,000)	(839,238)	660,762
<b>Total Other Financing Sources</b>	<u>(1,522,000)</u>		<u>(1,522,000)</u>	<u>2,378,770</u>	<u>3,900,762</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources</b>	<u>(4,211,994)</u>	<u>(434,733)</u>	<u>(4,646,727)</u>	<u>1,208,620</u>	<u>5,855,347</u>
<b>Fund Balance, July 1 (retroactively adjusted - see Note 21)</b>	<u>12,219,066</u>		<u>12,219,066</u>	<u>12,219,066</u>	
<b>Fund Balance, June 30</b>	<u>\$ 7,511,055</u>	<u>\$ (434,733)</u>	<u>\$ 7,076,322</u>	<u>\$ 13,427,686</u>	<u>\$ 5,855,347</u>
<b>Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures:</b>					
Budgeted Fund Balance	\$ (2,500,000)		\$ (2,500,000)	\$ 1,787,764	\$ 4,287,764
Adjustment for Prior Year Encumbrances		\$ (588,774)	\$ (588,774)	\$ (588,774)	
(Decrease) Increase in Capital Reserve	(1,711,994)	154,041	(1,557,953)	9,630	1,567,583
<b>Total</b>	<u>\$ (4,211,994)</u>	<u>\$ (434,733)</u>	<u>\$ (4,646,727)</u>	<u>\$ 1,208,620</u>	<u>\$ 5,855,347</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 2,248,120	
Capital Reserve				2,885,813	
Maintenance Reserve				710,773	
Unemployment Compensation				498,364	
Assigned to:					
Designated for Subsequent Year's Expenditures				1,054,932	
Year End Encumbrances				408,578	
Unassigned Fund Balance				<u>5,621,106</u>	
				13,427,686	
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>					
Final State Aid Payments Not Realized on GAAP Basis				(319,491)	
Fund balance per Government Funds (GAAP)				<u>\$ 13,108,195</u>	

**Princeton Public Schools  
Special Revenue Fund**

**Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
State sources	\$ 1,961,996	\$ 256,883	\$ 2,218,879	\$ 1,946,683	\$ (272,196)
Federal sources	1,261,586	1,962,446	3,224,032	2,294,218	(929,814)
Local sources		713,831	713,831	849,148	135,317
Total revenues	<u>3,223,582</u>	<u>2,933,160</u>	<u>6,156,742</u>	<u>5,090,049</u>	<u>(1,066,693)</u>
<b>Expenditures</b>					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	270,776	1,289,924	1,560,700	744,691	816,009
Purchased professional services	143,867	15,167	159,034	107,442	51,592
Other purchased services	800,000	275,686	1,075,686	1,075,686	
General supplies	60,682	397,643	458,325	339,428	118,897
Textbooks	110,396	31,029	141,425	132,103	9,322
Other objects	75,398	110,704	186,102	99,939	86,163
Total instruction	<u>1,461,119</u>	<u>2,120,153</u>	<u>3,581,272</u>	<u>2,499,289</u>	<u>1,081,983</u>
Support services:					
Salaries	170,558	29,444	200,002	175,645	24,357
Personal services—employee benefits	130,994	103,924	234,918	153,754	81,164
Purchased professional services	918,083	427,675	1,345,758	1,148,053	197,705
Other purchased professional services	206,789	(129,174)	77,615	26,788	50,827
Supplies and materials	12,896	253,806	266,702	201,210	65,492
CARES equipment		5,795	5,795	5,795	
Other objects	345,143	121,537	466,680	380,824	85,856
Scholarships awarded		1,000	1,000	1,000	
Student activities		505,401	505,401	505,401	
Total support services	<u>1,784,463</u>	<u>813,007</u>	<u>2,597,470</u>	<u>2,598,470</u>	<u>505,401</u>
Total expenditures	<u>3,245,582</u>	<u>2,933,160</u>	<u>6,178,742</u>	<u>5,097,759</u>	<u>1,587,384</u>
Other financing sources (uses):					
Transfer in from general fund	<u>(22,000)</u>		<u>(22,000)</u>	<u>(22,000)</u>	
Total other financing sources (uses)	<u>(22,000)</u>		<u>(22,000)</u>	<u>(22,000)</u>	
Total expenditures and other financing sources (uses)	<u>3,223,582</u>	<u>2,933,160</u>	<u>6,156,742</u>	<u>5,075,759</u>	<u>1,587,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,290</u>	<u>\$ 520,691</u>
Fund Balance, July 1 (retroactively adjusted - see note 22)				<u>334,077</u>	
Fund Balance, June 30, 2021				<u>\$ 348,367</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 337,098	
Student Activities				11,269	
Total Fund Balance				<u>\$ 348,367</u>	

Princeton Public Schools  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 109,351,445	\$ 5,090,049
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		68,769
Current year		(206,475)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	355,957	31,362
Current year	(319,491)	(106,482)
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 109,387,911</u>	<u>\$ 4,877,223</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 110,521,595	\$ 5,097,759
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		68,769
Current year		(206,475)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 110,521,595</u>	<u>\$ 4,960,053</u>

## Supplementary Information



# Special Revenue Fund

Princeton Public Schools  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures  
(Budgetary Basis)  
Year ended June 30, 2021

	Nonpublic Aid		Preschool Education and Expansion Aid		Title I		Title II A		Title III		Title IV		L.D.E.A.	
	Textbooks	Nursing	Auxiliary	Handicapped	Security	Current	Prior Year	Current	Current	Current	Immigrant	Current	Part B Basic	Preschool
Revenues:														
State sources	\$ 132,103	\$ 229,365	\$ 27,638	\$ 120,730	\$ 372,024	\$ 1,064,823	\$ 101,865	\$ 88,530	\$ 31,334	\$ 22,512	\$ 13,903	\$ 13,437	\$ 1,183,709	\$ 37,700
Federal sources														
Local sources														
Total revenues	\$ 132,103	\$ 229,365	\$ 27,638	\$ 120,730	\$ 372,024	\$ 1,064,823	\$ 101,865	\$ 88,530	\$ 31,334	\$ 22,512	\$ 13,903	\$ 13,437	\$ 1,183,709	\$ 37,700
Expenditures:														
Instruction:														
Salaries of teachers						\$ 247,953	\$ 72,921	\$ 67,863		\$ 19,704	\$ 9,161	\$ 5,856		
Purchased services							1,869	681			2,841			
Other purchased services			\$ 27,638	\$ 62,216										\$ 1,075,686
General supplies						40,635	21,497	1,294	10,886	1,301	1,200	4,954		
Textbooks	\$ 132,103													
Other objects														
Total instruction			\$ 27,638	\$ 62,216		\$ 288,588	\$ 96,287	\$ 69,838	\$ 10,886	\$ 21,005	\$ 13,202	\$ 10,810	\$ 1,075,686	
Undistributed:														
Support services:														
Salaries						175,645								
Personal services-employee benefits						115,736	5,578	5,192		1,507	701	448		
Purchased professional services						506,854	13,500	11,100						108,023
Other purchased professional services														\$ 37,700
Supplies and materials												1,260		
CARES equipment												919		
Other objects														
Scholarships awarded														
Student activities														
Total support services						\$ 372,024			\$ 7,000					
Total expenditures	\$ 132,103	\$ 229,365	\$ 27,638	\$ 120,730	\$ 372,024	\$ 1,086,823	\$ 101,865	\$ 88,530	\$ 31,334	\$ 22,512	\$ 13,903	\$ 13,437	\$ 1,183,709	\$ 37,700
(Deficiency) Excess of Revenues (Under) Over Expenditures														
Other Financing Sources:														
General Fund Contribution to Preschool Education														
Total other financing sources														
Total net changes in fund balance														
Fund Balance, July 1 (retrospectively adjusted - see note 2.1)														
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Princeton Public Schools  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures  
(Budgetary Basis)  
Year ended June 30, 2021

	COVID-19 Elementary and Secondary School Emergency Relief							Totals				
	CARES Emergency Relief	Learning Acceleration	ESSER II	COVID-19 Coronavirus Relief Fund	COVID-19 Nonpublic Technology	Confucius Classroom	PEF Grant		Other Local	Student Activity Funds	Scholarship Funds	
Revenues:												
State sources	\$ 277,266	\$ 449	\$ 278,408	\$ 145,166	\$ 99,939	\$ 2,310	\$ 27,553	\$ 298,594	\$ 520,640	\$ 51	\$ 1,946,683	
Federal sources											2,294,218	
Local sources											849,148	
Total revenues	\$ 277,266	\$ 449	\$ 278,408	\$ 145,166	\$ 99,939	\$ 2,310	\$ 27,553	\$ 298,594	\$ 520,640	\$ 51	\$ 5,090,049	
Expenditures:												
Instruction:												
Salaries of teachers	\$ 12,197	\$	\$ 258,623				\$ 25,292	\$ 37,318			\$ 744,691	
Purchased professional services											107,442	
Other purchased services											1,075,686	
General supplies	230,712	\$ 449					326	26,174			339,438	
Textbooks											132,103	
Other objects											99,939	
Total instruction	\$ 242,909	\$ 449	\$ 258,623		\$ 99,939		\$ 25,618	\$ 63,492			\$ 2,499,289	
Undistributed:												
Support services:												
Salaries			19,785				1,935	2,872			175,645	
Personal services-employee benefits	4,825										153,754	
Purchased professional services	7,159							178,172			1,148,053	
Other purchased professional services	15,991					\$ 150		15,871			26,788	
Supplies and materials	5,795			\$ 145,166		947		38,187			201,210	
CARES Equipment											5,795	
Other objects	587										380,824	
Scholarships awarded									505,401	1,000	1,000	
Student Activities	34,357		19,785	145,166		2,310	1,935	235,102	505,401	1,000	2,598,470	
Total support services	277,266	449	278,408	145,166	99,939	2,310	27,553	298,594	505,401	1,000	5,097,759	
Total expenditures												
(Deficiency) Excess of Revenues (Under) Over Expenditures										15,239	(949)	(7,710)
Other Financing Sources:												
General Fund Contribution to Preschool Education											22,000	
Total other financing sources											22,000	
Total net changes in fund balance									15,239	(949)	14,290	
Fund Balance, July 1 (retroactively adjusted - see note 21)									321,859	12,218	334,077	
Fund Balance, June 30									337,098	11,269	348,367	

Princeton Public Schools  
Special Revenue Fund

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

Year ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	\$ 247,953	\$ 247,953	
General supplies	40,635	40,635	
Total instruction	288,588	288,588	
Undistributed:			
Support Services:			
Salaries	175,645	175,645	
Personal services–employee benefits	145,011	115,736	\$ 29,275
Purchased professional services	506,854	506,854	
Total Support Services	827,510	798,235	29,275
Total expenditures	<u>\$ 1,116,098</u>	<u>\$ 1,086,823</u>	<u>\$ 29,275</u>

Calculation of Budget and Carryover

Total revised 2020-21 Preschool Education and Expansion Aid allocation	\$ 1,064,823
Add: Actual Preschool Education Aid carryover (June 30, 2020)	29,275
Add: Budgeted Transfer from General Fund	22,000
Total funds available for 2020-21 budget	<u>1,116,098</u>
Less: 2020-21 budgeted Preschool Education and Expansion Aid (including prior year budgeted carryover)	<u>1,116,098</u>
Available and unbudgeted funds as of June 30, 2021	-
Add: 2020-21 unexpended Preschool Education and Expansion Aid	29,275
2020-21 carryover Preschool Education and Expansion Aid/ Preschool	<u>\$ 29,275</u>
2020-21 Preschool Education and Expansion Aid carryover budgeted in 2021-22	<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, 2021

	<b>Current Year</b>
<b>Revenues and other financing sources</b>	
Transfer from capital reserve	\$ 839,238
Transfer from debt service	21,999
Interest	18,903
Total revenues and other financing sources	880,140
<b>Expenditures and other financing uses</b>	
Purchased professional and technical services	386,359
Construction services	10,085,322
Transfer to debt service fund	18,895
Transfer to capital reserve	8
Total expenditures and other financing uses	10,490,584
Change in fund balance	(9,610,444)
Fund Balance, July 1	15,914,236
Fund Balance, June 30	\$ 6,303,792

Princeton Public Schools  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Year ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
Bond proceeds and transfers	\$ 26,928,000		\$ 26,928,000	\$ 26,928,000
State sources				
Contribution from private sources				
Premium on bonds	123,657		123,657	
Transfer from capital reserve		\$ 839,238	839,238	839,238
Transfer from capital outlay				
Total revenues and other financing sources	<u>27,051,657</u>	<u>839,238</u>	<u>27,890,895</u>	<u>27,767,238</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	2,341,708	386,359	2,728,067	
Construction services	8,672,056	10,085,322	18,757,378	
Cost of issuance	123,657		123,657	
Transfer to capital reserve				
Transfer to debt service fund				
Total expenditures and other financing uses	<u>11,137,421</u>	<u>10,471,681</u>	<u>21,609,102</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	<u>\$ 15,914,236</u>	<u>\$ (9,632,443)</u>	<u>\$ 6,281,793</u>	<u>\$ 27,767,238</u>

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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
Bond proceeds and transfers	\$ 26,928,000		\$ 26,928,000	\$ 26,928,000
State sources				
Contribution from private sources				
Premium on bonds	123,657		123,657	
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues and other financing sources	<u>27,051,657</u>		<u>27,051,657</u>	<u>26,928,000</u>
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services	2,341,708	\$ 386,359	2,728,067	
Construction services	8,672,056	10,036,322	18,708,378	
Cost of Issuance	123,657		123,657	
Transfer to debt service fund				
Total expenditures and other financing uses	<u>11,137,421</u>	<u>10,422,681</u>	<u>21,560,102</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,914,236</u>	<u>\$ (10,422,681)</u>	<u>\$ 5,491,555</u>	<u>\$ 26,928,000</u>
<b>Additional project information</b>				
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		0.00%		
Percentage completion		80.07%		
Original target completion date	9/30/2021			
Revised target completion date	2/28/2022			



Princeton Public Schools  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)  
PUMS Pool HVAC  
Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
Bond proceeds and transfers				
State sources				
Contribution from private sources				
Premium on bonds				
Transfer from capital reserve		\$ 839,238	\$ 839,238	\$ 839,238
Transfer from capital outlay				
	-	839,238	839,238	839,238
<b>Expenditures and other financing uses</b>				
Purchased professional and technical services				
Construction services		49,000	49,000	
Cost of issuance				
Transfer to capital reserve				
Transfer to debt service fund				
Total expenditures and other financing uses	-	49,000	49,000	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 790,238	\$ 790,238	\$ 839,238
<b>Additional project information</b>				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Percentage increase over original authorized cost		0%		
Percentage completion		5.84%		
Target completion date		6/30/2022		

Princeton Public Schools  
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2021

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Year	Current Year	
2019 Bond Referendum Capital Projects	\$ 27,051,657	\$ 11,137,421	\$10,422,681	\$ 5,491,555
PUMS Pool HVAC	839,238		49,000	790,238
	<u>\$ 27,890,895</u>	<u>\$ 11,137,421</u>	<u>\$10,471,681</u>	6,281,793
		Transfer from debt service		21,999
			F-1	<u>\$ 6,303,792</u>
<u>Components of appropriations - 2018 Referendum Capital Projects - 2019 FY</u>				
Bond proceeds approved by referendum and premium on bond	<u>\$ 27,051,657</u>			
<u>Components of appropriations - PUMS Pool HVAC</u>				
Capital reserve transfer	<u>\$ 839,238</u>			
	<u>\$ 27,890,895</u>			

# Long-Term Debt

Princeton Public Schools  
Long-Term Debt

Schedule of Serial Bonds Payable

Year Ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
School Bonds	1/29/13	\$ 10,980,000	2/1/2022	\$ 1,195,000	1.75%	\$ 3,585,000	\$ 1,165,000	\$ 2,420,000
			2/1/2023	1,225,000	2.00%			
Refunding Bonds	10/30/18	12,155,000	2/1/2022	4,205,000	5.00%	8,235,000	4,030,000	4,205,000
School Bonds	1/9/2019	26,928,000	7/15/2021	800,000	2.50%	26,928,000	803,000	26,125,000
			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>\$ 38,748,000</u>	<u>\$ 5,998,000</u>	<u>\$ 32,750,000</u>

Princeton Public Schools  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2021

	<b>Interest Rate</b>	<b>Amount of Original Issue</b>	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Current Retired</b>	<b>Balance June 30, 2021</b>
TD Equipment Finance, Inc.	0.77%	\$ 3,240,000	\$ -	\$ 3,240,000	\$ 1,069,962	\$ 2,170,038
			\$ -	\$ 3,240,000	\$ 1,069,962	\$ 2,170,038

Princeton Public Schools  
Debt Service Fund  
Budgetary Comparison Schedule

Year ended June 30, 2021

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Revenues:					
Local sources:					
Local tax levy	\$ 6,634,882		\$ 6,634,882	\$ 6,634,882	
State sources:					
Debt Service Aid	453,662		453,662	453,662	
Total revenues	<u>7,088,544</u>		<u>7,088,544</u>	<u>7,088,544</u>	
Expenditures:					
Principal on bonds	5,998,000		5,998,000	5,998,000	
Interest on bonds	1,243,825		1,243,825	1,243,825	
Total expenditures	<u>7,241,825</u>		<u>7,241,825</u>	<u>7,241,825</u>	
Deficiency of revenues under expenditures	(153,281)		(153,281)	(153,281)	
Other financing sources (uses):					
Transfers in	153,281		153,281	18,895	\$ (134,386)
Transfer out				(21,999)	(21,999)
Total other financing sources (uses)	<u>153,281</u>		<u>153,281</u>	<u>(3,104)</u>	<u>(156,385)</u>
Net change in fund balance	-		-	(156,385)	(156,385)
Fund balance, July 1	606,701	-	606,701	606,701	-
Fund balance, June 30	<u>\$ 606,701</u>	<u>\$ -</u>	<u>\$ 606,701</u>	<u>\$ 450,316</u>	<u>\$ (156,385)</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 annual comprehensive financial reports (ACFR) for the relevant year.*



Princeton Public Schools  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 65,093,904
Restricted	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	7,503,674
Unrestricted	(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)	(29,201,013)
<b>Total governmental activities net position</b>	<b>\$ 53,003,833</b>	<b>\$ 54,751,845</b>	<b>\$ 57,984,687</b>	<b>\$ 37,237,926</b>	<b>\$ 38,047,765</b>	<b>\$ 37,094,623</b>	<b>\$ 35,449,040</b>	<b>\$ 36,341,164</b>	<b>\$ 40,097,842</b>	<b>\$ 43,396,565</b>
<b>Business-type activities</b>										
Investment in capital assets	\$ 240,395	\$ 269,498	\$ 248,729	\$ 212,054	\$ 171,210	\$ 150,303	\$ 159,217	\$ 164,861	\$ 167,832	\$ 237,414
Unrestricted	248,297	171,504	188,844	235,566	247,842	307,995	307,979	324,329	352,769	393,618
<b>Total business-type activities net position</b>	<b>\$ 488,692</b>	<b>\$ 441,002</b>	<b>\$ 437,573</b>	<b>\$ 447,620</b>	<b>\$ 419,052</b>	<b>\$ 458,298</b>	<b>\$ 467,196</b>	<b>\$ 489,190</b>	<b>\$ 520,601</b>	<b>\$ 631,032</b>
<b>Government-wide</b>										
Net investment in capital assets	\$ 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	\$ 65,331,318
Restricted	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	7,503,674
Unrestricted	(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)	(28,807,395)
<b>Total government-wide net position</b>	<b>\$ 53,492,525</b>	<b>\$ 55,192,847</b>	<b>\$ 58,422,260</b>	<b>\$ 37,685,546</b>	<b>\$ 38,466,817</b>	<b>\$ 37,552,921</b>	<b>\$ 35,916,236</b>	<b>\$ 36,830,354</b>	<b>\$ 40,618,443</b>	<b>\$ 44,027,597</b>

**Source:** ACFR 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.

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$830,094. The amount is not reflected in the June 30, 2020 Net Position, above.

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

Unaudited

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction	\$ 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	\$ 76,555,652
Support Services:										
Attendance and social work	255,573	246,939	207,527	236,477	340,855	457,074	487,211	466,708	387,514	459,509
Health services	772,340	796,828	854,374	1,046,052	1,174,587	1,486,377	1,553,761	1,507,074	1,464,876	1,767,652
Other support services	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	14,817,098
Improvement of instruction	300,373	342,936	344,422	409,855	414,027	398,589	423,004	412,955	456,998	568,439
Other support instructional staff	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	1,721,783
School library	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	1,849,845
General administration	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	1,618,674
School administration	3,239,577	3,404,202	3,792,256	4,436,198	4,653,951	4,926,312	4,818,743	4,635,840	4,364,550	4,542,590
Central administration	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	2,213,697
Info Technology	129,332	133,677	137,343	157,028	169,930	191,128	1,322,921	1,050,273	958,739	1,552,398
Required maintenance of plant	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	3,036,391
Operation of plant	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	8,417,729
Student transportation	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	4,447,809
Charter schools	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	6,603,954
Interest on long-term debt	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	2,076,449
Total governmental activities expenses	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	132,249,669
Business-type activities:										
Food service	887,786	931,533	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208
Total business-type activities expense	887,786	931,533	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208
Total district expenses	\$ 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	\$ 133,056,877
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition and transportation)	\$ 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	\$ 5,720,335
Other support services	202,716	187,508	182,323	170,062	194,682	170,061	168,768	170,000	144,500	123,722
Operating grants and contributions	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	4,877,223
Capital grants and contributions	814,839	446,483	422,286	392,479	21,749	458,968				
Total governmental activities program revenues	\$ 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	\$ 10,721,280

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

Unaudited

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 609,672	\$ 640,290	\$ 577,235	\$ 618,599	\$ 635,162	\$ 754,998	\$ 787,213	\$ 738,705	\$ 614,450	\$ 1,222
Operating grants and contributions	256,874	242,110	270,288	296,420	300,296	312,002	323,289	321,573	440,444	915,211
Total business-type activities program revenues	866,546	882,400	847,523	915,019	935,458	1,067,000	1,110,502	1,060,278	1,054,894	916,433
Total district program revenues	\$ 866,546	\$ 882,400	\$ 847,523	\$ 915,019	\$ 935,458	\$ 1,067,000	\$ 1,110,502	\$ 1,060,278	\$ 1,054,894	\$ 916,433
<b>Net (Expense)/Revenue</b>	\$ (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)	\$ (121,528,389)
Governmental activities	(21,240)	(49,133)	(4,835)	8,857	(30,070)	37,515	6,920	19,829	28,966	109,225
Business-type activities	\$ (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)	\$ (121,419,164)
Total government-wide net expense										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 79,613,869
Property taxes levied for debt service	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	6,634,882
Unrestricted grants and contributions	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	37,319,965
Investment earnings	44,400	94,570	98,717	86,592	87,684	83,404	83,202	423,997	526,089	79,822
Miscellaneous income	364,464	405,447	508,472	404,436	673,868	457,106	427,356	949,073	489,408	348,480
Special item			1,450,000							
Total governmental activities	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	123,997,018
Business-type activities:										
Interest earnings	1,075	1,443	1,406	1,190	1,502	1,731	1,978	2,165	2,445	1,207
Total business-type activities	1,075	1,443	1,406	1,190	1,502	1,731	1,978	2,165	2,445	1,207
Total government-wide	\$ 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	\$ 123,998,225
<b>Change in Net Position</b>	\$ 1,771,705	\$ 1,748,012	\$ 3,232,842	\$ 885,246	\$ 809,839	\$ (953,142)	\$ (1,645,583)	\$ 892,124	\$ 3,756,678	\$ 2,468,629
Governmental activities	(20,165)	(47,690)	(3,429)	10,047	(28,568)	39,246	8,898	21,994	31,411	110,432
Business-type activities	\$ 1,751,540	\$ 1,700,322	\$ 3,229,413	\$ 895,293	\$ 781,271	\$ (913,896)	\$ (1,636,685)	\$ 914,118	\$ 3,788,089	\$ 2,579,061
Total district										

**Source:** ACFR 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.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

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

Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	\$ 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	\$ 6,343,070
Assigned	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	1,463,510
Unassigned	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	5,301,615
<b>Total general fund</b>	<b>\$ 7,507,934</b>	<b>\$ 8,740,872</b>	<b>\$ 8,875,348</b>	<b>\$ 8,164,203</b>	<b>\$ 7,808,040</b>	<b>\$ 8,486,189</b>	<b>\$ 7,367,701</b>	<b>\$ 8,295,495</b>	<b>\$ 11,367,092</b>	<b>\$ 13,108,195</b>
<b>All Other Governmental Funds</b>										
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	\$ 6,303,792
Debt service	25,341	33,271	51,740	39,218	26,702		134,683	362,964	606,701	450,316
Scholarships										11,269
Student activities	1,280,000	960,000	640,000							337,098
Committed for capital projects	(684,849)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(31,562)	(106,482)
Unassigned (deficit)	\$ 821,088	\$ 9,661,073	\$ 3,325,125	\$ 2,111,079	\$ 2,353,235	\$ 1,355,146	\$ 752,229	\$ 26,005,735	\$ 16,489,573	\$ 6,995,993
<b>Total all other governmental funds</b>										

**Source:** ACFR 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.

The increase is due to the implementation of GASB 84, which required the reporting of scholarships and student activities in the Special Revenue Fund.

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

Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 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	\$ 86,248,751
Tuition charges	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	5,720,335
Interest earnings	44,400	94,570	98,717	86,592	87,684	83,404	83,202	423,997	526,089	79,822
Miscellaneous	554,556	621,227	556,830	510,679	519,200	504,693	488,913	993,363	608,823	1,200,717
Hazardous wastes	202,716	187,508	182,323	170,062	170,061	170,061	168,768	170,000	144,500	123,722
Transportation-other LEAs				24,621						
State sources	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	25,643,260
Federal sources	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	2,355,974
Total revenue	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	121,372,581
<b>Expenditures</b>										
Instruction										
Regular and special educ instruct.	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	45,858,388
Support Services:										
Attendance and social work	177,467	169,791	142,132	145,061	197,915	241,931	263,481	268,185	203,273	245,457
Health services	552,359	558,533	597,235	656,122	697,932	808,401	849,999	881,386	874,254	1,058,361
Other support services	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	9,273,497
Improvement of instruction	221,213	246,630	248,390	264,153	260,426	226,120	243,689	253,058	303,449	313,245
Other support: instructional staff	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	960,696
School library	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	988,545
General administration	878,921	970,444	975,957	852,728	785,218	925,642	942,831	939,515	1,055,497	1,129,495
School administration	2,164,828	2,303,379	2,525,401	2,751,712	2,736,859	2,695,930	2,517,971	2,598,530	2,444,746	2,462,695
Central services	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	1,277,128
Information technology	89,756	91,776	93,841	96,093	98,495	100,957	1,180,271	922,913	843,185	942,244
Required maintenance of plant	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	2,585,765
Operation of plant-custodial services	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	4,090,540
Care and upkeep of grounds	362,784	501,089	378,089	344,270	371,902	434,988	406,268	363,352	350,920	301,891
Security	101,040	122,138	181,892	178,927	190,611	155,794	206,547	367,641	387,328	333,585
Student transportation	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	3,255,572
Business and other support services and benefits	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	16,641,769
On-half contributions	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	15,847,375
Capital outlay	822,964	2,517,837	8,226,703	2,182,722	381,872	1,322,626	116,620	1,534,848	9,478,916	10,471,679
Charter school	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	6,603,954
Debt service:										
Principal	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	7,067,962
Cost of bond issuance		137,754						231,355		
Interest and other charges	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	1,485,309
Total expenditures	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	133,195,152
Excess (Deficiency) of revenues over (under) expenditures	415,335	(988,407)	(7,651,472)	(1,925,191)	(114,007)	(444,940)	(1,821,405)	(1,003,054)	(6,444,565)	(11,822,571)
<b>Other financing sources (uses)</b>										
Capital leases (non-budgeted)										
Refunding bonds issued								12,155,000		3,240,000
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	5,706	47,732	24,174	974,170	1,591,689	243,858	730,375	743,913	678,654	902,140
Transfers out	(5,706)	(47,732)	(24,174)	(974,170)	(1,591,689)	(243,858)	(730,375)	(743,913)	(678,654)	(902,140)
Total other financing sources (uses)		11,061,330						27,159,354		3,240,000
Special item			1,450,000			125,000	100,000	25,000		
Net change in fund balances	\$ 415,335	\$ 10,072,923	\$ (6,201,472)	\$ (1,925,191)	\$ (114,007)	\$ (319,940)	\$ (1,721,405)	\$ 26,181,300	\$ (6,444,565)	\$ (8,582,571)
Debt service as a percentage of noncapital expenditures	5.4%	5.3%	6.3%	6.2%	6.3%	6.1%	5.7%	5.4%	6.0%	7.0%

Source: ACFR 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 Ended June 30,	Interest	Transportation Hazardous Routes	Transportation Other LEAs	Tuition	Rentals	Refunds	In Lieu	Misc.	Total
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
2021	60,919	123,722		5,720,335	37,981		90,000	220,499	6,253,456

**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.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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	\$ 0.96	\$ 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
2021	84,122,000	5,951,440,700	31,519,000	284,900	791,287,800	11,759,700	331,428,752	7,201,842,852	2,391,984,900	8,343,297	7,201,186,149	1.20	8,747,531,704

Source: District records, Tax list summary & Municipal Tax Assessor and Collector, abstract of rates, 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 year 2012 is the average between previous rates for Borough & Township.

Princeton Public Schools  
Property Tax Rates - Direct and Overlapping Governments  
Last Nine 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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	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
2021	1.113	0.087	1.200	0.511	0.728	2.439

**Source:** District Records and Municipal Tax Collector

**Note:** The recent Fiscal Years are presented separately from the previous one 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  
 One Fiscal Year from 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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Princeton Borough	Mercer County	
2012	\$ 0.955	\$ 0.068	\$ 1.023	\$ 0.480	\$ 0.602	\$ 2.105
Consolidation Occurred January 2013						
Fiscal Year Ended June 30,	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Princeton Township	Mercer County	Total Direct and Overlapping Tax Rate
2012	\$ 0.915	\$ 0.065	\$ 0.980	\$ 0.490	\$ 0.575	\$ 2.045
Consolidation Occurred January 2013						

**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 2021		Taxpayer	Princeton Township & Borough 2012	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Trustees of Princeton University	\$ 397,137,233	5.51%	Trustees of Princeton University	\$ 206,432,500	3.05%
Palmer Residences 1 LLC/PSN	81,753,200	1.13%	Princeton University	188,256,900	2.78%
Avalon Properties, LLC	65,212,000	0.90%	Jasna Polana	34,780,900	0.51%
Princeton (Edens) LLC	52,917,400	0.73%	PSN Partners	33,800,000	0.50%
Palmer Sq. Ltd. Partners	35,310,000	0.49%	Palmer Sq. Ltd. Partners	33,310,000	0.49%
Institute For Advanced Study	31,789,100	0.44%	Princeton Shopping Center	30,741,400	0.45%
Jasna Polana Golf Club	31,500,000	0.44%	Nassau Inn Partnership	26,000,000	0.38%
Fountain Ridge (Copperwood)	28,170,100	0.39%	Church & Dwight Co.	14,612,400	0.22%
Nassau Inn Partnership	26,030,000	0.36%	Princeton International Properties	13,964,000	0.21%
Princeton Theological Seminary	18,551,000	0.26%	Thanet Road Assoc. LLC	13,563,000	0.20%
<b>Total</b>	<b>\$ 768,370,033</b>	<b>10.66%</b>		<b>\$ 595,461,100</b>	<b>8.79%</b>
<b>Net Assessed Value</b>	<b>\$ 7,210,186,149</b>			<b>\$ 6,772,937,506</b>	

**Source:** District CAFR and Municipal Tax Collector

Princeton Public Schools  
Property Tax Levies and Collections  
Last Nine 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%	-
2021	86,248,751	86,248,751	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 nine fiscal years are presented separately from the previous one fiscal years as a result of the merger of the municipalities in the 2013 fiscal year.

Princeton Public Schools  
Property Tax Levies and Collections  
One Fiscal Years from 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	
<b>Princeton Borough</b>				
2012	\$ 22,212,510	\$ 22,212,510	100.00%	-
<b>Princeton Township</b>				
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	Capital Leases	Premium	Total District	Per Capita Estimate	Percentage of Per Capita	Per Capita Personal Income	Percentage of Per Capita Income
2013	\$ 44,740,000		\$ 1,867,934	\$ 46,607,934	\$ 29,076	0.06%	\$ 56,906	0.12%
2014	40,495,000		1,661,830	42,156,830	29,103	0.07%	59,875	0.14%
2015	36,130,000		1,455,726	37,585,726	29,603	0.08%	59,875	0.16%
2016	31,635,000		1,249,622	32,884,622	29,603	0.09%	59,875	0.18%
2017	27,000,000		1,043,518	28,043,518	31,249	0.11%	63,247	0.23%
2018	22,230,000		837,414	23,067,414	31,822	0.14%	67,660	0.29%
2019	43,718,000		752,712	44,470,712	31,177	0.07%	66,343	0.15%
2020	38,748,000		496,370	39,244,370	31,187	0.08%	76,697	0.20%
2021	32,750,000	\$ 2,170,038	240,028	35,160,066	32,123	0.09%	77,436	0.22%

*Borough and Township Information Noted Below*

Fiscal Year Ended June 30,	Governmental Activities				Borough Per Capita <sup>a</sup>	Percentage of Per Capita Income <sup>a</sup>	Township Per Capita <sup>a</sup>	Percentage of Per Capita Income <sup>a</sup>
	General Obligation Bonds	Capital Leases	Premium	Total District				
2012	\$ 36,930,000	\$ -	\$ 1,987,694	\$ 38,917,694	\$ 12,339	0.15%	\$ 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 Actual	
	General Obligation Bonds	Restricted for Debt Service	Net General Bonded Debt Outstanding	Taxable Value of Property	Per Capita
	2013	\$ 44,740,000	\$ 33,271	\$ 44,706,729	0.62%
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
2021	32,750,000	450,324	32,299,676	0.37%	71,790

Borough and Township Information Noted Below

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Borough Percentage of Actual Taxable Value <sup>a</sup> of Property	Borough Per Capita <sup>b</sup>	Township Percentage of Actual Taxable Value <sup>a</sup> of Property	Township Per Capita <sup>b</sup>
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, 2021  
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Municipality of Princeton	\$ 73,225,000	100.0000%	\$ 73,225,000
<b>Other debt</b>			
M.C.I.A.	199,039,187	18.2151%	36,255,187
County of Mercer	667,964,480	18.2151%	121,670,398
Subtotal overlapping debt			<u>231,150,585</u>
<b>Princeton Public Schools: Direct Debt</b>			<u>32,990,028</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 264,140,613</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  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income	Unemployment Rate <sup>d</sup>
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%
2021	31,021	2,402,142,156	77,436	3.8%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Education.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>d</sup> Unemployment data provided by the NJ Dept of Education for recent years.

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

**Princeton**

Employer	2021			2012		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Trustees of Princeton University	6,997	1	73.40%	5,750	1	52.40%
Princeton Public Schools	798	2	8.37%	735	3	6.70%
Princeton House Behavioral	365	3	3.83%	N/A		
Princeton Theological Seminary	295	4	3.09%	278	6	2.53%
Princeton Day School	267	5	2.80%	N/A		
Insitute for Advanced Study	245	6	2.57%	N/A		
Hun School	214	7	2.24%	N/A		
Princeton Township	145	8	1.52%	N/A		
YMCA	110	9	1.15%	N/A		
Stuart/Academy of Sacred Heart	97	10	1.02%	N/A		
University Medical Center at Princeton				2,485	2	22.64%
Church & Dwight Co.				598	4	5.45%
Princeton Plasma Physics Lab				433	5	3.95%
Westminster Choir College - Rider				200	7	1.82%
Princeton Packet				195	8	1.78%
Westminster Conservatory				160	9	1.46%
Princeton Township				140	10	1.28%
	9,533		100.00%	10,974		100.00%

**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>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>	<u>2021</u>
Instruction										
Regular	281	282	277	287	290	294	293	287	280	279
Special education	43	49	51	52	54	54	56	60	59	59
Other special education	54	53	50	52	52	50	52	121	107	106
Other instruction	74	89	74	81	81	97	99	40	43	44
Support Services:										
Student & instruction related services	42	48	51	53	56	69	72	75	72	72
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	44	48	55	50	49	49	51	50	45	45
Business administrative services	13	13	12	12	12	12	12	11	10	10
Plant operations and maintenance	60	60	62	68	72	70	76	75	79	76
Pupil transportation	26	25	25	25	22	32	42	46	45	46
Total	<u>642</u>	<u>672</u>	<u>662</u>	<u>685</u>	<u>693</u>	<u>732</u>	<u>758</u>	<u>770</u>	<u>745</u>	<u>742</u>

**Source:** District Personnel Records

Princeton Public Schools  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

**Pupil/Teacher Ratio**

At June 30,	Pupil/Teacher Ratio										Student Attendance Percentage	
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>		% Change in Average Daily Enrollment
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%
2021	3,639	115,241,883	31,669	14.75%	327	1:10	1:10	1:11	3,674	3,461	-4.35%	94.21%

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

Note: 'Enrollment' based June 30, 2021 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary</b>										
Community Park School (1962)	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097
Square Feet	446	446	446	446	446	446	446	446	446	446
Capacity (students)	301	284	302	324	320	371	380	375	409	317
Enrollment	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455
Johnson Park School (1959)	393	393	393	393	393	393	393	393	393	393
Square Feet	357	351	350	376	346	388	389	374	374	336
Capacity (students)	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629
Enrollment	416	416	416	416	416	416	416	416	416	416
Littlebrook School (1957)	339	342	342	356	333	337	371	380	408	352
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	254	265	281	271	261	283	298	317	316	281
<b>Middle School</b>										
John Witherspoon (1965)	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531
Square Feet	860	860	860	860	860	860	860	860	860	860
Capacity (students)	715	742	691	713	723	788	788	752	777	804
Enrollment	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020
Princeton High School (1927)	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
Square Feet	1,412	1,430	1,456	1,523	1,570	1,584	1,601	1,575	1,572	1,549
Capacity (students)										
Enrollment										
<b>Other</b>										
Administration Building (Occupied space)	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850
Square Feet										

Number of Schools at June 30, 2021:

- 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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
High School	\$ 1,035,406	\$ 418,501	\$ 626,349	\$ 396,099	\$ 374,250	\$ 455,054	\$ 340,318	\$ 312,476	\$ 385,851	\$ 461,625
John Witherspoon Middle	653,251	349,210	370,262	502,436	265,878	276,127	248,577	264,244	195,511	100,764
Community Park Elementary	241,945	131,747	139,052	123,467	135,525	136,973	127,857	132,429	119,870	145,063
Johnson Park Elementary	163,766	211,594	91,122	181,817	141,076	148,948	141,025	196,006	117,786	113,389
Littlebrook Elementary	196,851	161,029	175,456	141,697	143,672	139,448	156,703	111,547	113,770	104,308
Riverside Elementary	294,546	186,243	164,845	168,027	149,084	141,106	138,925	107,473	88,533	98,700
<b>Grand Total</b>	<b>\$ 2,585,765</b>	<b>\$ 1,458,324</b>	<b>\$ 1,567,086</b>	<b>\$ 1,513,543</b>	<b>\$ 1,209,485</b>	<b>\$ 1,297,656</b>	<b>\$ 1,153,405</b>	<b>\$ 1,124,175</b>	<b>\$ 1,021,321</b>	<b>\$ 1,023,849</b>

**Source:** District records of required maintenance.

Princeton Public Schools  
Insurance Schedule  
Year ended June 30, 2021  
Unaudited

Type of Coverage	Coverage	Deductible
Burlington County Insurance Pool Joint Insurance Fund BCIPJIF		
<b>Section I - Property:</b>		
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
<b>Section II - General Liability:</b>		
Bodily Injury & Property Damage	16,000,000	None
<b>Section III - Automobile Liability:</b>		
Bodily Injury & Property Damage	16,000,000	None
<b>Section IV - School Board Legal Liability Policy:</b>		
Aggregate limit of liability	16,000,000	10,000
<b>Section V - Crime:</b>		
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
<b>Workers Compensation:</b>		
Section A	Statutory	None
Section B-Employers Liability Limit	2,000,000	

**Source:** District Records

Princeton Public Schools  
Insurance Schedule  
Year ended June 30, 2021  
Unaudited

Type of Coverage	Coverage	Deductible
<b>Automobile:</b>		
Physical Damage	Comprehensive Collision	\$ 1,000 1,000
<b>Environmental Pollution Legal Liability:</b>		
Aggregate limit of liability	\$ 1,000,000	50,000
<b>Cyber Liability</b>		
Limits of Liability	1,000,000	Various
<b>Fidelity Bonds:</b>		
Selective Insurance Company		
Treasurer of School Monies	450,000	
Business Administrator/ Board Secretary	375,000	
Comptroller/ Asst. Board Secretary	375,000	
<b>Foreign Travel</b>		
Liability Student & Adult Chaperones	1,000,000	None
<b>Excess Liability ~ Umbrella Coverage</b>	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 and each major fund of the Princeton Public Schools, in the County of Mercer, New Jersey (the "District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2022.

**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

February 9, 2022  
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, 2021. 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, 2021.

### **Report on Internal Control Over Compliance**

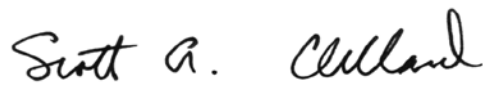
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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

February 9, 2022  
Florham Park, New Jersey

Princeton Public Schools  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Federal Assistance Listing Number	Federal EAIN Number	Grant or State Project Number	Award Amount	Grant Period From To	Balance of June 30, 2020	Carryover/Walkover Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Balance June 30, 2021 Unearned Revenue	Due to Grantor
<b>U.S. Department of Health and Human Services - Passed - Through State Department of Education</b>													
General Fund:													
93.778	2005N15MAP	N/A	\$ 61,757	7/1/2020	6/30/2021		\$ 61,757	\$ (61,757)					
Medical Assistance Program (SEM)													
84.010A	S010A200030	N/A	333,621	7/1/2020	9/30/2021		171,169	(190,395)		\$ (19,226)			
84.010A	S010A190030	N/A	279,274	7/1/2019	9/30/2020	\$ (7,020)	7,020						
84.367A	S367A200029	N/A	68,638	7/1/2020	9/30/2021		8,998	(31,334)			(22,336)		
84.367A	S367A190029	N/A	69,449	7/1/2019	9/30/2020	(3,562)	3,562						
Language Instruction for English Learners and Immigrant Students													
84.365A	S365A200030	N/A	41,585	7/1/2020	9/30/2021		19,792	(22,512)		(2,720)			
84.365A	S365A200030	N/A	45,378	7/1/2020	9/30/2021		11,812	(13,903)		(2,091)			
84.365A	S365A190030	N/A	37,767	7/1/2019	9/30/2020	(1,416)	1,416						
84.365A	S365A190030	N/A	40,143	7/1/2019	9/30/2020	(5,220)	5,220						
Subtotal Language Instruction for English Learners and Immigrant Students													
			38,240			(6,636)	38,240	(36,415)		(4,811)			
84.424	S424A200031	N/A	23,407	7/1/2020	9/30/2021		7,723	(13,437)		(5,714)			
84.424	S424A190031	N/A	24,345	7/1/2019	9/30/2020	(1,574)	1,574			(5,714)			
Special Education Grant Cluster:													
84.027	H027A200100	N/A	1,235,719	7/1/2020	9/30/2021		781,721	(1,142,325)		(360,604)			
84.027	H027A190100	N/A	1,199,989	7/1/2019	9/30/2020	(190,892)	232,276						
84.173	H173A200114	N/A	45,212	7/1/2020	9/30/2021		23,060	(37,700)		(14,640)			
84.173	H173A190114	N/A	32,245	7/1/2019	9/30/2020	(38)	38			(375,244)			
Subtotal of Special Education Grant Cluster													
			1,037,095			(190,930)	1,037,095	(1,221,409)		(380,055)			
Total U.S. Department of Education - Passed - Through State Department of Education													
			1,087,491			(209,722)	1,087,491	(1,257,824)					
<b>U.S. Department of Education Passed-Through State Department of Education</b>													
Special Revenue Fund:													
Elementary and Secondary School Emergency Relief (ESSER) Cluster:													
84.425D	S425D200027	N/A	294,297	3/13/2020	9/30/2022		274,211	(277,266)		(3,055)			
84.425D	S425D200027	N/A	863,205	3/15/2020	9/30/2022		863,205	(274,480)		(278,448)			
84.425D	S425D200027	N/A	51,577	3/15/2021	9/30/2022		274,211	(556,123)		(281,912)			
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster:													
			1,169,079			(209,722)	1,169,079	(834,874)		(563,513)			
Total U.S. Department of Treasury Passed Through State Department of Education													
			274,211			(556,123)	274,211	(556,123)		(281,912)			
<b>U.S. Department of Treasury Passed-Through State Department of Education</b>													
COVID-19 Coronavirus Relief Fund													
21.019	SLU2028	N/A	145,166	3/13/2020	12/31/2020		145,166	(145,166)					
21.019	S377A130031	N/A	99,939	7/1/6/2020	10/31/2020		145,166	(99,939)		(99,939)			
Total U.S. Department of Treasury Passed Through State Department of Education													
			1,694,758			(209,722)	1,694,758	(2,294,218)		(809,182)			
<b>U.S. Department of Agriculture-Passed-Through State Department of Agriculture</b>													
Enterprise Fund:													
Child Nutrition Cluster:													
10.555	211NJ304N1099	N/A	40,901	7/1/2020	6/30/2021		40,901	(37,855)				\$ 3,046	
10.555	201NJ304N1099	N/A	52,550	7/1/2019	6/30/2020	15,745		(15,745)					
Noncash Assistance (Commodities):													
10.555	201NJ304N1099	N/A	39,613	7/1/2020	6/30/2021		20,240						
10.555	211NJ304N1099	N/A	41,595	7/1/2020	6/30/2021		215,819	(246,753)		(30,934)			
10.555	211NJ304N1099	N/A	246,753	7/1/2020	6/30/2021	(20,240)	38,280			(119,246)			
10.555	201NJ304N1099	N/A	74,921	7/1/2019	6/30/2020		78,789	(38,280)					
10.555	211NJ304N1099	N/A	469,862	7/1/2020	6/30/2021		382,880						
10.555	211NJ304N1099	N/A	293,021	7/1/2019	6/30/2020	(38,280)	786,240	(890,599)		(150,180)		3,046	
Subtotal Child Nutrition Cluster													
			614	7/1/2020	6/30/2021	(42,775)	614	(614)					
COVID-19 Pandemic EBT													
10.649	202121S900041	N/A											
Total Enterprise Fund and Total U.S. Department of Agriculture-Passed-Through State Department of Agriculture													
			2,542,755			(42,775)	2,542,755	(3,247,188)		(959,976)		3,046	
Total expenditures of Federal Awards													
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 Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover Waiver	Cash Received	Transfer From General Fund	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Unearned Revenue	Balance at June 30, 2021		Memo
			From	To	Unearned (Accts Rec)	Due to Grantor								(Accounts Receivable)	Due to Grantor	
<b>State Department of Education</b>																
General Fund:																
Transportation Aid	21-495-034-5120-014	\$ 869,413	7/1/2020	6/30/2021			\$	803,660		\$ (869,413)				\$	(65,753)	\$ (869,413)
Transportation Aid	20-495-034-5120-014	869,413	7/1/2019	6/30/2020				74,809								
Special Education Categorical Aid	21-495-034-5120-089	2,875,889	7/1/2020	6/30/2021			\$ (74,809)									(217,500)
Special Education Categorical Aid	20-495-034-5120-089	2,875,889	7/1/2019	6/30/2020			(240,385)									(2,875,889)
Security Aid	21-495-034-5120-084	371,547	7/1/2020	6/30/2021				343,447								(31,100)
Security Aid	20-495-034-5120-084	371,547	7/1/2019	6/30/2020			(31,842)									(371,547)
Adjustment Aid	21-495-034-5120-085	107,606	7/1/2020	6/30/2021			(9,221)									(107,606)
Adjustment Aid	20-495-034-5120-085	107,606	7/1/2019	6/30/2020				99,468								(107,606)
Extraordinary Aid	21-495-034-5120-044	3,067,905	7/1/2020	6/30/2021				1,931,302								(3,067,905)
Extraordinary Aid	20-495-034-5120-044	3,067,905	7/1/2019	6/30/2020			(1,931,302)									(3,067,905)
Additional NP Transportation Aid	21-495-034-5120-014	52,641	7/1/2020	6/30/2021				32,641								(66,134)
Additional NP Transportation Aid	20-495-034-5120-014	52,641	7/1/2019	6/30/2020			(32,641)									(66,134)
On-Behalf Teachers Pension and Annuity Fund	21-495-034-5094-002	10,036,230	7/1/2020	6/30/2021				10,036,230								(10,036,230)
On-Behalf Teachers Pension and Annuity Fund	20-495-034-5094-002	10,036,230	7/1/2019	6/30/2020				10,036,230								(10,036,230)
On-Behalf Teachers Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-004	5,082	7/1/2020	6/30/2021				5,082								(5,082)
On-Behalf Teachers Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-004	5,082	7/1/2019	6/30/2020				5,082								(5,082)
Reimbursed TPAF - Social Security	21-495-034-5094-003	2,660,865	7/1/2020	6/30/2021				2,529,150								(2,660,865)
Reimbursed TPAF - Social Security	20-495-034-5094-003	2,660,865	7/1/2019	6/30/2020			(257,889)									(2,660,865)
Total State Department of Education		21,198,113					22,198,113		22,198,113						(3,265,754)	(23,205,869)
<b>N.J. Schools Development Authority</b>																
General Fund:																
School Security Grant (Allyss's Law)	20E0095	217,882	4/1/2021	3/31/2023					22,000							(216,494)
Total N.J. Schools Development Authority		217,882						22,000								(216,494)
<b>State Department of Education</b>																
Special Revenue Fund:																
Preschool Education and Expansion Aid	495-034-5120-086	1,064,823	7/1/2020	6/30/2021				988,341								(1,066,823)
Preschool Education and Expansion Aid	495-034-5120-086	770,939	7/1/2019	6/30/2020			(31,382)									(1,086,823)
New Jersey Non-Public Aid:																
Non Public Nursing Services	100-034-5120-070	265,098	7/1/2020	6/30/2021				265,098								(229,385)
Non Public Nursing Services	20-034-5120-070	262,578	7/1/2019	6/30/2020				454,825								(372,024)
Non Public Security Aid	100-034-5120-509	486,800	7/1/2020	6/30/2021				2,110								(486,800)
Non Public Security Aid	20-034-5120-509	486,800	7/1/2019	6/30/2020				15,157								(486,800)
Non Public Textbook Aid	100-034-5120-064	141,425	7/1/2020	6/30/2021				141,425								(132,103)
Non Public Textbook Aid	20-034-5120-064	129,878	7/1/2019	6/30/2020				44,598								(132,103)
Non Public Auxiliary Services (Ch. 192):																
English as a Second Language	100-034-5120-067	7,105	7/1/2020	6/30/2021				7,105								(7,105)
English as a Second Language	20-034-5120-067	13,236	7/1/2019	6/30/2020			(1,324)									(11,582)
Home Instruction	21-495-034-5120-070	2,745	7/1/2020	6/30/2021				718								(2,745)
Home Instruction	20-495-034-5120-070	400,222	7/1/2019	6/30/2020				400,222								(400,222)
Comensary Education	21-495-034-5120-070	25,147	7/1/2020	6/30/2021				5,678								(15,676)
Comensary Education	20-495-034-5120-070	25,147	7/1/2019	6/30/2020				9,217								(9,217)
Transportation Aid	21-495-034-5120-064	9,646	7/1/2020	6/30/2021				964								(9,646)
Transportation Aid	20-495-034-5120-064	9,646	7/1/2019	6/30/2020				29,303								(28,494)
Non Public Handicapped Services (Ch. 193):																
Supplemental Instruction	100-034-5120-066	28,898	7/1/2020	6/30/2021				3,176								(28,494)
Supplemental Instruction	20-034-5120-066	28,898	7/1/2019	6/30/2020				63,158								(58,514)
Examination and Classification	21-495-034-5120-070	49,045	7/1/2020	6/30/2021				4,905								(49,045)
Examination and Classification	20-495-034-5120-070	49,045	7/1/2019	6/30/2020				39,190								(49,045)
Corrective Speech	21-495-034-5120-070	44,659	7/1/2020	6/30/2021				4,466								(44,659)
Corrective Speech	20-495-034-5120-070	44,659	7/1/2019	6/30/2020				2,057,153								(4,466)
Total State Department of Education		453,662					453,662		453,662							(453,662)
<b>State Department of Agriculture</b>																
Enterprise Fund:																
State School Lunch Program (State Share)	21-100-010-3350-023	23,998	7/1/2020	6/30/2021				19,825								(4,174)
State School Lunch Program (State Share)	20-100-010-3350-023	10,238	7/1/2019	6/30/2020				27,864								(17,626)
Total Enterprise Fund		34,236					47,689		47,689							(30,190)
Total State Financial Assistance		21,646,275					22,198,113		22,198,113							(23,205,869)
<b>State Financial Assistance Not Subject to Single Audit Determination</b>																
On-Behalf Teachers Pension and Annuity Fund	21-495-034-5094-002	10,036,230	7/1/2020	6/30/2021				10,036,230								(10,036,230)
On-Behalf Teachers Pension and Annuity Fund	20-495-034-5094-002	10,036,230	7/1/2019	6/30/2020				10,036,230								(10,036,230)
On-Behalf Teachers Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-004	5,082	7/1/2020	6/30/2021				5,082								(5,082)
On-Behalf Teachers Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-004	5,082	7/1/2019	6/30/2020				5,082								(5,082)
Total State Financial Assistance Subject to Single Audit Determination		21,198,113					22,198,113		22,198,113							(23,205,869)

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, 2021

#### **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, 2021. 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 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, 2021

**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 \$36,466 for the general fund and \$212,826 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 \$23 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 61,757	\$ 23,458,829	\$ 23,520,586
Special Revenue Fund	2,294,217	1,730,769	4,024,986
Debt Service Fund		453,662	453,662
Food Service Enterprise Fund	891,213	23,998	915,211
Total financial award revenues	<u>\$3,247,187</u>	<u>\$ 25,667,258</u>	<u>\$ 28,914,445</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, 2021

#### **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, 2021.

The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2021 amounted to \$13,186,510. 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.

#### **7. Adjustments**

The adjustments on the Schedules of Expenditures of Federal Awards and State Financial Assistance represent the reallocation of grant funds misapplied.

Princeton Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

**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?            Yes   X   No

Significant deficiency(ies) identified?            Yes   X   None Reported

Is any noncompliance material to financial statements noted?            Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?            Yes   X   No

Significant deficiency(ies) identified?            Yes   X   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

<b>AL Number(s)</b>	<b>FAIN Number</b>	<b>Name of Federal Program or Cluster</b>
10.553, 10.555	211NJ304N1099	Child Nutrition Cluster
21.019	S377A130031	COVID-19 Coronavirus Relief Fund, COVID-19 Non-Public Technology Funds

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, 2021

**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:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
495-034-5120-014	Transportation Aid
495-034-5120-044	Extraordinary Aid
495-034-5120-086	Preschool Education Aid
20E00395	School Security Grant (Alyssa's Law)
	<b>General State Aid Cluster</b>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

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, 2021

**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, 2021

**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, 2021

No prior year findings were noted.