

PRINCETON PUBLIC SCHOOLS

**Princeton Public Schools
Princeton, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of

Princeton Public Schools

Princeton, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Princeton Public Schools
Board of Education**

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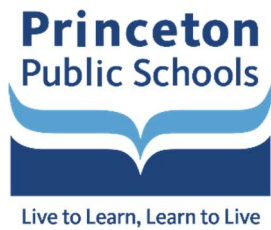
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**INTRODUCTORY SECTION
(UNAUDITED)**



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

November 30, 2023

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, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2023 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 Uniform Guidance and 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 2022-2023 fiscal year with an average daily enrollment of 3,723 students, which is 22 or 0.61% more students more than the previous year's average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last six years:

<u>Fiscal-Year</u>	<u>Enrollment</u>	<u>% Change</u>
2022-23	3,723	0.61%
2021-22	3,701	0.70%
2020-21	3,674	-4.35%
2019-20	3,841	2.67%
2018-19	3,741	-0.27%
2017-18	3,751	0.73%

2. Economic Condition and Outlook

The economy in the Princeton community and local region is stable and home property values have risen significantly in recent years. Undeveloped land in Princeton is primarily owned by University of Princeton and a few other entities. Avalon Bay Princeton Circle Apartment complex, located on Thanet Street is complete and many other are in development or post-approval planning stages. The district has been actively engaged in planning for growth with a professional planner having been hired in September of 2019. The administration and board are concerned about enrollment growth. Enrollment was expected to increase again for the Fall of 2022, however that did not happen. 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 all three levels over the next few years.

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

<u>Fiscal Year</u>	<u>Enrollment</u>
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
2022-23	424

The Charter School offers education to mostly 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. Charter School expense growth has mostly offset rising State Aid to the district in recent years.

The school district is located in the County of Mercer, New Jersey with a population of 385,898 (2021) while the Municipality of Princeton itself has a resident population of 30,698 (2023.) 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 small addition completed in 2022. 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 included 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 converted a space at the middle school into three additional classrooms. In January of 2022 and November 7, 2023, the community voted in favor of the District's \$17,251,000 and \$12,998,000 referenda; respectively. These Referenda were major maintenance, security and infrastructure based addressing roofing, siding, HVAC replacement, security and technology upgrades as well as replacement and repair of PHS core spaces such as cafeteria, exterior and stadium field. They are both still underway. Representatives of the Board and Municipality are working together to determine solutions to enrollment growth and other community needs, continuing to work with their planning consultant and architect who will work with the District and all stakeholders to develop a long range plan for growth.

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 seventh year at Community Park Elementary School during 2023. The school now has DLI classes in Preschool through grade nine. All of our elementary schools are fully equipped with science labs, computer labs and/or mobile laptop carts, and school libraries. Eligible high school students may take courses at Princeton University. All high school students may choose from a wide range of rigorous courses and electives.

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

The Princeton community values education and fully supports our students and schools as we provide the academic and co-curricular opportunities for all children to reach their greatest potential.

4. Internal Control

District administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by administration.

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

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

5. Budgetary Controls

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

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

6. Accounting System and Reports

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

7. Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, 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 is designed to meet the requirements of the Uniform Guidance and New Jersey's 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.

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.

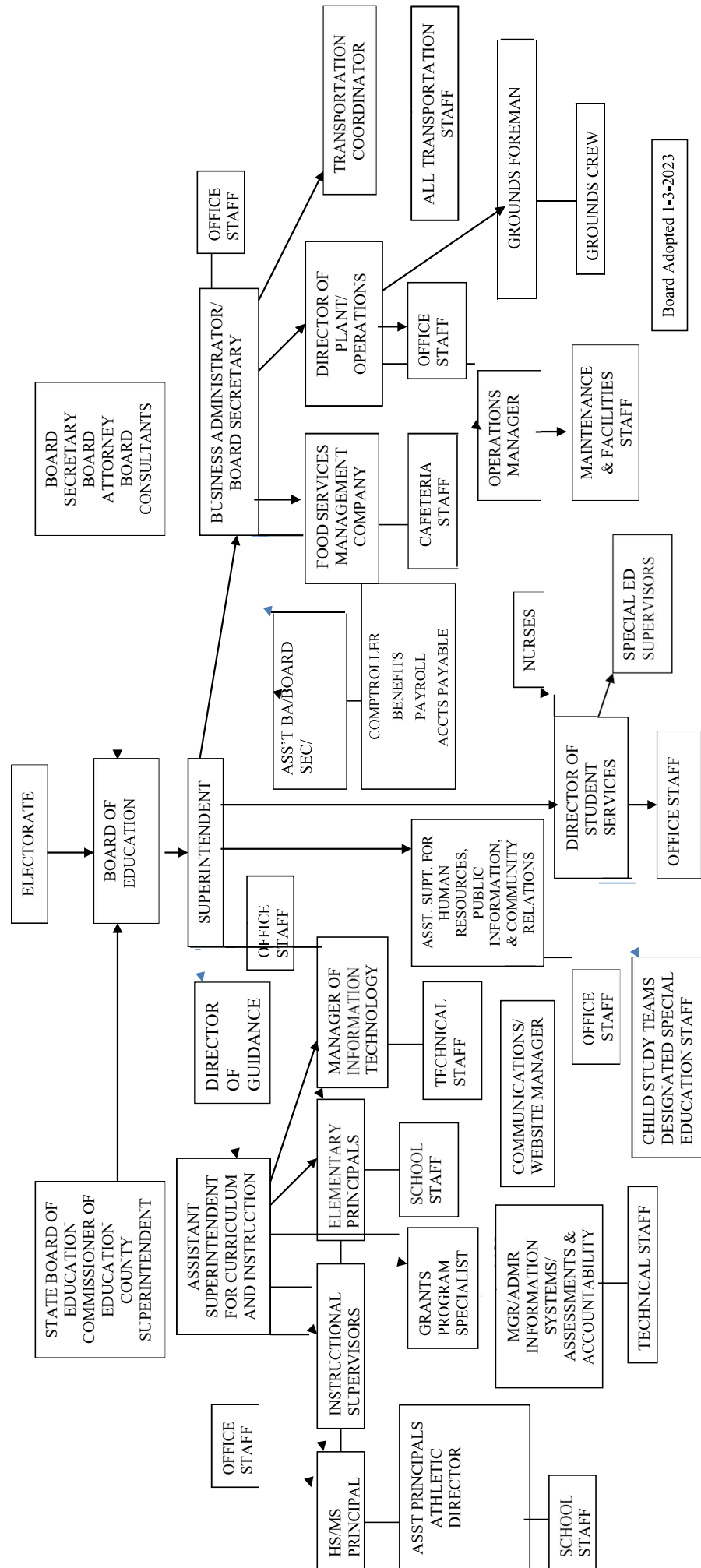


Dr. Kathie Foster
Acting Superintendent of Schools



Matt Bouldin
Business Administrator/Board Secretary

PRINCETON PUBLIC SCHOOLS ORGANIZATIONAL CHART



**PRINCETON PUBLIC SCHOOLS
PRINCETON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dafna Kendal, President	2025
Betsy Kalber-Baglio, Vice President	2024
Beth Behrend	2023
Debbie Bronfeld	2025
Jean Durbin	2023
Mara Franceschi	2024
Susan Kanter	2025
Brian McDonald	2024
Michele Tuck-Ponder	2023
Robert Christopher	*

* Appointed Cranbury Representative

<u>Other Officials</u>	<u>Title</u>
Dr. Carol Kelley	Superintendent of Schools
Dr. Kathie Foster	Acting Superintendent of Schools (Effective 11/14/2023)
Matthew Bouldin	Business Administrator/Board Secretary
Dr. Kim Tew	Assistant Superintendent of Curriculum and Instruction
Rebecca Gold	Interim Assistant Superintendent for Human Resources
Micki Crisafulli	Director of Student Services
David Harding	Director of Plant and Operations
Jeanine DeOre	Assistant Business Administrator/Assistant Board Secretary (Effective 7/1/2023)
Anthony Sciarillo	Assistant Business Administrator/Assistant Board Secretary (Through 6/30/2023)
John Calavano	Treasurer of School Monies

PRINCETON PUBLIC SCHOOLS

Consultants and Advisors

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
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Mount Arlington, NJ 07856-1320

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Ewing Township, NJ 08618

Attorneys

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Fair Lawn, New Jersey 07410

Parker McCay, P.A.
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Mount Laurel, New Jersey 08054

Official Depository

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Princeton Public Schools (the “District”), in the County of Mercer, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 30, 2023

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

PRINCETON PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

This section of Princeton Public Schools' annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

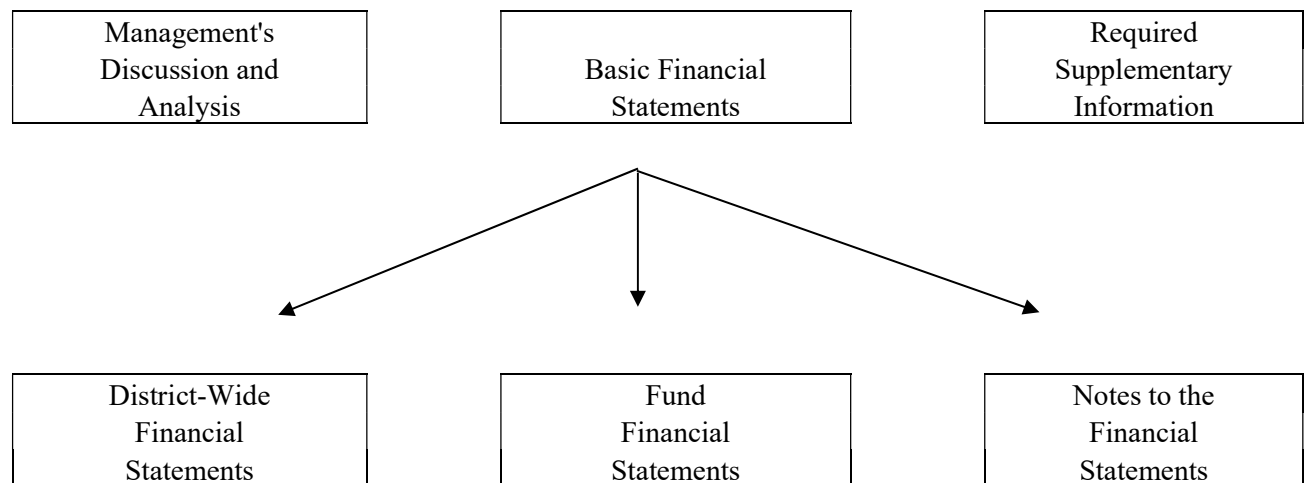
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the Board of Education of Princeton Public
Schools' Financial Report



**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses which includes food services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

PRINCETON PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Notes to the Basic Financial Statements

Provide additional information essential to a full understanding of the district-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2023 and 2022. The District's combined net position was \$54,264,068 on June 30, 2023 or 4.49% more than the year before. Net investment in capital assets decreased by \$273,872 primarily due to capital asset additions and the redemption of principal for outstanding debt, offset by current year capital asset depreciation and lease asset amortization. Restricted net position increased by \$2,667,436 primarily due to increases in the capital and maintenance reserves and excess surplus. Unrestricted net position decreased by \$62,308 primarily due to an increase in net pension liability, as well as by decreases in deferred inflows and increases in deferred outflows related to pensions.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Assets:							
Current and Other							
Assets	\$ 29,852,319	\$ 33,304,109	\$ 841,997	\$ 864,640	\$ 30,694,316	\$ 34,168,749	
Capital Assets, Net	100,187,614	99,021,298	323,660	334,129	100,511,274	99,355,427	
Lease Assets, Net	168,469	260,137			168,469	260,137	
Total Assets	130,208,402	132,585,544	1,165,657	1,198,769	131,374,059	133,784,313	-1.80%
Deferred Outflows of Resources	4,951,763	3,719,679			4,951,763	3,719,679	33.12%
Liabilities:							
Other Liabilities	6,038,808	5,113,433	192,603	85,012	6,231,411	5,198,445	
Long-Term Liabilities	71,783,751	68,963,838			71,783,751	68,963,838	
Total Liabilities	77,822,559	74,077,271	192,603	85,012	78,015,162	74,162,283	5.20%
Deferred Inflows of Resources	4,046,592	11,408,897			4,046,592	11,408,897	-64.53%
Net Position:							
Net Investment in							
Capital Assets	69,833,382	70,096,785	323,660	334,129	70,157,042	70,430,914	
Restricted	7,977,188	5,309,752			7,977,188	5,309,752	
Unrestricted/(Deficit)	(24,519,556)	(24,587,482)	649,394	779,628	(23,870,162)	(23,807,854)	
Total Net Position	\$ 53,291,014	\$ 50,819,055	\$ 973,054	\$ 1,113,757	\$ 54,264,068	\$ 51,932,812	4.49%

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net Position

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Revenue:							
Program Revenue:							
Charges for Services	\$ 6,673,657	\$ 6,551,992	\$ 785,931	\$ 108,013	\$ 7,459,588	\$ 6,660,005	
Grants and Contributions:							
Operating	25,597,227	30,844,414	617,031	2,147,407	26,214,258	32,991,821	
General Revenue:							
Property Taxes	86,734,902	86,734,902			86,734,902	86,734,902	
Federal and State Aid							
Not Restricted	931,551	926,251			931,551	926,251	
Other	1,904,473	829,914	1,798	945	1,906,271	830,859	
Total Revenue	121,841,810	125,887,473	1,404,760	2,256,365	123,246,570	128,143,838	-3.82%
Expenses:							
Instruction	67,261,795	68,331,212			67,261,795	68,331,212	
Pupil and Instruction Services	19,902,419	18,611,434			19,902,419	18,611,434	
Administrative and Business	8,632,789	8,891,019			8,632,789	8,891,019	
Maintenance and Operations	9,785,789	9,736,107			9,785,789	9,736,107	
Transportation	5,386,206	4,542,987			5,386,206	4,542,987	
Other	8,400,853	8,346,260	1,545,463	1,773,640	9,946,316	10,119,900	
Total Expenses	119,369,851	118,459,019	1,545,463	1,773,640	120,915,314	120,232,659	0.57%
Change in Net Position	\$ 2,471,959	\$ 7,428,454	\$ (140,703)	\$ 482,725	\$ 2,331,256	\$ 7,911,179	-70.53%

Governmental Activities

The financial position of the District increased by \$2,471,959 and remains strong. However, maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services for students with special needs places great demands on the District's resources. Limited veteran employee retirements and increased employee health benefit contributions have been surpassed by the increase in health benefits costs and the costs associated with training new teachers.

Careful management of expenses remains essential for the District to sustain its financial health. Many significant cost saving measures have led to superior transportation efficiency and overall fiscal restraint. The District's cost-saving measures included:

- Joint Transportation with surrounding school districts
- Employees contribute towards health and dental benefits
- Group purchasing for electric, gas, insurance and telecommunications
- Efficiency of District bus routes
- Continuation of in-district special education programs

PRINCETON PUBLIC SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022/23	2021/22	2022/23	2021/22
Instruction	\$ 67,261,795	\$ 68,331,212	\$ 39,716,297	\$ 37,071,072
Pupil and Instruction Services	19,902,419	18,611,434	17,285,083	15,438,692
Administrative and Business	8,632,789	8,891,019	7,870,824	7,715,100
Maintenance and Operations	9,785,789	9,736,107	9,618,976	9,254,573
Transportation	5,386,206	4,542,987	4,206,934	3,236,916
Other	8,400,853	8,346,260	8,400,853	8,346,260
	<u>\$ 119,369,851</u>	<u>\$ 118,459,019</u>	<u>\$ 87,098,967</u>	<u>\$ 81,062,613</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$140,703 (Refer to Figure A-4). This was due primarily to a decrease in operating grants and contributions offset by an increase in daily sales and a decrease in operating expenses.

Financial Analysis of the District's Funds

The District's General Fund financial position increased \$403,546 on the GAAP basis primarily due to an increase in revenues and unexpended budget appropriations. The District continues to see a rise in additional student needs and the associated expenditures.

The District anticipates the current economic conditions to continue and create the same climate that has existed for the past several years. The District has had a multi-year practice of utilizing funds from its unassigned fund balance to offset or reduce the tax levy. The District must continue practice sound financial management to maintain a stable financial position.

Ratables in Princeton will be increasing. Commercial building continues, as well as small residential sub-developments also have occurred along with replacing existing homes with larger, more valuable homes.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2022/2023 budget was difficult as a result of rising costs. This resulted in the need for line-item transfers during the fiscal year.

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital Assets

The District's capital assets increased \$1,155,847 or 1.16%, over the course of the fiscal year.

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Land	\$ 195,190	\$ 195,190			\$ 195,190	\$ 195,190	
Construction in Progress	26,915,347	23,008,288	\$ 188,109	\$ 179,488	27,103,456	23,187,776	
Buildings and Building Improvements	72,442,682	74,942,670			72,442,682	74,942,670	
Machinery and Equipment	634,395	875,150	135,551	154,641	769,946	1,029,791	
Total Capital Assets (Net of Depreciation)	<u>\$ 100,187,614</u>	<u>\$ 99,021,298</u>	<u>\$ 323,660</u>	<u>\$ 334,129</u>	<u>\$ 100,511,274</u>	<u>\$ 99,355,427</u>	1.16%

Capital asset additions consisted of \$4,746,297 of construction in progress from capital projects and \$268,385 from budgeted capital outlay from its governmental activities and \$8,621 for construction in progress from its business-type activities.

Depreciation expense was \$3,848,366 from its governmental activities and \$19,090 from its business-type activities.

Long-term Liabilities

The District's long-term liabilities increased \$2,819,913, or 4.09% during the fiscal year.

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2022/23	2021/22	2022/23
General Obligation Bonds (Financed with Property Taxes)	\$ 40,975,000	\$ 44,001,000	
Financed Purchases Payable	2,175,634	1,633,792	
Leases Payable	176,606	268,622	
Net Pension Liability	22,609,755	16,988,025	
Other Long - Term Liabilities	5,846,756	6,072,399	
	<u>\$ 71,783,751</u>	<u>\$ 68,963,838</u>	4.09%

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term Liabilities

- The District paid down \$3,026,000 of their School Bonds during the fiscal year.
- Compensated absences payable decreased by a net amount of \$214,029.
- Net pension liability increased by \$5,621,730.
- The District entered into a \$1,375,000 financed purchase agreement to purchase equipment and paid down \$833,158 in financed purchase agreement principal during the fiscal year.
- The District paid down \$92,016 in lease principal during the fiscal year.
- The District amortized \$11,614 of bond issuance premiums.

Factors Bearing on the District's Future Revenue/Expenses

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the District. The following examples may have an impact and affect the financial operation in the future:

- The current economic crisis due to COVID-19 has generated concern in the educational community for public school funding.
- There has been federal relief funding provided to school districts for learning loss, mental health support and improving ventilation/air quality among others. However, these funds are to be expended in a two to three-year timeframe. These programs are meant to be short term solutions and not something to be sustained over years.
- State legislation to modify the school funding law is favorable to the District.
- The district faces challenges for financial planning to continue the expansion and renovation of District buildings to meet curriculum demands and aging facilities.

Contracting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Princeton Public Schools Board of Education Office located at 25 Valley Road, Princeton, New Jersey 08540.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PRINCETON PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 22,620,122	\$ 615,898	\$ 23,236,020
Internal Balances	(58,188)	58,188	
Receivables from Federal Government	556,605	19,814	576,419
Receivables from State Government	2,847,870	854	2,848,724
Receivables from Other Governments	168,000		168,000
Other Receivables	255,381	75,827	331,208
Inventory		71,416	71,416
Restricted Assets:			
Cash and Cash Equivalents	3,462,529		3,462,529
Capital Assets, Net:			
Sites (Land) and Construction in Progress	27,110,537	188,109	27,298,646
Depreciable Buildings and Building Improvements and Machinery and Equipment	73,077,077	135,551	73,212,628
Lease Assets, Net	168,469		168,469
Total Assets	130,208,402	1,165,657	131,374,059
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	4,951,763		4,951,763
Total Deferred Outflows of Resources	4,951,763		4,951,763
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,133,296		4,133,296
Accrued Interest Payable	557,397		557,397
Payable to State Government	250,326		250,326
Unearned Revenue	1,097,789	192,603	1,290,392
Noncurrent Liabilities:			
Due Within One Year	5,102,394		5,102,394
Due Beyond One Year	66,681,357		66,681,357
Total Liabilities	77,822,559	192,603	78,015,162
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	4,046,592		4,046,592
Total Deferred Inflows of Resources	4,046,592		4,046,592
NET POSITION			
Net Investment in Capital Assets	69,833,382	323,660	70,157,042
Restricted for:			
Capital Projects	2,243,565		2,243,565
Debt Service	207,552		207,552
Maintenance Reserve	729,586		729,586
Excess Surplus	3,790,951		3,790,951
Unemployment Compensation	657,174		657,174
Scholarships	9,333		9,333
Student Activities	339,027		339,027
Unrestricted/(Deficit)	(24,519,556)	649,394	(23,870,162)
Total Net Position	\$ 53,291,014	\$ 973,054	\$ 54,264,068

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 44,886,861	\$ 5,395,363	\$ 9,750,341	\$ (29,741,157)		\$ (29,741,157)
Special Education	16,127,988		11,376,289	(4,751,699)		(4,751,699)
Other Instruction	6,246,946		1,023,505	(5,223,441)		(5,223,441)
Support Services:						
Tuition	3,310,362			(3,310,362)		(3,310,362)
Student & Instruction Related Services	16,592,057	1,110,294	1,507,042	(13,974,721)		(13,974,721)
General Administrative Services	1,645,317		137,118	(1,508,199)		(1,508,199)
School Administrative Services	3,889,664		501,707	(3,387,957)		(3,387,957)
Central Services	1,776,550		92,323	(1,684,227)		(1,684,227)
Administration Information Technology	1,321,258		30,817	(1,290,441)		(1,290,441)
Plant Operations and Maintenance	9,785,789		166,813	(9,618,976)		(9,618,976)
Pupil Transportation	5,386,206	168,000	1,011,272	(4,206,934)		(4,206,934)
Interest on Long-Term Debt	1,199,888			(1,199,888)		(1,199,888)
Capital Outlay	239,765			(239,765)		(239,765)
Transfer to Charter Schools	6,961,200			(6,961,200)		(6,961,200)
Total Governmental Activities	119,369,851	6,673,657	25,597,227	(87,098,967)		(87,098,967)

PRINCETON PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,545,463	\$ 785,931	\$ 617,031		\$ (142,501)	\$ (142,501)
Total Business-Type Activities	1,545,463	785,931	617,031		(142,501)	(142,501)
Total Primary Government	\$ 120,915,314	\$ 7,459,588	\$ 26,214,258	\$ (87,098,967)	(142,501)	(87,241,468)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				83,016,283		83,016,283
Taxes Levied for Debt Service				3,718,619		3,718,619
Federal and State Aid Not Restricted				931,551		931,551
Interest and Miscellaneous Income				1,904,473	1,798	1,906,271
Total General Revenues				89,570,926	1,798	89,572,724
Change in Net Position						
				2,471,959	(140,703)	2,331,256
Net Position - Beginning				50,819,055	1,113,757	51,932,812
Net Position - Ending				\$ 53,291,014	\$ 973,054	\$ 54,264,068

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

PRINCETON PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 9,685,737	\$ 770,857	\$ 12,163,528		\$ 22,620,122
Interfund Receivable	1,136,973		2,756,906	\$ 1,344,525	5,238,404
Receivables from Federal Government		556,605			556,605
Receivables from State Government	2,839,305	8,565			2,847,870
Receivables from Other Governments	168,000				168,000
Other Receivables	252,693	2,688			255,381
Restricted Cash and Cash Equivalents	3,114,169	348,360			3,462,529
Total Assets	<u>\$ 17,196,877</u>	<u>\$ 1,687,075</u>	<u>\$ 14,920,434</u>	<u>\$ 1,344,525</u>	<u>\$ 35,148,911</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 2,815,094		\$ 1,344,525	\$ 1,136,973	\$ 5,296,592
Payable to State Government		\$ 250,326			250,326
Accounts Payable	1,919,220	99,783	130,557		2,149,560
Unearned Revenue	4,022	1,093,767			1,097,789
Total Liabilities	<u>4,738,336</u>	<u>1,443,876</u>	<u>1,475,082</u>	<u>1,136,973</u>	<u>8,794,267</u>
Fund Balances:					
Restricted:					
Excess Surplus	3,266,127				3,266,127
Excess Surplus - Subsequent Year's Expenditures	524,824				524,824
Capital Reserve Account	1,727,409				1,727,409
Maintenance Reserve Account	729,586				729,586
Unemployment Compensation	657,174				657,174
Capital Projects			13,413,437		13,413,437
Debt Service				207,552	207,552
Scholarships		9,333			9,333
Student Activities		339,027			339,027
Committed - Capital Projects Fund			31,915		31,915
Assigned:					
Encumbrances	315,910				315,910
Designated for Subsequent Year's Expenditures	2,750,936				2,750,936
Unassigned/(Deficit)	2,486,575	(105,161)			2,381,414
Total Fund Balances	<u>12,458,541</u>	<u>243,199</u>	<u>13,445,352</u>	<u>207,552</u>	<u>26,354,644</u>
Total Liabilities and Fund Balances	<u>\$ 17,196,877</u>	<u>\$ 1,687,075</u>	<u>\$ 14,920,434</u>	<u>\$ 1,344,525</u>	<u>\$ 35,148,911</u>

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Funds Balances - Governmental Funds (Above) \$ 26,354,644

Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. 100,187,614

Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. 168,469

PRINCETON PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Interest on Long-Term Liabilities is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	\$ (557,397)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	2,968,027
Deferred Inflows	(4,046,592)
Long-Term Liabilities, including Bonds Payable, Leases Payable, Financed Purchases Payable and the Net Pension Liability are not due and payable in the current period and therefore are not reported as liabilities in the Funds. Bond Premiums are reported as revenue in the Funds.	<u>(71,783,751)</u>
Net Position of Governmental Activities	<u><u>\$ 53,291,014</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 83,016,283			\$ 3,718,619	\$ 86,734,902
Other Local Governmental Units - Unrestricted	168,000				168,000
Tuition From Individuals	280,555				280,555
Tuition From Other LEAs Within the State	5,114,808				5,114,808
Private Contributions	1,125,000				1,125,000
Unrestricted Miscellaneous Revenues	606,670		\$ 160,677		767,347
Interest Earned on Maintenance Reserve	1,331				1,331
Interest Earned on Capital Reserve Funds	9,225				9,225
Other Restricted Miscellaneous Revenues	1,570	\$ 1,110,294			1,111,864
Total - Local Sources	90,323,442	1,110,294	160,677	3,718,619	95,313,032
State Sources	27,569,549	2,349,289		440,832	30,359,670
Federal Sources	46,781	2,395,039			2,441,820
Total Revenues	117,939,772	5,854,622	160,677	4,159,451	128,114,522
EXPENDITURES					
Current:					
Regular Instruction	26,268,390	3,115,745			29,384,135
Special Education Instruction	9,034,163	2,008,135			11,042,298
Other Instruction	4,240,630				4,240,630
Support Services and Undistributed Costs:					
Tuition	3,310,362				3,310,362
Student & Instruction Related Services	10,692,058	823,551			11,515,609
General Administrative Services	1,327,132				1,327,132
School Administrative Services	2,627,182				2,627,182
Central Services	1,425,098				1,425,098
Administration Information Technology	1,074,776				1,074,776
Plant Operations and Maintenance	8,266,866				8,266,866
Pupil Transportation	4,811,404				4,811,404
Unallocated Benefits	36,813,454				36,813,454
Debt Service:					
Principal				3,026,000	3,026,000
Interest and Other Charges				1,133,451	1,133,451
Capital Outlay	1,988,296		4,746,297		6,734,593
Transfer of Funds to Charter Schools	6,961,200				6,961,200
Total Expenditures	118,841,011	5,947,431	4,746,297	4,159,451	133,694,190
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(901,239)	(92,809)	(4,585,620)		(5,579,668)
OTHER FINANCING SOURCES/(USES)					
Financed Purchases (Non-Budgeted)	1,375,000				1,375,000
Transfers	(70,215)	70,215	(182,676)	182,676	
Total Other Financing Sources/(Uses)	1,304,785	70,215	(182,676)	182,676	1,375,000
Net Change in Fund Balances	403,546	(22,594)	(4,768,296)	182,676	(4,204,668)
Fund Balance — July 1	12,054,995	265,793	18,213,648	24,876	30,559,312
Fund Balance — June 30	\$ 12,458,541	\$ 243,199	\$ 13,445,352	\$ 207,552	\$ 26,354,644

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (4,204,668)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays related to Capital Assets 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 outlays differ from depreciation in the period.

Depreciation expense	\$ (3,848,366)
Capital Asset Additions	<u>5,014,682</u>
	1,166,316

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense (91,668)

Financed Purchases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. (1,375,000)

Repayment of bond principal is an expenditure 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. (+) 3,026,000

Repayment of leases is an expenditure 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. 92,016

Repayment of financed purchases is an expenditure 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. 833,158

PRINCETON PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Interest on long-term liabilities in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	\$ (78,051)
The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (+)	11,614
The Net Pension Liability reported in the Statement of Activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Changes in Net Pension Liability	(5,621,730)
Change in Deferred Outflows	1,137,638
Change in Deferred Inflows	7,362,305
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). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	
Change in Net Position of Governmental Activities (A-2)	<u>214,029</u>
	<u>\$ 2,471,959</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 615,898
Interfund Receivable - General Fund	58,188
Intergovernmental Accounts Receivable:	
State	854
Federal	19,814
Other Accounts Receivable	75,827
Inventories	71,416
Total Current Assets	841,997
Non-Current Assets:	
Capital Assets:	
Machinery and Equipment	1,005,209
Construction in progress	188,109
Less: Accumulated Depreciation	(869,658)
Total Non-Current Assets	323,660
Total Assets	1,165,657
<u>LIABILITIES:</u>	
Current Liabilities:	
Unearned Revenue:	
Prepaid Meals	131,485
Donated Commodities	9,562
Supply Chain Assistance	51,556
Total Liabilities	192,603
<u>NET POSITION:</u>	
Investment in Capital Assets	323,660
Unrestricted	649,394
Total Net Position	\$ 973,054

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 405,787
Non-Reimbursable Programs	380,144
Total Operating Revenue	785,931
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	367,800
Non-Reimbursable Programs	173,845
Salaries	588,373
Benefits and Payroll Taxes	178,348
Supplies, Insurance & Other Costs	133,163
Management Fee	84,844
Depreciation Expense	19,090
Total Operating Expenses	1,545,463
Operating Loss	(759,532)
Non-Operating Income:	
Local Sources:	
Interest Income	1,798
State Sources:	
School Breakfast Program	487
School Lunch Program	15,022
Federal Sources:	
School Breakfast Program	30,011
National School Lunch Program	327,322
Food Distribution Program	116,315
COVID 19 - Supply Chain Assistance	127,874
Total Non-Operating Income	618,829
Change in Net Position	(140,703)
Net Position - Beginning of Year	1,113,757
Net Position - End of Year	\$ 973,054

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 799,083
Payments to Food Service Contractor	(593,895)
Payment of Salaries - District Employees	(766,721)
Payments to Suppliers	(133,163)
Net Cash Used for Operating Activities	(694,696)
Cash Flows from Investing Activities:	
Interest Income	1,798
Net Cash Provided by Investing Activities	1,798
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(8,621)
Net Cash Used for Capital and Related Financing Activities	(8,621)
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	389,616
State Sources	17,455
Federal Sources	654,141
Net Cash Provided by Noncapital Financing Activities	1,061,212
Net Increase in Cash and Cash Equivalents	359,693
Cash and Cash Equivalents, July 1	256,205
Cash and Cash Equivalents, June 30	\$ 615,898
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (759,532)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	19,090
Food Distribution Program	116,315
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Meals	81,419
Increase in Unearned Revenue - Donated Commodities	6,668
(Decrease) in Accounts Payable	(32,052)
(Increase) in Accounts Receivable	(68,267)
(Increase) in Inventory	(58,337)
Net Cash Used for Operating Activities	\$ (694,696)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$122,983 and utilized U.S.D.A. Commodities valued at \$116,315.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 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 generally accepted accounting principles (GAAP) as applied to government 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 Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or could otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise fund) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

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

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund account for all revenue and expenses pertaining to the Board's cafeteria operations. The Enterprise 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 or services to the recipients on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current fiscal year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 117,969,083	\$ 5,775,705
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		469,962
Current Year Encumbrances		(394,286)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	364,947	108,402
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(394,258)</u>	<u>(105,161)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 117,939,772</u>	<u>\$ 5,854,622</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 118,841,011	\$ 5,871,755
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 Encumbrances		469,962
Current Year Encumbrances		<u>(394,286)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 118,841,011</u>	<u>\$ 5,947,431</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, cash in banks and short-term investments with original maturities of three months or less. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of government units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the governmental units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term 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.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the fiscal year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	25 to 50 years
Land Improvements	20 years
Machinery and Equipment	5 to 20 years
Computer and Related Technology	5 years
Vehicles	5 to 10 years

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. 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.

O. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed during the entire twelve-month year. As of June 30, 2023, the amount earned by these employees but not disbursed was \$426,228.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent fiscal years.

Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences: (Cont'd)

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscriptions Payable

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

T. Fund Balance Appropriated:

General Fund: Of the \$12,458,541 General Fund fund balance at June 30, 2023 \$315,910 is assigned for encumbrances; \$2,750,936 is assigned for subsequent year's expenditures; \$1,727,409 and \$729,586 are restricted in the capital reserve and maintenance reserve accounts, respectively; \$657,174 is restricted for unemployment compensation; \$3,266,127 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 and will be included as anticipated revenue for the fiscal year ending June 30, 2025; \$524,824 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; and \$2,486,575 is unassigned which is \$394,258 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: Of the \$243,199 Special Revenue Fund fund balance at June 30, 2023, \$9,333 is restricted for scholarships; \$339,027 is restricted for student activities; and there is a deficit in unassigned fund balance of \$105,161 at June 30, 2023 in the Special Revenue Fund on a GAAP basis due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2024.

Capital Projects Fund: Of the \$13,445,352 Capital Projects Fund fund balance at June 30, 2023, \$13,413,437 is restricted and \$31,915 is committed.

Debt Service Fund: The Debt Service Fund fund balance is \$207,552 at June 30, 2023 and is restricted.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2023 as noted above.

N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments 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, expenditure, 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 June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

The District's unassigned fund balance in the General and Special Revenue Funds is less on a GAAP basis than the budgetary basis by \$394,258 and \$105,161, respectively, as reported in the fund statements (modified accrual basis) for the non-recognition of the last two state aid payments.

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$24,519,556 in governmental activities, which is primarily due to compensated absences payable, and liabilities and deferred inflows and outflows related to pensions and a deficit in unassigned fund balance of \$105,161 in the Special Revenue Fund on a GAAP basis due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2024. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, unemployment compensation, capital projects fund, debt service fund, scholarships and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and subsequent year's expenditures in the General Fund at June 30, 2023.

W. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

The District had deferred outflows of resources at June 30, 2023 for pensions. The District had deferred inflows of resources for pensions at June 30, 2023.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Net Position: (Cont'd)

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the Enterprise Fund.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

AA. Pensions:

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 the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its formal cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as in the section of this note on investments.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents						
	Restricted					Unrestricted	Total
	Capital	Maintenance	Unemployment		Student		
	Reserve	Reserve	Compensation	Scholarships	Activities		
Checking Accounts	\$ 1,727,409	\$ 729,586	\$ 657,174	\$ 9,333	\$ 339,027	\$ 23,236,020	\$ 26,698,549

During the period ended June 30, 2023, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$26,698,549 and the bank balance was \$28,312,203.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution 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 State Department of Education, 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 fiscal year-end 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 by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,318,184
Interest Earnings	9,225
Deposit by Board Resolution - June 2023	400,000
Ending Balance, June 30, 2023	<u>\$ 1,727,409</u>

The June 30, 2023 capital reserve account balance does not exceed the local support costs of uncompleted capital projects in the District's Long-Range Facilities Plan ("LRFP").

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$110,684 was established by Board resolution in June 2019. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,111,707
Interest Earnings	1,331
Board Approved Withdrawal	<u>(383,452)</u>
Ending Balance, June 30, 2023	<u>\$ 729,586</u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ending June 30, 2023, the District transferred \$438,314 to the capital outlay accounts for facilities acquisition and construction services, for which County Superintendent approval was obtained.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 195,190			\$ 195,190
Construction in Progress	23,008,288	\$ 4,746,297	\$ (839,238)	26,915,347
Total Capital Assets Not Being Depreciated	<u>23,203,478</u>	<u>4,746,297</u>	<u>(839,238)</u>	<u>27,110,537</u>
Capital Assets Being Depreciated:				
Land Improvements	596,300			596,300
Buildings and Building Improvements	126,241,531		839,238	127,080,769
Machinery and Equipment	8,644,667	268,385		8,913,052
Total Capital Assets Being Depreciated	<u>135,482,498</u>	<u>268,385</u>	<u>839,238</u>	<u>136,590,121</u>
Governmental Activities Capital Assets	<u>158,685,976</u>	<u>5,014,682</u>		<u>163,700,658</u>
Less Accumulated Depreciation for:				
Land Improvements	(596,300)			(596,300)
Buildings and Building Improvements	(51,298,861)	(3,339,226)		(54,638,087)
Machinery and Equipment	(7,769,517)	(509,140)		(8,278,657)
	<u>(59,664,678)</u>	<u>(3,848,366)</u>		<u>(63,513,044)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 99,021,298</u>	<u>\$ 1,166,316</u>	<u>\$ - 0 -</u>	<u>\$ 100,187,614</u>
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 179,488	\$ 8,621		\$ 188,109
Total Capital Assets Not Being Depreciated	<u>179,488</u>	<u>8,621</u>		<u>188,109</u>
Capital Assets Being Depreciated:				
Machinery and Equipment	1,005,209			1,005,209
Less Accumulated Depreciation	<u>(850,568)</u>	<u>(19,090)</u>		<u>(869,658)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 334,129</u>	<u>\$ (10,469)</u>	<u>\$ - 0 -</u>	<u>\$ 323,660</u>

The \$4,746,297 addition to construction in progress resulted from the District's Capital Projects Fund expenditures during the fiscal year. The District also expended \$8,621 towards construction in progress in the Food Service Fund during the fiscal year.

The District had various active construction projects as of June 30, 2023. As of June 30, 2023, the District has \$13,445,352 in active construction projects including \$2,146,005 of encumbrances.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 2,360,123
Special Education Instruction	468,676
Other Instruction	65,893
Student & Instruction Related Services	114,344
General Administration	57,084
School Administration	124,462
Central Services	64,544
Administrative Information Technology	47,620
Plant Operations & Maintenance	379,541
Student Transportation	166,079
	<u>\$ 3,848,366</u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 458,339			\$ 458,339
Total Lease Assets Being Amortized	458,339			458,339
Governmental Activities Lease Assets	458,339			458,339
Less Accumulated Amortization for:				
Machinery and Equipment	(198,202)	\$ (91,668)		(289,870)
	(198,202)	(91,668)		(289,870)
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 260,137</u>	<u>\$ (91,668)</u>	<u>\$ -0-</u>	<u>\$ 168,469</u>

Amortization expense was charged to governmental functions as follows:

General Administration	\$ 30,250
School Administration	30,250
Central Services	31,168
	<u>\$ 91,668</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2022	Added	Retired	Balance 6/30/2023	Due within One Year
Serial Bonds Payable	\$ 44,001,000		\$ 3,026,000	\$ 40,975,000	\$ 4,200,000
Unamortized Bond Issuance					
Premiums	104,356		11,614	92,742	6,870
Leases Payable	268,622		92,016	176,606	94,976
Financed Purchases Payable	1,633,792	\$ 1,375,000	833,158	2,175,634	800,548
Compensated Absences Payable	5,968,043		214,029	5,754,014	
Net Pension Liability	16,988,025	5,621,730		22,609,755	
	<u>\$ 68,963,838</u>	<u>\$ 6,996,730</u>	<u>\$ 4,176,817</u>	<u>\$ 71,783,751</u>	<u>\$ 5,102,394</u>

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$6,870 and is separated from the long-term portion of \$85,872.

B. 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 Board are general obligation bonds. The current portion of bonds at June 30, 2023 is \$4,200,000 and the long-term portion is \$36,775,000. Bonds are liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2023 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2019 School Bonds	7/15/2038	3.00%	\$ 24,525,000
2022 School Bonds	1/15/2042	2.60% - 2.75%	<u>16,450,000</u>
			<u>\$ 40,975,000</u>

On March 30, 2022, the District issued school bonds in the amount of \$17,451,000 related to the 2022 referendum approved by the taxpayers on November 16, 2022 for improvements to the District's buildings. The bonds are being retired over 20 years with principal and interest payments beginning January 15, 2023 through January 15, 2042 with interest rates ranging from 2.60% to 2.75%. The bonds are callable with the first optional redemption date of January 15, 2029.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable (Cont'd):

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

Fiscal Year Year Ending June 30,	Principal	Interest	Total
2024	\$ 4,200,000	\$ 1,146,478	\$ 5,346,478
2025	2,850,000	1,031,328	3,881,328
2026	1,990,000	951,153	2,941,153
2027	2,055,000	893,082	2,948,082
2028	2,115,000	833,123	2,948,123
Thereafter:			
2029-2033	11,230,000	3,213,267	14,443,267
2034-2038	11,660,000	1,568,157	13,228,157
2039-2042	4,875,000	248,795	5,123,795
	<u>\$ 40,975,000</u>	<u>\$ 9,885,383</u>	<u>\$ 50,860,383</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.

D. Financed Purchases Payable:

The District has financed purchase agreements for equipment valued at \$4,615,000, of which \$2,439,366 has matured and been repaid. The finance purchase agreements are for terms of five years.

The following is a schedule of the future minimum financed purchase payments, and the present value of the net minimum financed purchases payments at June 30, 2023.

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 849,169
2025	849,168
2026	296,112
2027	296,112
Total Minimum Financed Purchases Payments	2,290,561
Less: Amount Representing Interest	(114,927)
Present Value Net of Minimum Financed Purchases Payments	<u>\$ 2,175,634</u>

The current portion of the financed purchase payable at June 30, 2023 is \$800,548 and the long-term portion is \$1,375,086. The General Fund will be used to liquidate the financed purchases payable.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

E. Leases Payable:

The District had leases outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Canon Copiers	Monthly	10/01/24	3.100%	\$ 41,074
Canon Copiers	Monthly	01/01/25	3.100%	48,588
Canon Copiers	Monthly	12/01/25	3.300%	86,944
				<u>\$ 176,606</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Interest</u>	<u>Principal</u>
2024	\$ 4,321	\$ 94,976
2025	1,509	63,664
2026	182	17,966
	<u>\$ 6,012</u>	<u>\$ 176,606</u>

F. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions. The current portion of the liability is \$-0- and the long-term portion is \$5,754,014.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

Compensated absences are liquidated by the related fund, in this case the General Fund.

G. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$22,609,755. See Note 10 for further information on the PERS.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS

Substantially all of the Board's employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS):

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Contributions (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$1,889,290 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$47,572 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$22,609,755 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2022, the District's proportion was 0.149%, which was an increase of 0.007% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$987,280. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$47,572 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 543,493
	2019	5.21		679,186
	2020	5.16		1,997,172
	2021	5.13		165,724
	2022	5.04	\$ 70,052	
			<u>70,052</u>	<u>3,385,575</u>
Changes in Proportion	2018	5.63	106,508	
	2019	5.21	423,471	
	2020	5.16	290,494	
	2021	5.13		517,109
	2022	5.04	978,518	
			<u>1,798,991</u>	<u>517,109</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	22,366	
	2020	5.00	672,117	
	2021	5.00	(4,192,232)	
	2022	5.00	4,433,546	
			<u>935,797</u>	
Difference Between Expected and Actual Experience	2018	5.63		20,697
	2019	5.21	51,917	
	2020	5.16	111,270	
	2021	5.13		55,710
	2022	5.04		67,501
			<u>163,187</u>	<u>143,908</u>
District Contribution Subsequent to the Measurement Date				
	2022	1.00	1,983,736	
			<u>\$ 4,951,763</u>	<u>\$ 4,046,592</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2023	\$ (1,939,442)
2024	(988,081)
2025	(481,868)
2026	1,051,253
2027	(2,309)
	<u>\$ (2,360,447)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 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 a 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-2021.

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

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Sensitivity of the District's Proportionate Share of the 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, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District's proportionate share of the Net Pension Liability	\$ 29,046,912	\$ 22,609,755	\$ 17,131,475

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at: www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Special Funding Situation (Cont'd)

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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$13,397,968 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$4,587,645.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$170,463,368. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2022, the District's proportion was 0.330%, which was a decrease of 0.009% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>170,463,368</u>
Total	<u>\$ 170,463,368</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,587,645 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the sources on the following page.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
	<u>\$ (14,678,515,482)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% – 5.65% based on years of service
Investment Rate of Return	7.00%

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 a 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-2021.

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

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability 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, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	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	\$ 199,871,921	\$ 170,463,368	\$ 145,690,357

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP):

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$37,046 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$62,240 for the year ended June 30, 2023.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through Horizon Blue Cross Blue Shield of New Jersey.

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 following is a summary of District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and prior year:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 1,570	\$ 92,435	\$ 101,547	\$ 657,174
2021-2022	1,844	85,628	- 0 -	664,716

Property and Liability Insurance

The District is a member of the New Jersey Schools Insurance Group (“NJSIG”) and maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

NJSIG is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NJSIG are elected.

As a member of NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of NJSIG were to be exhausted, members would become responsible for their respective shares of the liabilities. NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Selected, summarized financial information for NJSIG as of June 30, 2023 is as follows:

Total Assets	<u>\$ 429,049,188</u>
Net Position	<u>\$ 201,308,725</u>
Total Revenue	<u>\$ 160,069,780</u>
Total Expenses	<u>\$ 141,165,428</u>
Change in Net Position	<u>\$ 16,304,414</u>
Member Dividends	<u>\$ 2,599,938</u>

Financial statements for NJSIG are available at the Executive Director's Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, NJ 08054
(609) 386-6060

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances existed at June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,136,973	\$ 2,815,094
Capital Projects Fund	2,756,906	1,344,525
Debt Service	1,344,525	1,136,973
Food Service Fund	<u>58,188</u>	<u> </u>
	<u>\$ 5,296,592</u>	<u>\$ 5,296,592</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 was transferred to the General Fund and Debt Service Fund, and payments made by the General Fund on behalf of the Capital Projects Fund. The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund represents funds advanced to the Special Revenue Fund awaiting the collection of grants receivable. The interfund between General Fund and the Food Service Fund represent subsidies received in the General Fund not yet remitted to the Food Service Fund.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District's financial position.

Grant Programs

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds all of which are considered to be major funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total Governmental Funds
\$ 315,910	\$ 394,286	\$ 2,146,005	\$ 2,856,201

On the District's Governmental Fund Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$394,286 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on the GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. In the Capital Projects Fund, \$2,114,090 of year-end encumbrances are included in the restricted fund balance and \$31,915 are included in the committed fund balance at June 30, 2023.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA-Equitable	Legends	Ameriprise
Aspire	AIG-Valic	Vanguard
Security Benefit	Lincoln Investment Planning	Primerica

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2023:

	Governmental Funds				District Contribution Subsequent to Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds		
Vendors	\$ 775,284	\$ 99,783	\$ 130,557	\$ 1,005,624		\$ 1,005,624
Payroll Deductions and Withholdings	717,708			717,708		717,708
Accrued Salaries and Wages	426,228			426,228		426,228
Due to:						
State of New Jersey					\$ 1,983,736	1,983,736
	<u>\$1,919,220</u>	<u>\$ 99,783</u>	<u>\$ 130,557</u>	<u>\$ 2,149,560</u>	<u>\$ 1,983,736</u>	<u>\$ 4,133,296</u>

NOTE 16. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 17. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit 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 Benefits 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 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 on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), 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 their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u>364,817</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 174,910,755
Changes for Year:	
Service Cost	8,537,861
Interest on the Total OPEB Liability	3,939,106
Changes of Assumptions	(39,873,827)
Differences between Expected and Actual Experience	4,902,037
Gross Benefit Payments by the State	(3,901,801)
Contributions from Members	<u>125,172</u>
Net Changes	<u>(26,271,452)</u>
Balance at June 30, 2022	<u>\$ 148,639,303</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 174,709,865	\$ 148,639,303	\$ 127,745,051

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 122,859,469	\$ 148,639,303	\$ 182,502,680

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$6,106,056 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the sources on the following page.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 7,717,512
	2018	9.51		7,364,702
	2019	9.29	\$ 1,039,785	
	2020	9.24	24,549,775	
	2021	9.24	136,140	
	2022	9.13		35,506,485
			<u>25,725,700</u>	<u>50,588,699</u>
Differences between Expected and Actual Experience	2018	9.51		6,961,935
	2019	9.29		12,238,322
	2020	9.24	22,881,354	
	2021	9.24		26,181,041
	2022	9.13	3,656,658	
			<u>26,538,012</u>	<u>45,381,298</u>
Changes in Proportion	N/A	N/A	6,198,384	
			<u>\$ 58,462,096</u>	<u>\$ 95,969,997</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (7,387,439)
2024	(7,387,439)
2025	(7,387,439)
2026	(6,384,599)
2027	(3,650,798)
Thereafter	<u>(11,508,571)</u>
	<u>\$ (43,706,285)</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 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. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions 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 in the amount of \$1,476,105 from payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2022 without the abatement would have been \$6,170,592 of which \$3,042,102 would have been for the school tax.

NOTE 20. SUBSEQUENT EVENT

On November 7, 2023, the voters approved a bond referendum in the amount of \$12.9 million for security, sustainability, maintenance, and technology improvements throughout the District.

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

		Fiscal Year Ending June 30,								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
District's Proportion of the Net Pension Liability		0.1200403097%	0.1224672619%	0.1362304658%	0.1319352300%	0.1361551600%	0.1442049101%	0.1472872292%	0.1434012239%	0.1498190368%
District's Proportionate Share of the Net Pension Liability	\$	22,474,829	\$ 27,491,446	\$ 40,347,557	\$ 30,712,413	\$ 26,808,273	\$ 25,983,537	\$ 24,018,695	\$ 16,988,025	\$ 22,609,755
District's Covered Employee Payroll		7,927,404	8,239,488	9,157,896	8,864,968	9,192,234	9,860,178	10,279,776	10,255,387	10,839,617
District's proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll		283.51%	333.65%	440.58%	346.45%	291.64%	263.52%	233.65%	165.65%	208.58%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,052,890	\$ 1,185,410	\$ 1,222,239	\$ 1,210,252	\$ 1,354,304	\$ 1,402,695	\$ 1,611,249	\$ 1,679,395	\$ 1,889,290
Contributions in relation to the Contractually Required Contribution	(1,052,890)	(1,185,410)	(1,222,239)	(1,210,252)	(1,354,304)	(1,402,695)	(1,611,249)	(1,679,395)	(1,889,290)
Contribution Deficiency/(Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 8,239,488	\$ 9,157,896	\$ 8,864,968	\$ 9,192,234	\$ 9,860,178	\$ 10,279,776	\$ 10,255,387	\$ 10,839,617	\$ 11,252,443
Contributions as a percentage of Covered Employee Payroll	12.78%	12.94%	13.79%	13.17%	13.74%	13.65%	15.71%	15.49%	16.79%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
State's Proportion of the Net Pension Liability attributable to the District	0.3126860786%	0.3194868784%	0.3175550101%	0.3114428785%	0.3256115443%	0.3241116554%	0.3368444450%	0.3388116074%	0.3303911195%	
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 167,120,532	\$ 201,929,350	\$ 249,808,990	\$ 209,986,019	\$ 207,147,070	\$ 198,910,382	\$ 221,808,014	\$ 162,884,319	\$ 170,463,368	
District's covered employee payroll	\$ 32,680,756	\$ 33,347,710	\$ 34,028,275	\$ 34,722,730	\$ 35,431,357	\$ 36,154,446	\$ 36,892,292	\$ 37,645,196	\$ 38,413,465	
State's Proportionate Share of the Net Pension Liability attributable to the District as a percentage of its Covered Employee Payroll	511.4%	605.53%	734.12%	604.75%	584.64%	550.17%	601.23%	432.68%	443.76%	
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.59%	35.52%	32.29%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 8,992,654	\$ 12,329,605	\$ 18,769,670	\$ 14,546,768	\$ 12,075,950	\$ 11,732,266	\$ 13,792,967	\$ 3,832,740	\$ 4,587,645
Contributions in relation to the Contractually Required Contribution	(1,611,335)	(2,421,829)	(3,390,631)	(4,795,109)	(6,374,492)	(7,388,289)	(9,848,843)	(13,601,067)	(13,397,968)
Contribution Deficiency/(Excess)	\$ 7,381,319	\$ 9,907,776	\$ 15,379,039	\$ 9,751,659	\$ 5,701,458	\$ 4,343,977	\$ 3,944,124	\$ (9,768,327)	\$ (8,810,323)
District's Covered Employee Payroll	\$ 33,347,710	\$ 34,028,275	\$ 34,722,730	\$ 35,431,357	\$ 36,154,446	\$ 36,892,292	\$ 37,645,196	\$ 38,413,465	\$ 39,394,750
Contributions as a percentage of Covered Employee Payroll	26.97%	7.12%	9.76%	13.53%	17.63%	20.03%	26.16%	35.41%	34.01%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Years Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 6,829,938	\$ 5,681,946	\$ 5,221,756	\$ 5,436,077	\$ 9,944,737	\$ 8,537,861
Interest on the Total OPEB Liability	4,729,081	5,504,216	5,140,801	4,296,548	4,537,369	3,939,106
Changes of Benefit Terms					(186,171)	
Changes of Assumptions	(19,257,642)	(14,845,903)	1,773,730	35,783,969	172,563	(39,873,827)
Differences between Expected and Actual Experience		(13,352,374)	(19,001,431)	34,727,464	(31,998,312)	4,902,037
Gross Benefit Payments by the State	(3,467,886)	(3,459,319)	(3,651,771)	(3,410,436)	(3,574,176)	(3,901,801)
Contributions from Members	127,696	119,560	108,249	103,370	115,998	125,172
Net Change in Total OPEB Liability	(11,038,813)	(20,351,874)	(10,408,666)	76,936,992	(20,987,992)	(26,271,452)
Total OPEB Liability - Beginning	160,761,108	149,722,295	129,370,421	118,961,755	195,898,747	174,910,755
Total OPEB Liability - Ending	<u>\$ 149,722,295</u>	<u>\$ 129,370,421</u>	<u>\$ 118,961,755</u>	<u>\$ 195,898,747</u>	<u>\$ 174,910,755</u>	<u>\$ 148,639,303</u>
District's Covered Employee Payroll *	\$ 43,587,698	\$ 44,623,591	\$ 46,014,624	\$ 47,172,068	\$ 47,900,583	\$ 49,253,082
Total OPEB Liability as a Percentage of Covered Employee Payroll	343%	290%	259%	415%	365%	302%

* - Covered payroll for the fiscal years ending June 30, 2017-2022 are based on the payroll on the June 30, 2016-2021 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

PRINCETON PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

PRINCETON PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 83,016,283		\$ 83,016,283	\$ 83,016,283	
Other Local Governmental Units - Unrestricted	168,000		168,000	168,000	
Tuition From Individuals	300,000		300,000	280,555	\$ (19,445)
Tuition From Other LEAs Within the State	5,114,807		5,114,807	5,114,808	1
Private Contributions				1,125,000	1,125,000
Unrestricted Miscellaneous Revenues	582,000		582,000	606,670	24,670
Interest Earned on Maintenance Reserve	50		50	1,331	1,281
Interest Earned on Capital Reserve Funds	200		200	9,225	9,025
Other Restricted Miscellaneous Revenues				1,570	1,570
Total Revenues from Local Sources	89,181,340		89,181,340	90,323,442	1,142,102
Revenues from State Sources:					
Categorical Transportation Aid	869,413		869,413	869,413	
Extraordinary Aid	1,767,775		1,767,775	2,631,610	863,835
Categorical Special Education Aid	3,518,154		3,518,154	3,518,154	
Categorical Security Aid	371,547		371,547	371,547	
Adjustment Aid	107,606		107,606	107,606	
Non Public Transportation				66,718	66,718
State Reimbursement for Lead Testing of Drinking Water				11,566	11,566
TPAF Post Retirement Contributions (Non-Budgeted)				3,568,445	3,568,445
TPAF Pension Contributions (Non-Budgeted)				13,397,968	13,397,968
TPAF Non-Contributory Insurance (Non-Budgeted)				185,882	185,882
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,509	4,509
Reimbursed TPAF Social Security Contributions				2,865,442	2,865,442
Total Revenues from State Sources	6,634,495		6,634,495	27,598,860	20,964,365
Revenues from Federal Sources:					
Medicaid Reimbursement	69,332		69,332	38,387	(30,945)
FFCRA SEMI/CARES Act				8,394	8,394
Total Revenues from Federal Sources	69,332		69,332	46,781	(22,551)
TOTAL REVENUE	95,885,167		95,885,167	117,969,083	22,083,916

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Local Contrib. - Trans to Special Rev- Inclusion	\$ 70,215	\$ (70,215)	\$ 1,025,784	\$ 1,024,682	\$ 1,102
Kindergarten - Salaries of Teachers	1,054,451	(28,667)	8,101,022	8,088,887	12,135
Grades 1-5 - Salaries of Teachers	8,231,551	(130,529)	4,831,557	4,831,540	17
Grades 6-8 - Salaries of Teachers	4,670,845	160,712	9,870,358	9,868,603	1,755
Grades 9-12 - Salaries of Teachers	9,880,299	(9,941)			
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000	(9,136)	20,864	19,960	904
Purchased Professional-Educational Services	40,268	27,048	67,316	63,359	3,957
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	631,907	(352,319)	279,588	275,905	3,683
Purchased Professional-Educational Services	382,341	(138,535)	243,806	237,171	6,635
Other Purchased Services (400-500 series)	854,174	78,228	932,402	730,677	201,725
General Supplies	880,778	35,436	916,214	864,174	52,040
Textbooks	226,092	(94,346)	131,746	131,697	49
Other Objects	192,401	(57,095)	135,306	131,735	3,571
Total Regular Programs - Instruction	27,145,322	(589,359)	26,555,963	26,268,390	287,573
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	271,488	(25,412)	246,076	246,072	4
Other Salaries for Instruction	184,862	23,035	207,897	207,435	462
General Supplies	2,000	(2,000)			
Other Objects	10,000	(8,670)	1,330	1,330	
Total Learning and/or Language Disabilities	468,350	(13,047)	455,303	454,837	466

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Visual Impairments:					
Other Salaries for Instruction		\$ 42,618	\$ 42,618	\$ 42,617	\$ 1
Total Visual Impairments		42,618	42,618	42,617	1
Behavioral Disabilities:					
Salaries of Teachers	\$ 68,350	(5,345)	63,005	63,005	
Total Behavioral Disabilities	68,350	(5,345)	63,005	63,005	
Multiple Disabilities:					
Salaries of Teachers	232,806	21,825	254,631	254,630	1
Other Salaries for Instruction	426,329	214,119	640,448	526,929	113,519
General Supplies	5,000	(5,000)			
Total Multiple Disabilities	664,135	230,944	895,079	781,559	113,520
Resource Room/Resource Center:					
Salaries of Teachers	4,112,997	40,779	4,153,776	4,106,306	47,470
Other Salaries for Instruction	2,016,583	(684,004)	1,332,579	1,330,980	1,599
General Supplies	13,155	(3,285)	9,870	7,521	2,349
Total Resource Room/Resource Center	6,142,735	(646,510)	5,496,225	5,444,807	51,418
Autism:					
Salaries of Teachers	611,019	21,557	632,576	630,041	2,535
Other Salaries for Instruction	1,052,660	85,995	1,138,655	1,135,282	3,373
General Supplies	16,000	(8,040)	7,960	5,532	2,428
Other Objects	3,000	(2,200)	800	741	59
Total Autism	1,682,679	97,312	1,779,991	1,771,596	8,395
Preschool Disabilities - Full-Time:					
Salaries of Teachers	303,271	13,545	316,816	316,657	159
Other Salaries for Instruction	176,259	(17,174)	159,085	159,085	
General Supplies	2,000	(2,000)			
Total Preschool Disabilities - Full-Time	481,530	(5,629)	475,901	475,742	159
TOTAL SPECIAL EDUCATION - INSTRUCTION	9,507,779	(299,657)	9,208,122	9,034,163	173,959

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 949,864	\$ 116,352	\$ 1,066,216	\$ 1,066,216	
Other Salaries for Instruction	87,033	(51,185)	35,848	35,794	\$ 54
Total Basic Skills/Remedial - Instruction	1,036,897	65,167	1,102,064	1,102,010	54
Bilingual Education - Instruction:					
Salaries of Teachers	832,627	16,761	849,388	849,386	2
Other Salaries for Instruction	288,020	23,912	311,932	311,931	1
General Supplies	7,347		7,347	7,281	66
Total Bilingual Education - Instruction	1,127,994	40,673	1,168,667	1,168,598	69
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	370,346	(50,773)	319,573	318,295	1,278
Purchased Services (300-500 series)	8,000	(2,000)	6,000	5,880	120
Supplies and Materials	16,217	5,019	21,236	20,951	285
Other Objects	3,940	(600)	3,340	3,090	250
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	398,503	(48,354)	350,149	348,216	1,933
School-Sponsored Athletics - Instruction:					
Salaries	1,032,812	3,388	1,036,200	1,036,097	103
Purchased Services (300-500 series)	215,500	160,864	376,364	344,636	31,728
Supplies and Materials	75,355	25,820	101,175	100,398	777
Other Objects	38,600	1,811	40,411	39,060	1,351
Total School-Sponsored Athletics - Instruction	1,362,267	191,883	1,554,150	1,520,191	33,959
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Reading Specialists	95,331	6,284	101,615	101,615	
Total Other Suppl/at-risk Prog - Instruction	95,331	6,284	101,615	101,615	
TOTAL INSTRUCTION	40,674,093	(633,363)	40,040,730	39,543,183	497,547

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 447,364	\$ (152,871)	\$ 294,493	\$ 294,493	
Tuition to County Voc. School Dist.-Regular	76,032	124,656	200,688	200,688	
Tuition to CSSD & Reg. Day Schools	949,396	73,290	1,022,686	1,022,686	
Tuition to Priv. Sch. for the Handicap. W/I State	1,416,321	57,152	1,473,473	1,473,471	\$ 2
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	214,986	104,038	319,024	319,024	
Tuition - State Facilities	40,000	(39,999)	1		1
Total Undistributed Expenditures - Instruction	3,144,099	166,266	3,310,365	3,310,362	3
Undistributed Expend. - Attend. & Social Work:					
Salaries	150,200	(6,287)	143,913	143,913	
Salaries of Family Liaisons/Comm. Parent Inv. Spec.	109,837	(1,672)	108,165	107,496	669
Other Purchased Services (400-500 series)	3,000	(1,000)	2,000	351	1,649
Total Undist. Expend. - Attendance and Social Work	263,037	(8,959)	254,078	251,760	2,318
Undistributed Expenditures - Health Services:					
Salaries	894,846	(12,485)	882,361	866,690	15,671
Purchased Professional and Technical Services	37,465	30,796	68,261	68,236	25
Supplies and Materials	32,099	(9,380)	22,719	19,961	2,758
Total Undist. Expenditures - Health Services	964,410	8,931	973,341	954,887	18,454
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	1,421,181	(43,599)	1,377,582	1,370,559	7,023
Purchased Professional - Educational Services	35,000	(13,800)	21,200	21,200	
Supplies and Materials	24,000	(5,786)	18,214	12,117	6,097
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,480,181	(63,185)	1,416,996	1,403,876	13,120
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	59,203	322	59,525	59,525	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	59,203	322	59,525	59,525	

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 1,809,384	\$ (10,711)	\$ 1,798,673	\$ 1,798,670	\$ 3
Salaries of Secretarial and Clerical Assistants	225,086	(27,997)	197,089	197,089	
Other Salaries	29,950	49,211	79,161	79,160	1
Unused Vacation Payment to Terminated/Retired Staff		11,289	11,289	11,289	
Purchased Professional - Educational Services		14,768	14,768	1,478	13,290
Other Purchased Services (400-500 series)	2,675	(605)	2,070	1,896	174
Supplies and Materials	23,331	3,955	27,286	26,935	351
Other Objects	1,105	76	1,181	1,181	
Total Undist Expend. - Guidance	2,091,531	39,986	2,131,517	2,117,698	13,819
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	2,473,304	64,165	2,537,469	2,537,347	122
Salaries of Secretarial and Clerical Assistants	229,208	(42,851)	186,357	185,826	531
Other Salaries	188,345	(117,387)	70,958	69,237	1,721
Purchased Professional - Educational Services	787,053	(135,601)	651,452	645,235	6,217
Other Purchased Services (400-500 series)	31,250	(3,136)	28,114	22,499	5,615
Supplies and Materials	50,000	(13,037)	36,963	27,359	9,604
Other Objects	900		900		900
Total Undist Expend. - Child Study Team	3,760,060	(247,847)	3,512,213	3,487,503	24,710
Undist. Expend. - Improv. of Inst. Serv.:					
Other Salaries	131,677	4,136	135,813	135,812	1
Sal of Facilitators, Math Coaches & Literacy Coaches	185,997	7,673	193,670	193,670	
Purchased Professional - Educational Services	598	358	956	956	
Other Purchased Services (400-500 series)	10,400	3,431	13,831	8,792	5,039
Supplies and Materials	8,996	6,600	15,596	13,953	1,643
Other Objects	25,639	4,211	29,850	29,517	333
Total Undist. Expend. - Improv. of Inst. Serv.	363,307	26,409	389,716	382,700	7,016
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	919,011	(51,179)	867,832	867,829	3
Supplies and Materials	109,227	6,844	116,071	112,152	3,919
Total Undist Expend. - Edu. Media Serv./Sch. Library	1,028,238	(44,335)	983,903	979,981	3,922

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 877,597	\$ (18,333)	\$ 859,264	\$ 859,259	\$ 5
Salaries of Other Professional Staff	66,630	(323)	66,307	66,306	1
Salaries of Secretarial and Clerical Assistants	106,416	2,187	108,603	108,603	
Purchased Professional - Educational Service	132,000	(100,004)	31,996	19,960	12,036
Other Purchased Services (400-500 series)	500	(450)	50		50
Total Undist.Expend.-Instructional Staff Training Services	1,183,143	(116,923)	1,066,220	1,054,128	12,092
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	543,152	(44,877)	498,275	498,275	
Legal Services	266,442	84,193	350,635	346,922	3,713
Audit Fees	80,000	40,201	120,201	120,200	1
Other Purchased Professional Services	11,000		11,000	11,000	
Communications / Telephone	132,210	15,322	147,532	144,963	2,569
BOE Other Purchased Services		722	722	374	348
Other Purch. Serv. (400-500 series other than 530 & 585)	54,985	176	55,161	52,501	2,660
General Supplies	36,026	(28,050)	7,976	7,469	507
Miscellaneous Expenditures	112,950	9,877	122,827	118,765	4,062
BOE Membership Dues and Fees	31,000	(4,337)	26,663	26,663	
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,267,765	73,227	1,340,992	1,327,132	13,860
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,689,568	3,096	1,692,664	1,691,637	1,027
Salaries of Secretarial and Clerical Assistants	797,306	(14,379)	782,927	782,920	7
Other Salaries	5,480	18,500	23,980	22,696	1,284
Unused Vacation Payment to Terminated/Retired Staff		26,454	26,454	24,829	1,625
Other Purchased Services (400-500 series)	45,660	(18,862)	26,798	23,031	3,767
Supplies and Materials	39,536	13,187	52,723	48,030	4,693
Other Objects	36,240	(1,462)	34,778	34,039	739
Total Undist. Expend.-Support Serv.-School Adm.	2,613,790	26,534	2,640,324	2,627,182	13,142

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 1,119,477	\$ (18,301)	\$ 1,101,176	\$ 1,100,244	\$ 932
Unused Vacation Payment to Terminated/Retired Staff		5,089	5,089	5,089	
Purchased Professional Services	44,167	(7,951)	36,216	36,068	148
Purchased Professional Services-Public Relations cost	70,000	15,635	85,635	82,950	2,685
Purchased Technical Services	43,734	21,629	65,363	65,362	1
Miscellaneous Purchased Services (400-500 series other than 594)	56,550	4,793	61,343	60,700	643
Supplies and Materials	28,515	(2,775)	25,740	24,790	950
Other Objects	6,210	45,270	51,480	49,895	1,585
Total Undist. Expend. - Central Services	1,368,653	63,389	1,432,042	1,425,098	6,944
Undist. Expend. - Admin. Info. Technology:					
Salaries	745,526	(59,590)	685,936	685,935	1
Unused Vacation Payment to Terminated/Retired Staff		3,708	3,708	3,708	
Purchased Professional Services	52,500	(41,750)	10,750	10,439	311
Other Purchased Services (400-500 series)	39,500	(28,741)	10,759	9,133	1,626
Supplies and Materials	351,472	14,209	365,681	365,561	120
Total Undist. Expend. - Admin. Info. Technology	1,188,998	(112,164)	1,076,834	1,074,776	2,058
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	606,170	(67,100)	539,070	536,111	2,959
Cleaning, Repair, and Maintenance Services	884,986	735,200	1,620,186	1,472,490	147,696
General Supplies	168,534	29,913	198,447	194,734	3,713
Other Objects	14,862	4,014	18,876	18,866	10
Total Undist. Expend.- Required Maint. for School Facilities	1,674,552	702,027	2,376,579	2,222,201	154,378

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 2,243,629	\$ (8,633)	\$ 2,234,996	\$ 2,233,914	\$ 1,082
Salaries of Non-Instructional Aides	180,141	3,128	183,269	183,217	52
Unused Vacation Payment to Terminated/Retired Staff		7,313	7,313	7,313	
Purchased Professional and Technical Services	56,585	(595)	55,990	49,465	6,525
Cleaning, Repair, and Maintenance Services	65,869	(20,729)	45,140	45,140	
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	49,668		49,668	49,668	
Lease Purchase Pymts - Energy Savings Impr Prog	147,980	(102,980)	45,000	45,000	
Other Purchased Property Services	100,000	40,926	140,926	140,925	1
Insurance	550,000	(84,216)	465,784	465,784	
Miscellaneous Purchased Services		220	220	220	
General Supplies	201,887	61,205	263,092	261,408	1,684
Energy (Natural Gas)	440,452	47,743	488,195	484,394	3,801
Energy (Electricity)	973,225	156,836	1,130,061	1,105,050	25,011
Energy (Gasoline)	13,603	4,000	17,603	16,486	1,117
Total Undist. Expend.-Custodial Services	5,023,039	104,218	5,127,257	5,087,984	39,273
Care and Upkeep of Grounds:					
Salaries	328,064	2,931	330,995	330,994	1
Cleaning, Repair, and Maintenance Services	13,524	41,215	54,739	52,992	1,747
General Supplies	32,116	18,850	50,966	48,915	2,051
Total Care And Upkeep Of Grounds	373,704	62,996	436,700	432,901	3,799
Security:					
Salaries	415,102	14,724	429,826	428,804	1,022
Purchased Professional and Technical Services	41,853	(39,624)	2,229	688	1,541
Cleaning, Repair, and Maintenance Services	15,000	50,729	65,729	53,862	11,867
General Supplies	50,792	(6,366)	44,426	40,426	4,000
Total Security	522,747	19,463	542,210	523,780	18,430
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	7,594,042	888,704	8,482,746	8,266,866	215,880

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 301,024	\$ (25,765)	\$ 275,259	\$ 274,328	\$ 931
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	728,825	123,469	852,294	779,150	73,144
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	551,016	9,051	560,067	560,066	1
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	76,565	(8,973)	67,592	58,982	8,610
Cleaning, Repair, and Maint. Services	140,000	(39,080)	100,920	99,543	1,377
Lease Purchase Payments - School Buses	43,778		43,778	43,778	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	180,000	(20,725)	159,275	158,717	558
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,674,120	363,361	2,037,481	2,037,481	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	295,243	(20,882)	274,361	274,004	357
Contract. Serv.(Spl. Ed. Students)-Vendors	188,700	91,546	280,246	280,218	28
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	40,000	4,608	44,608	44,608	
Misc. Purchased Serv. - Transportation	122,000	(8,197)	113,803	113,588	215
General Supplies	131,552	20,073	151,625	73,979	77,646
Transportation Supplies	17,600	(14,600)	3,000	1,521	1,479
Other Objects	12,000	2,000	14,000	11,441	2,559
Total Undist. Expend.-Student Trans. Serv.	4,502,423	475,886	4,978,309	4,811,404	166,905
UNALLOCATED BENEFITS					
Group Insurance	2,500	128	2,628	2,628	
Social Security Contributions	1,350,000	18,009	1,368,009	1,368,009	
Other Retirement Contributions - PERS	1,840,000	49,290	1,889,290	1,889,290	
Other Retirement Contributions - Regular		37,046	37,046	37,046	
Workers Compensation	575,000	(182,547)	392,453	392,453	
Health Benefits	12,235,456	(86,126)	12,149,330	12,142,844	6,486
Tuition Reimbursement	139,417	(60,250)	79,167	75,202	3,965
Other Employee Benefits	650,000	(7,779)	642,221	642,220	1
Unused Sick Payment to Terminated/Retired Staff	300,000	(58,484)	241,516	241,516	
TOTAL UNALLOCATED BENEFITS	17,092,373	(290,713)	16,801,660	16,791,208	10,452

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 3,568,445	\$ (3,568,445)
TPAF Pension Contributions (Non-Budgeted)				13,397,968	(13,397,968)
TPAF Non-Contributory Insurance (Non-Budgeted)				185,882	(185,882)
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,509	(4,509)
Reimbursed TPAF Social Security Contributions				2,865,442	(2,865,442)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				20,022,246	(20,022,246)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 17,092,373	\$ (290,713)	\$ 16,801,660	36,813,454	(20,011,794)
TOTAL UNDISTRIBUTED EXPENDITURES	49,965,253	885,528	50,850,781	70,348,332	(19,497,551)
TOTAL GENERAL CURRENT EXPENSE	90,639,346	252,165	90,891,511	109,891,515	(19,000,004)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	10,000	(10,000)			
Grades 6-8	12,461	16,752	29,213	28,413	800
Grades 9-12	7,445	15,614	23,059	17,908	5,151
Vocational Programs:					
School-Sponsored and Other Instructional Programs	30,450	(22,755)	7,695	7,695	
Undistributed:					
Undistributed Expenditures - Instruction	7,855		7,855	7,855	
Undist. Expend. - Supp Serv. - Related & Extraord.	2,000	(2,000)			
Undist. Expend. Support Serv. Child Study Teams	10,000	(6,120)	3,880	3,879	1
Undistributed Expenditures - Central Services	5,000	(5,000)			
Undistributed Expenditures - Admin. Info. Tech.		3,559	3,559	3,559	
Undist. Expend. - Required Maint for School Fac.	7,088	2,544	9,632	9,632	
Undist. Expend. - Custodial Services	179,024		179,024		179,024
Total Equipment	271,323	(7,406)	263,917	78,941	184,976

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Construction Services					
Assessment for Debt Service on SDA Funding	\$ 239,765	\$ 438,314	\$ 438,314	\$ 294,590	\$ 143,724
Total Facilities Acquisition and Const. Serv.	<u>239,765</u>	<u>438,314</u>	<u>678,079</u>	<u>534,355</u>	<u>143,724</u>
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				1,375,000	(1,375,000)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				<u>1,375,000</u>	<u>(1,375,000)</u>
TOTAL CAPITAL OUTLAY	<u>511,088</u>	<u>430,908</u>	<u>941,996</u>	<u>1,988,296</u>	<u>(1,046,300)</u>
Transfer of Funds to Charter Schools	<u>7,331,036</u>	<u>(369,836)</u>	<u>6,961,200</u>	<u>6,961,200</u>	
TOTAL EXPENDITURES	<u>98,481,470</u>	<u>313,237</u>	<u>98,794,707</u>	<u>118,841,011</u>	<u>(20,046,304)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(2,596,303)</u>	<u>(313,237)</u>	<u>(2,909,540)</u>	<u>(871,928)</u>	<u>2,037,612</u>
Other Financing Sources/(Uses):					
Transfer to Special Revenue Fund - PreK - Inclusion		(70,215)	(70,215)	(70,215)	
Financed Purchases (Non-budgeted)				1,375,000	1,375,000
Total Other Financing Sources/(Uses)		<u>(70,215)</u>	<u>(70,215)</u>	<u>1,304,785</u>	<u>1,375,000</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(2,596,303)</u>	<u>(383,452)</u>	<u>(2,979,755)</u>	<u>432,857</u>	<u>3,412,612</u>
Fund Balance, July 1	<u>12,419,942</u>		<u>12,419,942</u>	<u>12,419,942</u>	
Fund Balance, June 30	<u>\$ 9,823,639</u>	<u>\$ (383,452)</u>	<u>\$ 9,440,187</u>	<u>\$ 12,852,799</u>	<u>\$ 3,412,612</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
<u>Restricted Fund Balance:</u>					
Excess Surplus - Restricted For 2024-2025				\$ 3,266,127	
Excess Surplus - Restricted For 2023-2024				524,824	
Capital Reserve				1,727,409	
Maintenance Reserve				729,586	
Unemployment Compensation				657,174	
Assigned Fund Balance:					
Year End Encumbrances				315,910	
Designated for Subsequent Year's Expenditures				2,750,936	
Unassigned Fund Balance				2,880,833	
				<u>12,852,799</u>	
				<u>(394,258)</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				\$ 12,458,541	
Fund Balance per Governmental Funds (GAAP)				<u><u>12,458,541</u></u>	

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 600,000	\$ 1,312,691	\$ 1,912,691	\$ 1,100,925	\$ (811,766)
State Sources	2,308,907	341,008	2,649,915	2,329,127	(320,788)
Federal Sources	1,242,572	1,896,671	3,139,243	2,345,653	(793,590)
Total Revenues	4,151,479	3,550,370	7,701,849	5,775,705	(1,926,144)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	70,215		70,215	70,215	
Total Revenues and Other Financing Sources	4,221,694	3,550,370	7,772,064	5,845,920	(1,926,144)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	183,470	644,012	827,482	574,596	252,886
Other Salaries for Instruction	83,364	453	83,817	83,342	475
Purchased Professional - Educational Services	145,778	485,608	631,386	388,653	242,733
Tuition	977,985	373,381	1,351,366	1,031,207	320,159
General Supplies	223,764	(6,038)	217,726	167,766	49,960
Textbooks	119,531	31,741	151,272	130,635	20,637
Other Objects	83,645	107,507	191,152	94,543	96,609
Total Instruction	1,817,537	1,636,664	3,454,201	2,470,742	983,459
Support Services:					
Salaries	152,352	77,556	229,908	18,383	211,525
Salaries of Supervisors of Instruction	53,046	13,261	66,307	66,307	
Salaries of Other Professional Staff	94,654	12,585	107,239	17,647	89,592
Salaries of Secretaries and Clerical Assistants	16,200	12,548	28,748	28,748	
Other Salaries	71,851	(2,570)	69,281	69,281	
Salaries of Community Parent Involvement Spec.	5,960	107	6,067	6,067	
Salaries of Master Teachers	88,694	4,302	92,996	92,996	
Personal Services - Employee Benefits	130,200	18,742	148,942	137,276	11,666
Purchased Professional - Educational Services	804,991	1,163,479	1,968,470	1,576,815	391,655
Other Purchased Services	500	87,992	88,492	77,424	11,068
Supplies and Materials		151,279	151,279	66,565	84,714
Other Objects	385,709	150,874	536,583	419,953	116,630
Student Activities	600,000	222,551	822,551	822,551	
Scholarships Awarded		1,000	1,000	1,000	
Total Support Services	2,404,157	1,913,706	4,317,863	3,401,013	916,850
Total Expenditures	4,221,694	3,550,370	7,772,064	5,871,755	1,900,309
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ (25,835)	\$ 25,835

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 117,969,083	\$ 5,775,705
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		469,962
Current Year Encumbrances		(394,286)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	364,947	108,402
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(394,258)	(105,161)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 117,939,772</u>	<u>\$ 5,854,622</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 118,841,011	\$ 5,871,755
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 Encumbrances		469,962
Current Year Encumbrances		(394,286)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 118,841,011</u>	<u>\$ 5,947,431</u>

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of 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 except for Student Activities and Scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act					
	Title I	Title II - Part A		Title III	Title IV	ACSERS
REVENUES						
Local Sources						
State Sources						
Federal Sources						
Total Revenues	\$ 194,545	\$ 51,087	\$ 26,081	\$ 21,824	\$ 276,542	
	194,545	51,087	26,081	21,824	276,542	
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	194,545	51,087	26,081	21,824	276,542	
EXPENDITURES						
Instruction:						
Salaries of Teachers	151,474	12,735	22,809	5,966		
Other Salaries for Instruction						
Purchased Professional - Educational Services	1,920					203,398
Tuition						
General Supplies	22,473	4,727	1,527	15,102		
Textbooks						
Other Objects					300	
Total Instruction	175,867	17,462	24,336	21,368	203,398	
Support Services:						
Salaries						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff	6,586					
Salaries of Secretaries and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Involvement Spec.						
Salaries of Master Teachers						
Personal Services - Employee Benefits	12,092	974	1,745	456		
Purchased Professional - Educational Services		20,828				
Other Purchased Services		2,824				73,144
Supplies and Materials		1,999				
Other Objects		7,000				
Student Activities						
Scholarships Awarded						
Total Support Services	18,678	33,625	1,745	456	73,144	
Total Expenditures	\$ 194,545	\$ 51,087	\$ 26,081	\$ 21,824	\$ 276,542	

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	I.D.E.A.		Student	Climate Change	
	Basic	Preschool	Activities	Scholarships	Awareness Grant
REVENUES					
Local Sources					
State Sources	\$ 1,145,418	\$ 39,166	\$ 797,685	\$ 31	\$ 6,660
Federal Sources					
Total Revenues	1,145,418	39,166	797,685	31	6,660
Other Financing Sources:					
Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	1,145,418	39,166	797,685	31	6,660
EXPENDITURES					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction					
Purchased Professional - Educational Services					
Tuition	1,031,207				6,137
General Supplies					
Textbooks					
Other Objects					
Total Instruction	1,031,207				6,137
Support Services:					
Salaries					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					
Salaries of Secretaries and Clerical Assistants					
Other Salaries					
Salaries of Community Parent Involvement Spec.					
Salaries of Master Teachers					
Personal Services - Employee Benefits					
Purchased Professional - Educational Services					
Other Purchased Services					
Supplies and Materials					
Other Objects					
Student Activities					
Scholarships Awarded			822,551	1,000	523
Total Support Services	114,211	39,166	822,551	1,000	523
Total Expenditures	1,145,418	39,166	822,551	1,000	6,660

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP						
	CRRSA			Accelerated	Evidence Based	NJTSS	
	ESSER II	Learning Acceleration	Mental Health Acceleration	Coach/Educator Support	Comprehensive Beyond the School Day	Mental Health Support Staffing	
REVENUES							
Local Sources							
State Sources							
Federal Sources							
Total Revenues	\$ 88,616	\$ 7,509	\$ 10,250	\$ 164,756	\$ 284,095	\$ 27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and Other Financing Sources	88,616	7,509	10,250	164,756	284,095	27,901	
EXPENDITURES							
Instruction:							
Salaries of Teachers	77,432			1,458		25,918	
Other Salaries for Instruction							
Purchased Professional - Educational Services							
Tuition							
General Supplies	5,261	1,247		9,290			
Textbooks							
Other Objects							
Total Instruction	82,693	1,247		10,748		25,918	
Support Services:							
Salaries		5,339		1,420	9,900	1,724	
Salaries of Supervisors of Instruction							
Salaries of Other Professional Staff							
Salaries of Secretaries and Clerical Assistants							
Other Salaries							
Salaries of Community Parent Involvement Spec.							
Salaries of Master Teachers							
Personal Services - Employee Benefits	5,923	408		220	757	1,983	
Purchased Professional - Educational Services			10,250	106,458	273,438	1,447	
Other Purchased Services							
Supplies and Materials		515		45,910		4,560	
Other Objects							
Student Activities							
Scholarships Awarded							
Total Support Services	5,923	6,262	10,250	154,008	284,095	1,983	
Total Expenditures	\$ 88,616	\$ 7,509	\$ 10,250	\$ 164,756	\$ 284,095	\$ 27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	
	88,616	7,509	10,250	164,756	284,095	27,901	

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic			Nonpublic Auxiliary Services			
	Textbooks	Nursing	Technology Initiative	Security Aid	Compensatory Education	Home Instruction	ESL
REVENUES							
Local Sources	\$ 130,635	\$ 238,613	\$ 73,112	\$ 412,425	\$ 20,735	\$ 1,905	\$ 1,403
State Sources							
Federal Sources							
Total Revenues	130,635	238,613	73,112	412,425	20,735	1,905	1,403
Other Financing Sources:							
Transfer In - Board Contribution - General Fund							
Total Revenues and Other Financing Sources	130,635	238,613	73,112	412,425	20,735	1,905	1,403
EXPENDITURES							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional - Educational Services					20,735	1,905	1,403
Tuition							
General Supplies							
Textbooks	130,635						
Other Objects			73,112				
Total Instruction	130,635		73,112		20,735	1,905	1,403
Support Services:							
Salaries							
Salaries of Supervisors of Instruction							
Salaries of Other Professional Staff							
Salaries of Secretaries and Clerical Assistants							
Other Salaries							
Salaries of Community Parent Involvement Spec.							
Salaries of Master Teachers							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services		238,613					
Other Purchased Services							
Supplies and Materials							
Other Objects				412,425			
Student Activities							
Scholarships Awarded							
Total Support Services		238,613		412,425			
Total Expenditures	\$ 130,635	\$ 238,613	\$ 73,112	\$ 412,425	\$ 20,735	\$ 1,905	\$ 1,403

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Handicapped Services		SDA Emergent and Capital Maintenance Needs		Preschool Education Aid	Private Donations	Total
	Examination & Classification	Supplementary Instruction	Corrective Speech				
REVENUES							
Local Sources							
State Sources	\$ 36,970	\$ 29,819	\$ 29,760	\$ 19,700	\$ 1,327,390	\$ 303,209	\$ 1,100,925
Federal Sources							2,329,127
							2,345,653
Total Revenues	36,970	29,819	29,760	19,700	1,327,390	303,209	5,775,705
Other Financing Sources:							
Transfer In - Board Contribution - General Fund					70,215		70,215
Total Revenues and Other Financing Sources	36,970	29,819	29,760	19,700	1,397,605	303,209	5,845,920
EXPENDITURES							
Instruction:							
Salaries of Teachers					183,221	93,583	574,596
Other Salaries for Instruction					75,160	8,182	83,342
Purchased Professional - Educational Services	36,970	29,819	29,760			62,743	388,653
Tuition							1,031,207
General Supplies					3,989	98,013	167,766
Textbooks				19,700		1,431	130,635
Other Objects							94,543
Total Instruction	36,970	29,819	29,760	19,700	262,370	263,952	2,470,742
Support Services:							
Salaries							18,383
Salaries of Supervisors of Instruction					66,307		66,307
Salaries of Other Professional Staff					11,061		17,647
Salaries of Secretaries and Clerical Assistants					28,748		28,748
Other Salaries					69,281		69,281
Salaries of Community Parent Involvement Spec.					6,067		6,067
Salaries of Master Teachers					92,996		92,996
Personal Services - Employee Benefits					105,195	7,391	137,276
Purchased Professional - Educational Services					755,124	17,280	1,576,815
Other Purchased Services					456	1,000	77,424
Supplies and Materials						13,058	66,565
Other Objects						528	419,953
Student Activities							822,551
Scholarships Awarded							1,000
Total Support Services					1,135,235	39,257	3,401,013
Total Expenditures	\$ 36,970	\$ 29,819	\$ 29,760	\$ 19,700	\$ 1,397,605	\$ 303,209	\$ 5,871,755

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 183,221	\$ 183,221	
Other Salaries for Instruction	75,160	75,160	
General Supplies	3,989	3,989	
Total Instruction	<u>262,370</u>	<u>262,370</u>	
Support Services:			
Salaries of Supervisors of Instruction	66,307	66,307	
Salaries of Other Professional Staff	11,061	11,061	
Salaries of Secretaries and Clerical Assistants	28,748	28,748	
Other Salaries	69,281	69,281	
Salaries of Community Parent Involvement Spec.	6,067	6,067	
Salaries of Master Teachers	92,996	92,996	
Personal Services – Employee Benefits	105,195	105,195	
Purchased Professional - Educational Services	755,124	755,124	
Other Purchased Services	456	456	
Total Support Services	<u>1,135,235</u>	<u>1,135,235</u>	
Total Expenditures	<u>\$ 1,397,605</u>	<u>\$ 1,397,605</u>	<u>\$ - 0 -</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 1,298,115
Actual Preschool Expansion Aid Carryover (June 30, 2022)	94,559
Add: Budgeted Transfer from General Fund 2022-23	70,215
Add: Budgeted Tuition 2022-23	
Total Preschool Education Aid Funds Available for 2022-23	<u>1,462,889</u>
Less: 2022-2023 Budgeted Preschool Education Expansion Aid Funds	<u>(1,397,605)</u>
Available & Unbudgeted Preschool Education Expansion Aid Funds as of June 30, 2023	65,284
Add: June 30, 2023 Unexpended Preschool Education Expansion Aid	<u>- 0 -</u>
2022-2023 Carryover - Preschool Education Expansion Aid	<u>\$ 65,284</u>
2022-2023 Carryover - Preschool Education Expansion Aid	
Budgeted for Preschool Programs in 2023-2024	<u>\$ 65,284</u>

CAPITAL PROJECTS FUND

PRINCETON PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
Interest Revenue	\$ 160,677
Total Revenue and Other Financing Sources	160,677
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	791,563
Construction Services	3,954,734
Transfers Out:	
Debt Service Fund - Interest	182,676
Total Expenditures and Other Financing Uses	4,928,973
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	(4,768,296)
Fund Balance - Beginning	18,213,648
Fund Balance - Ending	\$ 13,445,352
Recapitulation:	
Committed Fund Balance - Year-End Encumbrances	\$ 31,915
Restricted Fund Balance	11,299,347
Restricted Fund Balance - Year-End Encumbrances	2,114,090
	\$ 13,445,352

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2019 BOND REFERENDUM CAPITAL PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 26,928,000		\$ 26,928,000	\$ 26,928,000
Premium on Bonds	123,657		123,657	123,657
Transfer from Capital Reserve	1,500,000		1,500,000	1,500,000
Total Revenue and Other Financing Sources	28,551,657		28,551,657	28,551,657
Expenditures:				
Purchased Professional and Technical Services	3,098,333	\$ 130,554	3,228,887	3,500,000
Construction Services	24,038,417	644,540	24,682,957	24,928,000
Costs of Issuance	123,657		123,657	123,657
Total Expenditures	27,260,407	775,094	28,035,501	28,551,657
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,291,250	\$ (775,094)	\$ 516,156	\$ - 0 -
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Bond Authorization Date	01/09/19			
Bonds Authorized	\$ 26,928,000			
Bonds Issued	\$ 26,928,000			
Original Authorized Cost	\$ 26,928,000			
Change Orders	\$ 1,623,657			
Revised Authorized Cost	\$ 28,551,657			
Change Order Percentage	6.03%			
Percentage Completion	98.19%			
Original Target Completion Date	09/30/21			
Revised Target Completion Date	06/30/24			

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
PRINCETON MIDDLE SCHOOL POOL HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	<u>\$ 839,238</u>	<u></u>	<u>\$ 839,238</u>	<u>\$ 839,238</u>
Total Revenue and Other Financing Sources	<u>839,238</u>	<u></u>	<u>839,238</u>	<u>839,238</u>
Expenditures:				
Construction Services	<u>793,874</u>	<u>\$ 45,364</u>	<u>839,238</u>	<u>839,238</u>
Total Expenditures	<u>793,874</u>	<u>45,364</u>	<u>839,238</u>	<u>839,238</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 45,364</u>	<u>\$ (45,364)</u>	<u>\$ -0-</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number(s)		N/A		
Original Authorized Cost	\$ 839,238			
Percentage Completion	100.00%			
Original Target Completion Date	06/30/22			
Revised Target Completion Date	06/30/23			

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2022 BOND REFERENDUM PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 17,451,000		\$ 17,451,000	\$ 17,451,000
Total Revenue and Other Financing Sources	17,451,000		17,451,000	17,451,000
Expenditures:				
Purchased Professional and Technical Services	422,080	\$ 661,009	1,083,089	1,585,998
Construction Services	205,800	3,264,830	3,470,630	15,865,002
Total Expenditures	627,880	3,925,839	4,553,719	17,451,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 16,823,120</u>	<u>\$ (3,925,839)</u>	<u>\$ 12,897,281</u>	<u>\$ - 0 -</u>
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Bond Authorization Date	11/16/2021			
Bonds Authorized	\$ 17,451,000			
Bonds Issued	\$ 17,451,000			
Original Authorized Cost	\$ 17,451,000			
Change Orders	\$ - 0 -			
Revised Authorized Cost	\$ 17,451,000			
Change Order Percentage	0.00%			
Percentage Completion	26.09%			
Original Target Completion Date	06/30/24			

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HVAC CONTROLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	<u>\$ 87,300</u>	<u></u>	<u>\$ 87,300</u>	<u>\$ 87,300</u>
Total Revenue and Other Financing Sources	<u>87,300</u>	<u></u>	<u>87,300</u>	<u>87,300</u>
Expenditures:				
Construction Services	<u>55,385</u>	<u></u>	<u>55,385</u>	<u>87,300</u>
Total Expenditures	<u>55,385</u>	<u></u>	<u>55,385</u>	<u>87,300</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 31,915</u>	<u>\$ -0-</u>	<u>\$ 31,915</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Original Authorized Cost	\$ 87,300
Percentage Completion	63.44%
Original Target Completion Date	06/30/23
Revised Target Completion Date	06/30/24

PROPRIETARY FUNDS

PRINCETON PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 615,898
Interfund Receivable - General Fund	58,188
Intergovernmental Accounts Receivable:	
State	854
Federal	19,814
Other Accounts Receivable	75,827
Inventories	71,416

Total Current Assets	841,997
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Non-Current Assets:

Capital Assets:

Machinery and Equipment	1,005,209
Construction in progress	188,109
Less: Accumulated Depreciation	(869,658)

Total Non-Current Assets	323,660
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Total Assets	1,165,657
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LIABILITIES:

Current Liabilities:

Unearned Revenue:

Prepaid Meals	131,485
Donated Commodities	9,562
Supply Chain Assistance	51,556

Total Liabilities	192,603
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NET POSITION:

Investment in Capital Assets	323,660
Unrestricted	649,394

Total Net Position	\$ 973,054
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PRINCETON PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 405,787
Non-Reimbursable Programs	380,144
Total Operating Revenue	785,931
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	367,800
Non-Reimbursable Programs	173,845
Salaries	588,373
Benefits and Payroll Taxes	178,348
Supplies, Insurance and Other Costs	133,163
Management Fee	84,844
Depreciation Expense	19,090
Total Operating Expenses	1,545,463
Operating Loss	(759,532)
Non-Operating Income:	
Local Sources:	
Interest Income	1,798
State Sources:	
School Breakfast Program	487
School Lunch Program	15,022
Federal Sources:	
School Breakfast Program	30,011
National School Lunch Program	327,322
Food Distribution Program	116,315
COVID 19 - Supply Chain Assistance	127,874
Total Non-Operating Income	618,829
Change in Net Position	(140,703)
Net Position - Beginning of Year	1,113,757
Net Position - End of Year	\$ 973,054

PRINCETON PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 799,083
Payments to Food Service Contractor	(593,895)
Payment of Salaries - District Employees	(766,721)
Payments to Suppliers	(133,163)
Net Cash Used for Operating Activities	(694,696)
Cash Flows from Investing Activities:	
Interest Income	1,798
Net Cash Provided by Investing Activities	1,798
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(8,621)
Net Cash Used for Capital and Related Financing Activities	(8,621)
Cash Flows from Noncapital Financing Activities:	
Interfund Returned - General Fund	389,616
State Sources	17,455
Federal Sources	654,141
Net Cash Provided by Noncapital Financing Activities	1,061,212
Net Increase in Cash and Cash Equivalents	359,693
Cash and Cash Equivalents, July 1	256,205
Cash and Cash Equivalents, June 30	\$ 615,898
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (759,532)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	19,090
Food Distribution Program	116,315
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Meals	81,419
Increase in Unearned Revenue - Donated Commodities	6,668
(Decrease) in Accounts Payable	(32,052)
(Increase) in Accounts Receivable	(68,267)
(Increase) in Inventory	(58,337)
Net Cash Used for Operating Activities	\$ (694,696)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$122,983 and utilized U.S.D.A. Commodities valued at \$116,315.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Retired/ Matured	Balance June 30, 2023
			Outstanding June 30, 2023		Interest Rate	Balance July 1, 2022			
			Date	Amount					
School Bonds	1/29/2013	\$ 10,980,000			2.000%	\$ 1,225,000	\$ 1,225,000		
School Bonds	1/9/2019	26,928,000	7/15/2023	\$ 1,300,000	3.000%				
			7/15/2024	1,350,000	3.000%				
			7/15/2025	1,395,000	3.000%				
			7/15/2026	1,445,000	3.000%				
			7/15/2027	1,495,000	3.000%				
			7/15/2028	1,545,000	3.000%				
			7/15/2029	1,595,000	3.000%				
			7/15/2030	1,600,000	3.000%				
			7/15/2031	1,600,000	3.000%				
			7/15/2032	1,600,000	3.000%				
			7/15/2033	1,600,000	3.000%				
			7/15/2034	1,600,000	3.000%				
			7/15/2035	1,600,000	3.000%				
			7/15/2036	1,600,000	3.000%				
			7/15/2037	1,600,000	3.000%				
			7/15/2038	1,600,000	3.000%				
						25,325,000	800,000	\$ 24,525,000	

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Retired/ Matured	Balance June 30, 2023
			Outstanding					
			Date	June 30, 2023 Amount				
School Bonds	3/30/2022	\$ 17,451,000	1/15/2024	\$ 2,900,000	2.600%			
			1/15/2025	1,500,000	2.600%			
			1/15/2026	595,000	2.600%			
			1/15/2027	610,000	2.600%			
			1/15/2028	620,000	2.600%			
			1/15/2029	630,000	2.600%			
			1/15/2030	645,000	2.600%			
			1/15/2031	660,000	2.600%			
			1/15/2032	670,000	2.600%			
			1/15/2033	685,000	2.600%			
			1/15/2034	700,000	2.600%			
			1/15/2035	715,000	2.600%			
			1/15/2036	730,000	2.600%			
			1/15/2037	750,000	2.600%			
			1/15/2038	765,000	2.600%			
			1/15/2039	785,000	2.600%			
			1/15/2040	805,000	2.600%			
			1/15/2041	830,000	2.750%			
			1/15/2042	855,000	2.750%			
					\$ 17,451,000	\$ 1,001,000	\$ 16,450,000	
					\$ 44,001,000	\$ 3,026,000	\$ 40,975,000	

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Item	Interest Rate	Original Issue	Balance July 1, 2022	Issued	Retired/ Matured	Balance June 30, 2023
Various Equipment	0.77%	\$ 3,240,000	\$ 1,633,792		\$ 540,400	\$ 1,093,392
Various Equipment	3.71%	1,375,000		\$ 1,375,000	292,758	1,082,242
			<u>\$ 1,633,792</u>	<u>\$ 1,375,000</u>	<u>\$ 833,158</u>	<u>\$ 2,175,634</u>

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2023</u>
Canon Copiers	3.10%	\$ 145,664	\$ 70,786	\$ 29,712	\$ 41,074
Canon Copiers	3.10%	145,664	78,071	29,483	48,588
Canon Copiers	3.30%	167,012	<u>119,765</u>	<u>32,821</u>	<u>86,944</u>
			<u>\$ 268,622</u>	<u>\$ 92,016</u>	<u>\$ 176,606</u>

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,718,619		\$ 3,718,619	\$ 3,718,619	
State Sources:					
Debt Service Aid	440,832		440,832	440,832	
Total Revenues	4,159,451		4,159,451	4,159,451	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,133,451		1,133,451	1,133,451	
Redemption of Principal	3,026,000		3,026,000	3,026,000	
Total Regular Debt Service	4,159,451		4,159,451	4,159,451	
Total Expenditures	4,159,451		4,159,451	4,159,451	
Other Financing Sources:					
Transfers In:					
Capital Projects Fund - Interest Earned				182,676	\$ 182,676
Total Other Financing Sources				182,676	182,676
Excess/(Deficit) of Revenues Over/(Under) Expenditures and Other Financing Sources	- 0 -	\$ - 0 -	- 0 -	182,676	182,676
Fund Balance, July 1	24,876		24,876	24,876	
Fund Balance, June 30	\$ 24,876	\$ - 0 -	\$ 24,876	\$ 207,552	\$ 182,676
Recapitulation of Fund Balance at June 30, 2023:					
Restricted for Subsequent Year's Budget				\$ 24,876	
Restricted Fund Balance				182,676	
				<u>\$ 207,552</u>	

STATISTICAL SECTION
(UNAUDITED)

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

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.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

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.

J-10 thru J-13

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 and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

PRINCETON PUBLIC SCHOOLS
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
 UNAUDITED

	June 30,				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net Investment in Capital Assets	\$ 62,887,801	\$ 64,325,475	\$ 65,087,940	\$ 70,096,785	\$ 69,833,382
Restricted	2,414,531	5,318,260	7,503,674	5,309,752	7,977,188
Unrestricted/(Deficit)	(28,961,168)	(29,545,893)	(29,201,013)	(24,587,482)	(24,519,556)
Total Governmental Activities Net Position	<u>\$ 36,341,164</u>	<u>\$ 40,097,842</u>	<u>\$ 43,390,601</u>	<u>\$ 50,819,055</u>	<u>\$ 53,291,014</u>
Business-type Activities:					
Investment in Capital Assets	\$ 164,861	\$ 167,832	\$ 237,414	\$ 334,129	\$ 323,660
Unrestricted	324,329	352,769	393,618	779,628	649,394
Total Business-Type Activities Net Position	<u>\$ 489,190</u>	<u>\$ 520,601</u>	<u>\$ 631,032</u>	<u>\$ 1,113,757</u>	<u>\$ 973,054</u>
District-wide:					
Net Investment in Capital Assets	\$ 63,052,662	\$ 64,493,307	\$ 65,325,354	\$ 70,430,914	\$ 70,157,042
Restricted	2,414,531	5,318,260	7,503,674	5,309,752	7,977,188
Unrestricted/(Deficit)	(28,636,839)	(29,193,124)	(28,807,395)	(23,807,854)	(23,870,162)
Total District Net Position	<u>\$ 36,830,354</u>	<u>\$ 40,618,443</u>	<u>\$ 44,021,633</u>	<u>\$ 51,932,812</u>	<u>\$ 54,264,068</u>

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 53,120,132	\$ 55,851,942	\$ 57,046,654	\$ 59,712,054	\$ 61,422,775
Restricted	6,298,244	4,390,950	5,034,581	4,335,342	2,970,723
Unrestricted/(Deficit)	(1,433,689)	(23,004,966)	(24,033,470)	(26,952,773)	(28,944,458)
Total Governmental Activities Net Position/(Deficit)	<u>\$ 57,984,687</u>	<u>\$ 37,237,926</u>	<u>\$ 38,047,765</u>	<u>\$ 37,094,623</u>	<u>\$ 35,449,040</u>
Business-type Activities:					
Investment in Capital Assets	\$ 248,729	\$ 212,054	\$ 171,210	\$ 150,303	\$ 159,217
Unrestricted	188,844	235,566	247,842	307,995	307,979
Total Business-Type Activities Net Position	<u>\$ 437,573</u>	<u>\$ 447,620</u>	<u>\$ 419,052</u>	<u>\$ 458,298</u>	<u>\$ 467,196</u>
District-wide:					
Net Investment in Capital Assets	\$ 53,368,861	\$ 56,063,996	\$ 57,217,864	\$ 59,862,357	\$ 61,581,992
Restricted	6,298,244	4,390,950	5,034,581	4,335,342	2,970,723
Unrestricted/(Deficit)	(1,244,845)	(22,769,400)	(23,785,628)	(26,644,778)	(28,636,479)
Total District Net Position	<u>\$ 58,422,260</u>	<u>\$ 37,685,546</u>	<u>\$ 38,466,817</u>	<u>\$ 37,552,921</u>	<u>\$ 35,916,236</u>

Source: Princeton Public School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 49,651,043	\$ 56,321,975	\$ 60,336,519	\$ 66,875,881	\$ 70,334,757	\$ 68,332,193	\$ 65,933,225	\$ 76,555,652	\$ 47,289,017	\$ 44,886,861
Special Education									14,991,718	16,127,988
Other Instruction									6,050,477	6,246,946
Support Services:										
Tuition										
Student & Instruction Related Services	13,574,754	16,155,686	17,321,869	19,926,571	19,665,453	19,511,772	19,169,566	21,184,326	2,450,680	3,310,362
General Administrative Services	1,325,591	1,161,267	1,127,016	1,354,304	1,386,700	1,338,894	1,438,226	1,618,674	16,160,754	16,592,057
School Administrative Services	3,792,256	4,436,198	4,653,951	4,926,312	4,818,743	4,635,840	4,364,530	4,542,590	1,688,899	1,645,317
Central Services	1,529,225	1,650,029	1,721,539	2,059,619	2,222,864	2,172,176	1,918,751	2,213,697	4,016,034	3,889,664
Administration Information Technology	137,343	157,028	169,930	191,128	1,322,921	1,050,273	958,739	1,552,398	1,890,568	1,776,550
Plant Operations and Maintenance	7,932,255	8,477,571	8,686,617	9,078,030	9,882,650	9,229,050	8,903,100	11,454,120	9,736,107	1,321,258
Pupil Transportation	3,075,375	3,460,304	3,420,892	3,794,242	4,205,926	4,559,556	4,000,703	4,447,809	4,542,987	9,785,789
Interest on Long-term Liabilities	1,621,814	1,224,530	1,357,596	1,241,805	866,111	864,673	1,222,994	2,076,449	984,113	5,386,206
Capital Outlay									239,765	1,199,888
Transfer to Charter Schools	4,729,512	4,899,659	4,907,407	4,745,777	5,539,621	6,161,680	6,544,147	6,603,954	7,122,382	239,765
Total Governmental Activities Expenses	87,369,168	97,944,247	103,703,336	114,193,669	120,245,746	117,856,107	114,453,981	132,249,669	118,459,019	119,369,851
Business-type Activities:										
Food Service	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208	1,773,640	1,545,463
Total Business-type Activities Expenses	852,358	906,162	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208	1,773,640	1,545,463

PRINCETON PUBLIC SCHOOLS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Total District Expenses	\$ 88,221,526	\$ 98,850,409	\$ 104,668,864	\$ 115,223,154	\$ 121,349,328	\$ 118,896,556	\$ 115,479,909	\$ 133,056,877	\$ 120,232,659	\$ 120,915,314
Program Revenues										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services										
Instruction (Tuition)	4,996,346	5,001,131	5,376,277	5,150,332	5,228,140	5,565,909	5,405,652	5,720,335	1,231,114	1,110,294
Pupil Transportation	182,323	170,062	194,682	170,061	168,768	170,000	144,500	123,722	5,152,878	5,395,363
Operating Grants and Contributions	2,166,140	2,193,352	2,216,199	2,436,682	2,427,599	2,761,618	3,329,870	28,299,586	168,000	168,000
Capital Grants and Contributions	422,286	392,479	21,749	458,968				30,844,414		25,597,227
Total Governmental Activities Program Revenues	7,767,095	7,757,024	7,808,907	8,216,043	7,824,507	8,497,527	8,880,022	34,143,643	37,396,406	32,270,884
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	577,235	618,599	635,162	754,998	787,213	738,705	614,450	1,222	108,013	785,931
Operating Grants and Contributions	270,288	296,420	300,296	312,002	323,289	321,573	440,444	915,211	2,147,407	617,031
Total Business-Type Activities Revenues	847,523	915,019	935,458	1,067,000	1,110,502	1,060,278	1,054,894	916,433	2,255,420	1,402,962
Total District Program Revenues	8,614,618	8,672,043	8,744,365	9,283,043	8,935,009	9,557,805	9,934,916	35,060,076	39,651,826	33,673,846
Net (Expense)/Revenue										
Governmental Activities	(79,602,073)	(90,187,223)	(95,894,429)	(105,977,626)	(112,421,239)	(109,358,580)	(105,573,959)	(98,106,026)	(81,062,613)	(87,098,967)
Business-Type Activities	(4,835)	8,857	(30,070)	37,515	6,920	19,829	28,966	109,225	481,780	(142,501)
Total District-Wide Net (Expense)/Revenue	(79,606,908)	(90,178,366)	(95,924,499)	(105,940,111)	(112,414,319)	(109,338,751)	(105,544,993)	(97,996,801)	(80,580,833)	(87,241,468)

PRINCETON PUBLIC SCHOOLS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 64,702,790	\$ 65,996,845	\$ 68,227,892	\$ 70,148,719	\$ 73,055,295	\$ 76,246,634	\$ 78,244,587	\$ 79,613,869	\$ 80,410,007	\$ 83,016,283
Taxes Levied for Debt Service	5,617,264	5,632,588	5,184,676	5,447,926	5,512,273	5,168,761	5,754,598	6,634,882	6,324,895	3,718,619
Unrestricted Grants and Contributions	10,457,672	18,952,008	22,530,148	28,887,329	31,697,530	27,462,239	24,315,955	13,897,602	926,251	931,551
Investment Earnings	98,717	86,592	87,684	83,404	83,202	423,997	526,089	79,822	47,691	47,964
Miscellaneous Income	508,472	404,436	673,868	457,106	427,356	949,073	489,408	348,480	782,223	1,856,509
Special Item	1,450,000									
Total Governmental Activities	82,834,915	91,072,469	96,704,268	105,024,484	110,775,656	110,250,704	109,330,637	100,574,655	88,491,067	89,570,926
Business-Type Activities:										
Investment Earnings	1,406	1,190	1,502	1,731	1,978	2,165	2,445	1,207	945	1,798
Total Business-Type Activities	1,406	1,190	1,502	1,731	1,978	2,165	2,445	1,207	945	1,798
Total District-Wide	82,836,321	91,073,659	96,705,770	105,026,215	110,777,634	110,252,869	109,333,082	100,575,862	88,492,012	89,572,724
Change in Net Position										
Governmental Activities	3,232,842	885,246	809,839	(953,142)	(1,645,583)	892,124	3,756,678	2,468,629	7,428,454	2,471,959
Business-Type Activities	(3,429)	10,047	(28,568)	39,246	8,898	21,994	31,411	110,432	482,725	(140,703)
Total District	\$ 3,229,413	\$ 895,293	\$ 781,271	\$ (913,896)	\$ (1,636,685)	\$ 914,118	\$ 3,788,089	\$ 2,579,061	\$ 7,911,179	\$ 2,331,256

Source: Princeton Public School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
 UNAUDITED

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 4,221,440	\$ 2,980,007	\$ 3,082,576	\$ 3,179,518	\$ 2,436,059	\$ 2,414,531	\$ 5,674,217	\$ 6,343,070	\$ 3,727,833	\$ 7,010,281
Assigned	2,564,496	2,767,686	2,497,562	3,147,073	3,223,468	2,636,370	3,088,774	1,463,510	2,596,553	3,066,846
Unassigned	2,089,412	2,416,510	2,227,902	2,159,598	1,708,174	3,244,594	2,604,101	5,301,615	5,730,609	2,381,414
Total General Fund	\$ 8,875,348	\$ 8,164,203	\$ 7,808,040	\$ 8,486,189	\$ 7,367,701	\$ 8,295,495	\$ 11,367,092	\$ 13,108,195	\$ 12,054,995	\$ 12,458,541
All Other Governmental Funds:										
Restricted:										
Student Activities								\$ 337,098	\$ 363,893	\$ 339,027
Scholarships								11,269	10,302	9,333
Capital Projects Fund	\$ 2,638,335	\$ 2,076,811	\$ 2,331,483	\$ 1,360,096	\$ 622,496	\$ 25,647,721	\$ 15,914,234	6,303,792	18,114,370	13,413,437
Debt Service Fund	51,740	39,218	26,702		134,683	362,964	606,701	450,316	24,876	207,552
Committed:										
Capital Projects Fund	640,000								99,278	31,915
Unassigned/(Deficit)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)	(31,362)	(106,482)	(108,402)	(105,161)
Total All Other Governmental Funds	\$ 3,325,125	\$ 2,111,079	\$ 2,353,235	\$ 1,355,146	\$ 752,229	\$ 26,005,735	\$ 16,489,573	\$ 6,995,993	\$ 18,504,317	\$ 13,896,103
Total Governmental Funds:										
Restricted	\$ 6,911,515	\$ 5,096,036	\$ 5,440,761	\$ 4,539,614	\$ 3,193,238	\$ 28,425,216	\$ 22,195,152	\$ 13,445,545	\$ 22,241,274	\$ 20,979,630
Committed	640,000								99,278	31,915
Assigned	2,564,496	2,767,686	2,497,562	3,147,073	3,223,468	2,636,370	3,088,774	1,463,510	2,596,553	3,066,846
Unassigned	2,084,462	2,411,560	2,222,952	2,154,648	1,703,224	3,239,644	2,572,739	5,195,133	5,622,207	2,276,253
Total Governmental Funds	\$ 12,200,473	\$ 10,275,282	\$ 10,161,275	\$ 9,841,335	\$ 8,119,930	\$ 34,301,230	\$ 27,856,665	\$ 20,104,188	\$ 30,559,312	\$ 26,354,644

Source: Princeton Public School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 70,320,054	\$ 71,629,433	\$ 73,412,568	\$ 75,596,645	\$ 78,567,568	\$ 81,415,395	\$ 83,999,185	\$ 86,248,751	\$ 86,734,902	\$ 86,734,902
Tuition Charges	4,996,346	5,001,131	5,376,277	5,150,332	5,228,140	5,565,909	5,405,652	5,720,335	5,152,878	5,395,363
Interest Earnings	98,717	86,592	87,684	83,404	83,202	423,997	526,089	79,822	13,480	10,556
Miscellaneous	739,153	680,741	713,882	674,754	657,681	1,163,363	753,323	1,324,439	2,215,548	3,172,211
State Sources	11,366,225	12,742,581	13,452,835	14,882,094	16,509,223	19,569,673	20,954,833	25,643,260	29,938,202	30,359,670
Federal Sources	1,631,515	1,423,624	1,432,793	1,586,747	1,529,965	1,753,037	1,529,078	2,355,974	4,221,424	2,441,820
Total Revenues	89,152,010	91,564,102	94,476,039	97,973,976	102,575,779	109,891,374	113,168,160	121,372,581	128,276,434	128,114,522
Expenditures										
Instruction:										
Regular Instruction	35,896,808	36,841,020	37,514,063	38,166,287	40,512,992	41,757,056	40,880,589	45,858,388	31,715,575	29,384,135
Special Education Instruction									9,709,894	11,042,298
Other Instruction									3,907,256	4,240,630
Support Services:										
Tuition									2,450,680	3,310,362
Student & Instruction Related Services	11,070,882	10,490,076	10,723,379	11,510,633	10,988,212	11,738,423	11,811,470	12,839,801	10,763,488	11,515,609
General Administrative Services	975,957	852,728	785,218	925,642	942,831	939,515	1,055,497	1,129,495	1,279,165	1,327,132
School Administrative Services	2,525,401	2,751,712	2,736,859	2,695,930	2,517,971	2,595,530	2,444,746	2,462,695	2,597,875	2,627,182
Central Services	1,100,916	1,052,953	1,103,190	1,177,230	1,303,813	1,351,836	1,154,097	1,277,128	1,436,306	1,425,098
Administration Information Technology	93,841	96,093	98,495	100,957	1,180,271	922,913	843,185	942,244	997,953	1,074,776
Plant Operations and Maintenance	6,454,576	6,389,093	6,310,727	6,194,070	6,870,708	6,529,375	6,364,128	7,311,781	7,968,793	8,266,866
Pupil Transportation	2,713,308	2,934,994	2,837,918	2,928,654	3,296,172	3,698,554	3,214,314	3,255,572	3,838,853	4,811,404
Unallocated Benefits	17,392,609	19,338,090	21,262,303	22,696,745	25,156,558	27,504,081	29,169,845	32,489,144	35,789,570	36,813,454

PRINCETON PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenditures										
Capital Outlay	\$ 8,226,703	\$ 2,182,722	\$ 381,872	\$ 1,322,626	\$ 116,620	\$ 1,534,848	\$ 9,478,916	\$ 10,471,679	\$ 8,469,107	\$ 6,734,593
Transfer of Funds to Charter Schools	4,729,512	4,899,659	4,907,407	4,745,777	5,539,621	6,161,680	6,544,147	6,603,954	7,122,382	6,961,200
Debt Service:										
Principal	4,245,000	4,365,000	4,734,765	4,874,765	5,009,765	5,511,120	5,209,765	7,067,962	6,200,000	3,026,000
Interest and Other Charges	1,377,969	1,295,153	1,193,850	1,079,600	961,650	649,497	1,442,026	1,485,309	1,025,413	1,133,451
Total Expenditures	96,803,482	93,489,293	94,590,046	98,418,916	104,397,184	110,894,428	119,612,725	133,195,152	135,272,310	133,694,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,651,472)	(1,925,191)	(114,007)	(444,940)	(1,821,405)	(1,003,054)	(6,444,565)	(11,822,571)	(6,995,876)	(5,579,668)
Other Financing Sources (Uses)										
Bond Proceeds						26,928,000			17,451,000	
Refunding Bonds Issued						12,155,000				
Premium on Bonds Issued						847,672				
Special Items	1,450,000			125,000	100,000	25,000				
Payment to Escrow Agent						(12,771,318)				
Financed Purchases								3,240,000		1,375,000
Total Other Financing Sources (Uses)	1,450,000	- 0 -	- 0 -	125,000	100,000	27,184,354	- 0 -	3,240,000	17,451,000	1,375,000
Net Change in Fund Balances	\$ (6,201,472)	\$ (1,925,191)	\$ (114,007)	\$ (319,940)	\$ (1,721,405)	\$ 26,181,300	\$ (6,444,565)	\$ (8,582,571)	\$ 10,455,124	\$ (4,204,668)
Debt Service as a Percentage of Noncapital Expenditures	6.78%	6.61%	6.72%	6.53%	6.07%	3.50%	6.43%	7.49%	6.04%	3.39%

Source: Princeton Public School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
 UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Transportation Hazardous Routes	Tuition	Rentals	Private Contributions	Other	Total
2014	\$ 74,543	\$ 182,323	\$ 4,996,346	\$ 235,034	\$	273,438	\$ 5,761,684
2015	69,803	170,062	5,001,131	224,080		180,356	5,645,432
2016	70,790	194,682	5,376,277	237,393		186,475	6,065,617
2017	72,275	170,061	5,150,332	238,380		218,726	5,849,774
2018	73,807	168,768	5,228,140	238,800		188,556	5,898,071
2019	73,011	170,000	5,565,909	270,979		670,557	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		310,499	6,253,456
2022	47,691	168,000	5,152,878	167,932		586,311	6,122,812
2023	47,964	168,000	5,395,363	258,983	\$ 1,125,000	311,849	7,307,159

Source: Princeton Public School District records.

PRINCETON PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	261,903,400	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	7,210,186,149	1.20	8,747,531,704
2022	88,908,700	5,991,890,700	30,638,800	264,600	774,529,000	11,759,700	332,363,452	7,230,354,952	2,387,848,900	8,366,303	7,238,721,255	1.20	8,962,369,557

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

b - Tax rates are per \$100 of assessed valuation.

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.

Source: Municipal Tax Assessor.

PRINCETON PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Princeton Public Schools Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of 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	2.263
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	1.115	0.088	1.203	0.511	0.728	2.442
2022	1.147	0.051	1.198	0.523	0.710	2.431

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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.

Source: Municipal Tax Collector and School Business Administrator.

PRINCETON PUBLIC SCHOOLS
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Trustees of Princeton University	\$ 397,137,233	1	5.49%	Trustees of Princeton University		
PSN Partners	81,753,200	2	1.13%	Jasna Polana Golf Club	\$ 394,689,400	1 5.45%
Avalon Bay	65,212,000	3	0.90%	PSN Partners	34,780,900	2 0.48%
Princeton (Edens) LLC	52,917,400	4	0.73%	Palmer Square Ltd. Partners	33,800,000	3 0.47%
Palmer Square Ltd. Partners	35,310,000	5	0.49%	Princeton Shopping Center	33,310,000	4 0.46%
Institute for Advanced Study	31,789,100	6	0.44%	Nassau Inn	30,741,400	5 0.42%
Jasna Polana Golf Club	31,500,000	7	0.44%	Church & Dwight Co.	26,000,000	6 0.36%
Fountain Ridge	28,170,100	8	0.39%	Princeton International Prop.	14,612,000	7 0.20%
NILP (Nassau Inn)	26,030,000	9	0.36%	Thanet Road Assoc. LLC	13,964,000	8 0.19%
Princeton Theological Seminary	18,551,000	10	0.26%	Goldman Sachs	13,563,000	9 0.19%
					12,344,900	10 0.17%
Total	\$ 768,370,033		10.61%	Total	\$ 607,805,600	8.40%

Source: Municipal Tax Assessor.

PRINCETON PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 70,320,054	\$ 70,320,054	100.00%	\$ - 0 -
2015	71,629,433	71,629,433	100.00%	- 0 -
2016	73,412,568	73,412,568	100.00%	- 0 -
2017	75,596,645	75,596,645	100.00%	- 0 -
2018	78,567,568	78,567,568	100.00%	- 0 -
2019	81,415,395	81,415,395	100.00%	- 0 -
2020	83,999,185	83,999,185	100.00%	- 0 -
2021	86,248,751	86,248,751	100.00%	- 0 -
2022	86,734,902	86,734,902	100.00%	- 0 -
2023	86,734,902	86,734,902	100.00%	- 0 -

a - 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 voted upon or certified prior to the end of the school year.

Source: Princeton Public Schools records, including the Certificate and Report of Report of School Taxes (A4F form).

PRINCETON PUBLIC SCHOOLS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Bond Issuance Premiums	Leases and Financed Purchases	Bond Anticipation Notes (BANs)	Total District	Percentage of	
							Personal Income ^a	Per Capita ^a
2014	\$ 40,495,000	\$ -	\$ 1,661,830	\$ -	\$ -	\$ 42,156,830	2.55%	1,450
2015	36,130,000	-	1,455,726	-	-	37,585,726	2.06%	1,267
2016	31,635,000	-	1,249,622	-	-	32,884,622	1.74%	1,092
2017	27,000,000	-	1,043,518	-	-	28,043,518	1.41%	904
2018	22,230,000	-	837,414	-	-	23,067,414	1.13%	735
2019	43,718,000	-	752,712	-	-	44,470,712	2.09%	1,421
2020	38,748,000	-	496,370	-	-	39,244,370	1.78%	1,259
2021	32,750,000	-	240,028	2,527,780	-	35,517,808	1.55%	1,150
2022	44,001,000	-	104,356	1,902,414	-	46,007,770	1.91%	1,490
2023	40,975,000	-	92,742	2,352,240	-	43,419,982	1.83%	1,429

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

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

Source: School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 40,495,000	\$ - 0 -	\$ 40,495,000	0.601%	\$ 1,393
2015	36,130,000	- 0 -	36,130,000	0.533%	1,218
2016	31,635,000	- 0 -	31,635,000	0.464%	1,050
2017	27,000,000	- 0 -	27,000,000	0.391%	870
2018	22,230,000	- 0 -	22,230,000	0.318%	708
2019	43,718,000	- 0 -	43,718,000	0.612%	1,396
2020	38,748,000	- 0 -	38,748,000	0.539%	1,244
2021	32,750,000	- 0 -	32,750,000	0.455%	1,061
2022	44,001,000	- 0 -	44,001,000	0.610%	1,425
2023	40,975,000	- 0 -	40,975,000	0.566%	1,349

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

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports.

PRINCETON PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Municipality of Princeton	\$ 113,212,714	100.00%	\$ 113,212,714
M.C.I.A.	134,367,000	16.93%	22,746,902
County of Mercer	637,968,421	16.93%	<u>108,001,257</u>
Subtotal, Overlapping Debt			243,960,872
Princeton Public Schools Direct Debt			<u>43,201,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 287,161,872</u></u>

Note: Overlapping governments are those that coincide, at least, in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Princeton. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Mercer County Board of Taxation; debt outstanding data provided by each governmental unit.

PRINCETON PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 352,546,182	\$ 291,856,199	\$ 299,372,689	\$ 307,724,150	\$ 317,382,257
Total Net Debt Applicable to Limit	40,495,000	36,130,000	31,635,000	27,000,000	22,230,000
Legal Debt Margin	<u>\$ 312,051,182</u>	<u>\$ 255,726,199</u>	<u>\$ 267,737,689</u>	<u>\$ 280,724,150</u>	<u>\$ 295,152,257</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.49%	12.38%	10.57%	8.77%	7.00%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 325,866,696	\$ 336,259,411	\$ 343,536,176	\$ 343,536,176	\$ 359,710,159
Total Net Debt Applicable to Limit	43,718,000	38,748,000	32,750,000	44,001,000	40,975,000
Legal Debt Margin	<u>\$ 282,148,696</u>	<u>\$ 297,511,411</u>	<u>\$ 310,786,176</u>	<u>\$ 299,535,176</u>	<u>\$ 318,735,159</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.42%	11.52%	9.53%	12.81%	11.39%

Legal Debt Margin Calculation for Fiscal Year 2023	
Year Ended December 31,	Equalized Valuation Basis
2020	\$ 8,734,563,707
2021	8,902,154,329
2022	9,341,543,866
	<u>\$26,978,261,902</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,992,753,967</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 359,710,159
Net Bonded School Debt	<u>40,975,000</u>
Legal Debt Margin	<u>\$ 318,735,159</u>

^a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation.

PRINCETON PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

PRINCETON

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Mercer County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	29,670	\$ 1,824,705,000	\$ 61,500	3.70%
2015	30,126	1,891,551,288	62,788	3.10%
2016	31,019	1,982,269,195	63,905	2.80%
2017	31,391	2,048,168,577	65,247	2.60%
2018	31,306	2,130,435,912	68,052	2.20%
2019	31,160	2,202,233,000	70,675	1.90%
2020	30,879	2,291,777,622	74,218	3.10%
2021	30,872	2,405,268,392	77,911	3.80%
2022	30,377	2,366,702,447 ***	77,911 **	2.10%
2023	30,377 **	2,366,702,447 ***	77,911 **	N/A

* - Latest Mercer County per capita personal income available (2021) was used for calculation purposes.

** - Latest municipal population data available (2022) was used for calculation purposes.

*** - Latest Mercer County per capita personal income available (2021) and municipal population data available (2022) was used for calculation purposes.

N/A - Information Not Available

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

PRINCETON PUBLIC SCHOOLS
PRINCIPAL EMPLOYERS - BOROUGH OF PRINCETON
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2022		2013	
Employer	Employees	Employer	Employees
	Percentage of Total Employment		Percentage of Total Employment
Princeton University	7,032		
Princeton Public Schools	754		
Princeton House Behavioral	365		
Princeton Theological Seminary	295		
Princeton Day School	267		
Institute for Advanced Study	248		
Hun School	219		
Princeton Township	148		
YMCA	109		
Stuart/Academy of Sacred Heart	98		
	<u>9,535</u>		
	<u>55.93%</u>		
Total Employment	<u>17,047</u>		

This Information is not Available

Source: Princeton Chamber of Commerce. Employment data provided by the NJ Department of Labor and Workforce Development.

PRINCETON PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</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>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	277	287	290	294	293	287	280	279	280	267
Special Education	51	52	54	54	56	60	59	59	63	73
Other Instruction	124	133	133	147	151	161	150	150	150	120
Support Services:										
Student & Instruction Related Services	51	53	56	69	72	75	72	72	74	118
General Administrative Services	5	5	5	5	5	5	5	5	6	5
School Administrative Services	55	50	49	49	51	50	45	45	44	61
Business Administrative Services	12	12	12	12	12	11	10	10	9	9
Plant Operations and Maintenance	62	68	72	70	76	75	79	76	75	55
Pupil Transportation	25	25	22	32	42	46	45	46	45	48
Total	662	685	693	732	758	770	745	742	746	756

Source: Princeton Public School District Personnel Records.

PRINCETON PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percent Change	Teaching Staff ^b	Elementary School	Middle School	High School						
2014	3,422	\$ 82,953,810	\$ 24,241	2.47%	328	1:9	1:11	1:12	3,422	3,236	0.20%	94.56%		
2015	3,563	85,646,418	24,038	-0.84%	339	1:9	1:10	1:11	3,563	3,353	4.12%	94.11%		
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%	94.24%		
2019	3,773	103,198,963	27,352	6.48%	332	1:10	1:10	1:11	3,741	3,479	-0.27%	93.00%		
2020	3,856	106,416,787	27,598	0.90%	329	1:10	1:10	1:11	3,841	3,600	2.67%	93.73%		
2021	3,639	115,241,883	31,669	14.75%	327	1:10	1:10	1:11	3,674	3,461	-4.35%	94.20%		
2022	3,716	119,577,790	32,179	1.61%	331	1:10	1:10	1:11	3,701	3,483	0.69%	94.11%		
2023	3,754	122,800,146	32,712	1.66%	336	1:10	1:10	1:11	3,723	3,492	0.61%	93.80%		

Note: Enrollment is based on the annual October District count.

a - Operating expenditures equal total expenditures less debt service and capital outlay.

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).

d - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

Source: Princeton Public Schools records.

PRINCETON PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
Elementary School										
Community Park School (1962)										
Square Feet	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097	59,097
* Capacity (students)	446	446	446	446	446	446	446	446	446	378
Enrollment	302	324	320	371	380	375	409	317	285	290
Johnson Park School (1959)										
Square Feet	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455	62,455
* Capacity (students)	393	393	393	393	393	393	393	393	393	383
Enrollment	350	376	346	388	389	374	374	336	412	422
Littlebrook School (1957)										
Square Feet	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629	54,629
* Capacity (students)	416	416	416	416	416	416	416	416	416	416
Enrollment	342	356	333	337	371	380	408	352	387	402
Riverside School (1959)										
Square Feet	60,094	60,094	60,094	60,094	60,094	60,094	60,094	60,094	60,994	60,094
* Capacity (students)	409	409	409	409	409	409	409	409	409	409
Enrollment	281	271	261	283	298	317	316	281	293	294
Middle School										
Princeton Middle School (1965)										
Square Feet	148,531	148,531	148,531	148,531	148,531	148,531	148,531	148,531	162,000	162,000
* Capacity (students)	560	560	560	560	560	560	560	560	746	746
Enrollment	691	713	723	788	788	752	777	830	813	820
High School										
Princeton High School										
Square Feet	293,020	293,020	293,020	293,020	293,020	293,020	293,020	293,020	303,020	313,020
* Capacity (students)	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,591	1,591
Enrollment	1,456	1,523	1,570	1,584	1,601	1,575	1,572	1,549	1,526	1,526
Other										
Administration Building										
Square Feet (Occupied space)	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850	30,850
Number of Schools at June 30, 2023										
Elementary = 4										
Middle School = 1										
High School = 1										

* Based on Functional Capacity in District's LRFP

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: Princeton Public Schools Facilities Office.

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
Princeton High School	\$ 626,349	\$ 418,501	\$ 1,035,406	\$ 994,815	\$ 1,036,410
Princeton Middle School	370,262	349,210	653,251	637,247	580,691
Community Park Elementary	139,052	131,747	241,945	170,286	180,775
Johnson Park Elementary	91,122	211,594	163,766	237,748	116,836
Littlebrook Elementary	175,456	161,029	196,851	222,838	178,963
Riverside Elementary	164,845	186,243	294,546	223,898	128,526
Total School Facilities	<u>\$ 1,567,086</u>	<u>\$ 1,458,324</u>	<u>\$ 2,585,765</u>	<u>\$ 2,486,832</u>	<u>\$ 2,222,201</u>

<u>School Facilities*</u>	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Princeton High School	\$ 312,746	\$ 340,318	\$ 455,054	\$ 374,250	\$ 396,099
Princeton Middle School	264,244	248,577	276,127	265,878	502,436
Community Park Elementary	132,429	127,857	136,973	135,525	123,467
Johnson Park Elementary	196,006	141,025	148,948	141,076	181,817
Littlebrook Elementary	111,547	156,703	139,448	143,672	141,697
Riverside Elementary	107,473	138,925	141,106	149,084	168,027
Total School Facilities	<u>\$ 1,124,445</u>	<u>\$ 1,153,405</u>	<u>\$ 1,297,656</u>	<u>\$ 1,209,485</u>	<u>\$ 1,513,543</u>

* - School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3).

Source: Princeton Public Schools District records.

PRINCETON PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Fund (NJSIG):		
Section I - Property:		
Blanket Building and Contents	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	5,000
Flood/Earthquake		5,000
Valuable Papers		5,000
Computer Equipment:		1,000
Hardware		1,000
Software		1,000
Musical Instruments		1,000
Energy Systems - Boiler And Machinery		5,000
Section II - General Liability:		
Bodily Injury & Property Damage	31,000,000	1,000
Section III - Automobile Liability:		
Bodily Injury & Property Damage	31,000,000	1,000
Section IV - School Board Legal Liability Policy:		
Aggregate Limit of Liability	16,000,000	None
Section V - Crime:		
Blanket Employee Dishonesty	1,000,000	1,000
Money & Securities	100,000	1,000
Faithful Performance	1,000,000	1,000
Depositors Forgery	50,000	1,000
Workers Compensation:		
Section A	Statutory	None
Section B - Employers Liability Limit	3,000,000	
Automobile:	Comprehensive	1,000
Physical Damage	Collision	1,000
Environmental Pollution Legal Liability:		
Aggregate Limit of Liability	11,000,000	50,000
Cyber Liability		
Limits of Liability	10,000,000	Various
Fidelity Bonds:		
Selective Insurance Company		
Treasurer of School Monies	450,000	
Business Administrator/Board Secretary	421,000	
Comptroller	421,000	
Foreign Travel		
Liability Student & Adult Chaperones	1,000,000	None
Excess Liability ~ Umbrella Coverage	25,000,000	

Source: Princeton Public Schools Financial Reports.

SINGLE AUDIT SECTION



Mount Arlington, NJ
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Bridgewater, NJ

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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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Princeton Public Schools (the "District"), in the County of Mercer, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Princeton Public Schools
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

Mount Arlington, New Jersey
November 30, 2023

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08
Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Princeton Public Schools (the District's) compliance with the types of compliance requirements identified as subject to audit 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 fiscal year ended June 30, 2023. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Princeton Public Schools
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

The Honorable President and Members
of the Board of Education
Princeton Public Schools
Page 3

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

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

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

Mount Arlington, New Jersey
November 30, 2023

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2022			Cancellation of Prior Year Encum- brances	Balance at June 30, 2023				
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received		Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients		
U.S. Department of Education:													
Special Revenue Fund:													
Passed-through State Department of Education:													
Elementary and Secondary Education Act:													
Title I	84.010	ESE/A425523	7/1/22-9/30/23	\$ 207,797			\$ 154,838		\$ (39,707)				
Title I	84.010	ESE/A425522	7/1/21-9/30/22	351,202	\$ (35,915)		35,915		(39,707)				
Total Title I					(35,915)		190,753		(15,550)				
Title I/A	84.367	ESE/A425523	7/1/22-9/30/23	78,734			35,537		(51,087)				
Title I/A	84.367	ESE/A425522	7/1/21-9/30/22	87,162	(30,338)		27,808	\$ 2,530					
Total Title II					(30,338)		63,345	2,530	(15,550)				
Title III	84.365	ESE/A425523	7/1/22-9/30/23	42,253			22,468		(3,613)				
Title III	84.365	ESE/A425522	7/1/21-9/30/22	52,920	(4,377)		4,377						
Total Title III					(4,377)		26,845		(3,613)				
Title III - Immigrant	84.365	ESE/A425522	7/1/21-9/30/22	28,845	(13,788)		13,788						
Total Title III - Immigrant					(13,788)		13,788						
Title IV	84.424	ESE/A425523	7/1/22-9/30/23	29,441			7,602		(14,222)				
Title IV	84.424	ESE/A425522	7/1/21-9/30/22	26,718	(5,851)		5,851						
Total Title IV					(5,851)		13,453		(14,222)				
Special Education Cluster (IDEA):													
COVID 19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDE/A425522	7/1/21-9/30/22	271,402	(18,445)		18,445		(139,259)				
I.D.E.A. Part B, Basic	84.027	IDE/A425523	7/1/22-9/30/23	1,272,662			964,776						
I.D.E.A. Part B, Basic	84.027	IDE/A425522	7/1/21-9/30/22	1,202,602	(280,355)		259,864	61,874					
I.D.E.A. Preschool	84.173	IDE/A425523	7/1/22-9/30/23	39,166			39,166		(39,166)				
I.D.E.A. Preschool	84.173	IDE/A425522	7/1/21-9/30/22	40,379	(4,625)		4,625						
Total Special Education Cluster (IDEA)					(303,425)		1,286,876	61,874	(139,259)				
Education Stabilization Fund:													
COVID-19 - CARES Emergency Relief	84.425D	CARES425522	3/13/20-9/30/22	283,902	(3,026)		3,026						
COVID 19 - CRRSA:													
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	803,705	(20,304)		106,207		(2,713)				
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	51,577	(1)		5,817		(1,693)				
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(34,750)		45,000		(10,250)				
COVID 19 - ARP:													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,806,276	(92,955)		251,797		(5,914)				
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	287,818	(2,103)		246,097		(40,101)				
Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			10,034		(17,867)				
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000			7,863						
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	(153,139)		675,841		(68,288)				
Total Education Stabilization Fund					(546,833)		2,270,901	64,404	(280,639)				
Total U.S. Department of Education													

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2022		Cancellation of Prior Year Encum- brances	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue		Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Health and Human Services:										
Medicaid Cluster:										
COVID 19 - FFCRA SEMI/CARES Act	93.778	N/A	7/1/21-6/30/22	\$ 8,394		\$ 8,394				
Medicaid Assistance Program	93.778	N/A	7/1/22-6/30/23	38,387		38,387				
Medicaid Assistance Program	93.778	N/A	7/1/21-6/30/22	41,552	\$ (8,664)	8,664				
Total U.S. Department of Health and Human Services/Total Medicaid Cluster					(8,664)	55,445				
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	122,983		122,983			\$ 9,562	
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	91,612						
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	327,322		309,334		\$ (17,988)		
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	30,011		28,185		(1,826)		
COVID-19 - Seamless Summer Option - Lunch	10.555	N/A	7/1/21-6/30/22	1,779,477	(121,658)	121,658				
COVID-19 - Seamless Summer Option - Breakfast	10.553	N/A	7/1/21-6/30/22	233,723	(15,534)	15,534				
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/23	179,430	(137,192)	179,430		(19,814)	51,556	
Total Child Nutrition Cluster					(137,192)	2,894		(19,814)	61,118	
Total U.S. Department of Agriculture					(137,192)	2,894		(19,814)	61,118	
U.S. Department of Treasury:										
Passed-through State Department of Education:										
Special Revenue Fund:										
COVID 19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOEISES	7/1/22-6/30/23	276,542				(276,542)		
COVID 19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOEISES	7/1/21-6/30/22	565,439	(565,439)	565,439				
Total U.S. Department of Treasury					(565,439)	565,439		(276,542)		
Total Federal Awards					\$ (1,258,128)	\$ 2,894	\$ 64,404	\$ (576,995)	\$ 61,118	\$ - 0 -

* - Expended in a prior year.

N/A - Not Available/Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022			Prior Year Encum- brances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
		From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor			Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue
State Department of Education:													
General Fund:													
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	\$ 3,518,154	\$ 3,233,144	\$ (3,518,154)					\$ (285,010)	\$ 3,518,154	3,518,154
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	3,171,906	\$ (256,075)			256,075					3,171,906
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	371,547		(371,547)		341,448			(30,099)		371,547
Security Aid	22-495-034-5120-084	7/1/21	6/30/22	371,547	(29,996)			29,996					371,547
Adjustment Aid	23-495-034-5120-085	7/1/22	6/30/23	107,606		(107,606)		98,889			(8,717)		107,606
Adjustment Aid	22-495-034-5120-085	7/1/21	6/30/22	107,606	(8,687)			8,687					107,606
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	869,413		(869,413)		798,981			(70,432)		869,413
Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	869,413	(70,189)			70,189					869,413
Securing Our Children's Future Bond Act	20E00395	4/1/21	3/31/23	217,982	(216,494)			216,494					216,494
State Reimbursement for Lead Testing of Drinking Water	23-495-034-5120-104	7/1/22	6/30/23	11,566		(11,566)		11,566					11,566
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22	6/30/23	2,631,610		(2,631,610)		2,631,610			(2,631,610)		2,631,610
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21	6/30/22	3,074,305	(3,074,305)			3,074,305					3,074,305
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	66,718		(66,718)		66,718			(66,718)		66,718
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	69,786	(69,786)			69,786					69,786
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22	6/30/23	2,865,442		(2,865,442)		2,724,465			(140,977)		2,865,442
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21	6/30/22	2,774,269	(137,001)			137,001					2,774,269
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	3,568,445		(3,568,445)		3,568,445					3,568,445
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	13,397,968		(13,397,968)		13,397,968					13,397,968
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	185,882		(185,882)		185,882					185,882
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	4,509		(4,509)		4,509					4,509
Total General Fund State Aid					(3,862,533)			28,227,830			(2,839,305)		38,254,186
Special Revenue Fund:													
Preschool Education and Expansion Aid	23-495-034-5120-086	7/1/22	6/30/23	1,298,115		(1,298,115)		1,192,954			(105,161)		1,298,115
Preschool Education and Expansion Aid	22-495-034-5120-086	7/1/21	6/30/22	1,342,740	(108,402)	\$ 65,284		108,402		\$ 65,284			1,277,456
Preschool Education and Expansion Aid	20-495-034-5120-086	7/1/19	6/30/20	770,939		29,275		(29,275)					770,939
NI Nonpublic Aid:													
Auxiliary Services (Chapter 192):													
Transportation	23-100-034-5120-067	7/1/22	6/30/23	14,421				14,421			\$ 14,421		20,735
Compensatory Education	23-100-034-5120-067	7/1/22	6/30/23	24,411				24,411			3,676		31,563
Compensatory Education	22-100-034-5120-067	7/1/21	6/30/22	36,011			\$ 4,448				(1,905)		1,905
Home Instruction	23-100-034-5120-067	7/1/22	6/30/23	1,905		(1,436)		1,436					1,436
Home Instruction	22-100-034-5120-067	7/1/21	6/30/22	1,436				1,403			(1,403)		1,403
English as a Second Language	23-100-034-5120-067	7/1/22	6/30/23	1,403				1,403					1,403
English as a Second Language	22-100-034-5120-067	7/1/21	6/30/22	1,827			1,827				(1,827)		
Handicapped Services (Chapter 193):													
Examination and Classification	23-100-034-5120-066	7/1/22	6/30/23	58,382				58,382					36,970
Examination and Classification	22-100-034-5120-066	7/1/21	6/30/22	59,336			2,086				(2,086)		57,250
Supplementary Instruction	23-100-034-5120-066	7/1/22	6/30/23	29,819				29,819					29,819
Supplementary Instruction	22-100-034-5120-066	7/1/21	6/30/22	31,388			826				(826)		30,562
Corrective Speech	23-100-034-5120-066	7/1/22	6/30/23	34,410				34,410			4,650		29,760
Corrective Speech	22-100-034-5120-066	7/1/21	6/30/22	41,850			7,440				(7,440)		34,410
Textbook Aid (Chapter 194)	23-100-034-5120-064	7/1/22	6/30/23	151,272				151,272			20,637		130,635
Textbook Aid (Chapter 194)	22-100-034-5120-064	7/1/21	6/30/22	140,626			20,920		\$ 188		(20,920)		119,518
Nursing Services (Chapter 226)	23-100-034-5120-064	7/1/22	6/30/23	283,360				283,360			188		238,613
Nursing Services (Chapter 226)	22-100-034-5120-064	7/1/21	6/30/22	290,416			33,710				44,747		256,706
Technology Initiative	23-100-034-5120-373	7/1/22	6/30/23	96,264				96,264					73,112
Technology Initiative	22-100-034-5120-373	7/1/21	6/30/22	98,406			14,195				(14,195)		84,211
Security Aid	23-100-034-5120-509	7/1/22	6/30/23	518,650				518,650			106,225		412,425
Security Aid	22-100-034-5120-509	7/1/21	6/30/22	453,775			89,235		4,549		(89,235)		359,991
Security Aid	21-100-034-5120-509	7/1/20	6/30/21	454,825					6,669				448,156
School Development Authority:													
Emergent and Capital Maintenance Needs	N/A	7/1/22	6/30/23	93,068				93,068				73,368	19,700
Climate Change Awareness Grant	23-100-034-5063-359	7/1/22	6/30/23	6,660				(6,660)			(6,660)		6,660
Total Special Revenue Fund					(109,838)	94,559	174,687	2,608,252	11,406	(174,687)	(8,565)	138,652	5,772,050
Total State Department of Education					(3,972,371)	94,559	174,687	30,836,082	11,406	(174,687)	(2,847,870)	138,652	44,026,236

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Prior Year Encumbrances Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2023			MEMO	
		From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	(Budgetary Receivable)	Cumulative Total Expenditures
Debt Service Fund:																
Type II Aid	23-100-034-5120-075	7/1/22	6/30/23	\$ 440,832				\$ 440,832	\$ (440,832)							\$ 440,832
Total Debt Service Fund								440,832	(440,832)							440,832
State Department of Agriculture:																
Food Service Fund:																
State School Lunch Program	23-495-010-3350-001	7/1/22	6/30/23	15,022				14,195	(15,022)			\$ (827)			\$ (827)	15,022
State School Breakfast Program	23-495-010-3350-002	7/1/22	6/30/23	487				460	(487)			(27)			(27)	487
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21	6/30/22	41,815	\$ (2,800)			2,800								41,815
Total Food Service Fund					(2,800)			17,455	(15,509)			(854)			(854)	57,324
Total State Awards Subject to Single Audit Determination					\$ (3,975,171)	\$ 94,559	#####	\$ 31,294,369	\$ (30,384,328)	\$ 11,406	\$ (174,687)	\$ (2,848,724)	\$ 138,652	#####	\$ (3,348,143)	\$ 44,524,392
Less: State Awards Not Subject to Single Audit Major Program Determination																
On-Behalf TPAF Pension System Contributions:																
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22	6/30/23	(3,568,445)					3,568,445							
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22	6/30/23	(13,397,968)					13,397,968							
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22	6/30/23	(185,882)					185,882							
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22	6/30/23	(4,509)					4,509							
Subtotal - On-Behalf TPAF Pension System Contribution									17,156,804							
Total State Awards Subject to Single Audit Major Program Determination									\$ (13,227,524)							

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

PRINCETON PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, Princeton Public Schools under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO 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 audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. The budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the Capital Projects Fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$29,311) for the General Fund and \$78,917 for the Special Revenue Fund (of which \$9,369 is for local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 46,781	\$ 27,569,549	\$ 27,616,330
Special Revenue Fund	2,395,039	2,349,289	4,744,328
Debt Service Fund		440,832	440,832
Food Service Fund	601,523	15,509	617,032
Total Financial Assistance	<u>\$ 3,043,343</u>	<u>\$ 30,375,179</u>	<u>\$ 33,418,522</u>

NOTE 5. 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.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal or state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	Assistance Listing / State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster (IDEA):				
I.D.E.A. Part B, Basic	84.027	7/1/22-9/30/23	\$ 1,272,662	\$ 1,104,035
I.D.E.A. Part B, Basic	84.027	7/1/21-9/30/22	1,202,602	41,383
I.D.E.A. Preschool	84.173	7/1/22-9/30/23	39,166	39,166
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/22-6/30/23	122,983	113,421
Food Distribution Program	10.555	7/1/21-6/30/22	91,612	2,894
National School Lunch Program	10.555	7/1/22-6/30/23	327,322	327,322
School Breakfast Program	10.553	7/1/22-6/30/23	30,011	30,011
COVID-19 - Supply Chain Assistance	10.555	7/1/22-6/30/23	179,430	127,874

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

	Assistance Listing / State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 3,518,154	\$ 3,518,154
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	371,547	371,547
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	107,606	107,606
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	2,865,442	2,865,442

- The threshold used for distinguishing between federal and state Type A and Type B programs was \$750,000.
- The single audit threshold identified in the Uniform Guidance and New Jersey's OMB Circular 15-08 was \$750,000.
- The District was not determined to be a "low-risk" auditee for state and federal programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

PRINCETON PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.