

PRINCETON PUBLIC SCHOOLS

**Princeton Public Schools
Princeton, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

**Annual Comprehensive
Financial Report**

of

Princeton Public Schools

Princeton, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Princeton Public Schools
Board of Education**

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**INTRODUCTORY SECTION
(UNAUDITED)**



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

November 25, 2025

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, 2025, 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, 2025 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 2024-2025 fiscal year with an average daily enrollment of 3,801 students, which is 31 or 0.83% more students more than the previous year’s average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last seven years:

<u>Fiscal-Year</u>	<u>Enrollment</u>	<u>% Change</u>
2024-25	3,801	0.83%
2023-24	3,770	1.26%
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%

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 2025; however growth has slowed primarily due to housing sales slowing. 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>
2015-16	348
2016-17	348
2017-18	402
2018-19	412
2019-20	427
2020-21	424
2021-22	424
2022-23	424
2023-24	424
2024-25	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 381,671 (2023) while the Municipality of Princeton itself has a resident population of 30,289 (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 referendums; respectively. These Referendums 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. The district successfully passed a referendum for \$89,100,000 on 1/28/2025 that is focused on additions/renovations at 4 schools; CP, PMS, PHS and LB as well as PHS HVAC refurbishment.

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 eleventh year at Community Park Elementary School during 2025. 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 an internal control system 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). The internal control system 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. The internal control system 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 the internal control system, 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 accounting controls, 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 appropriations 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, restricted, or committed fund balances 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. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7. Other Information

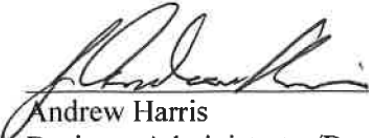
Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP was selected by the Board of Education to perform auditing services. In addition to meeting the requirements set forth in state statutes, the audit also was 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.

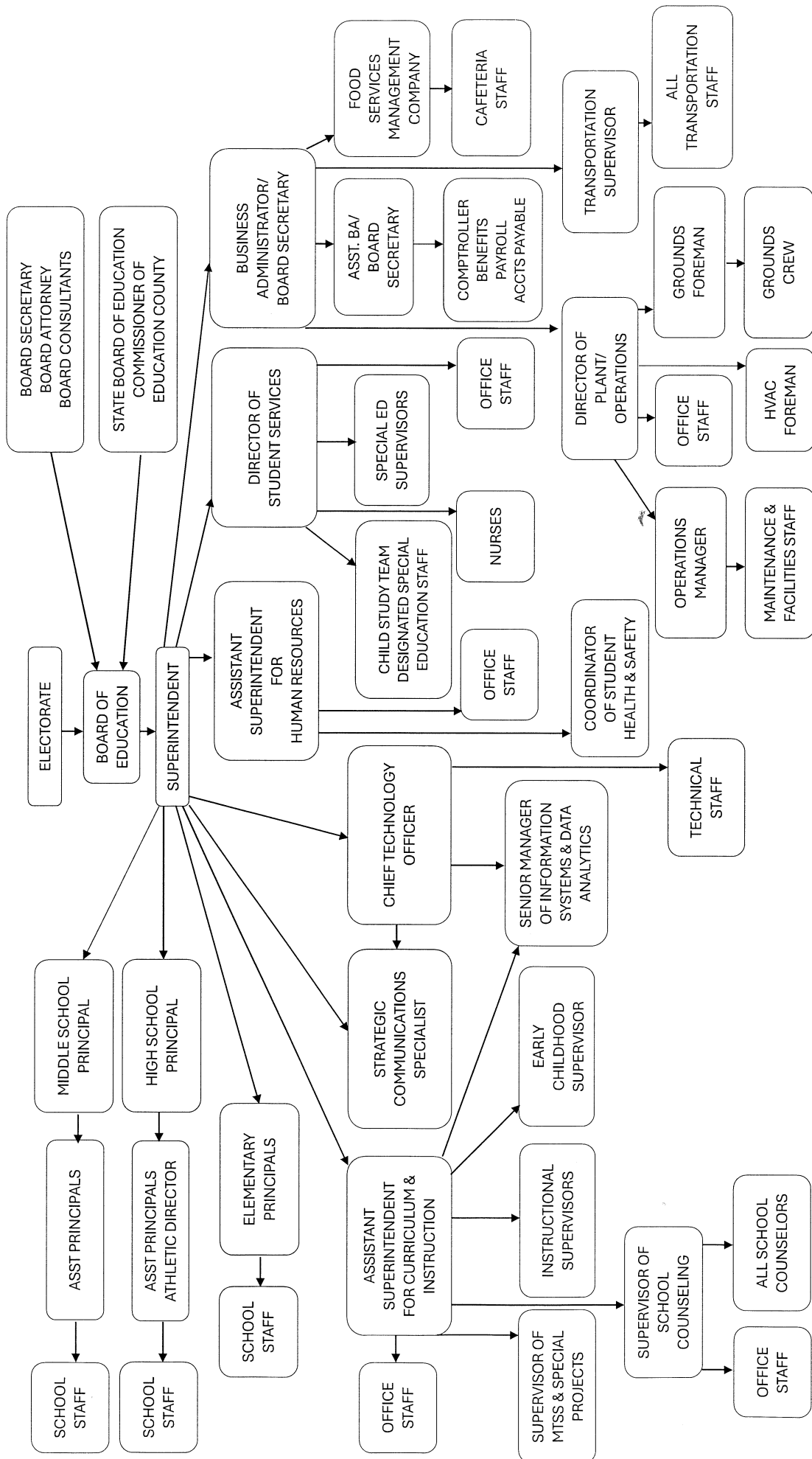


Dr. Michael LaSusa
Superintendent of Schools



Andrew Harris
Business Administrator/Board Secretary

PRINCETON PUBLIC SCHOOLS ORGANIZATIONAL CHART



**PRINCETON PUBLIC SCHOOLS
PRINCETON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dafna Kendal, President	2025
Susan Kanter, Vice President	2025
Adam Bierman	2026
Beth Behrend	2026
Debbie Bronfeld	2025
Mara Franceschi	2027
Eleanor Hubbard	2026
Susan Kanter	2025
Ari Meisel	2027
Katherine Lara	*

* Appointed Cranbury Representative

<u>Other Officials</u>	<u>Title</u>
Dr. Michael LaSusa	Superintendent of Schools (from 7/1/2025)
Dr. Kathie Foster	Interim Superintendent of Schools (to 6/30/2025)
Andrew Harris	Business Administrator/Board Secretary (from 7/1/2025)
Matthew Bouldin	Business Administrator/Board Secretary (to 6/30/2025)
Dr. Kim Tew	Assistant Superintendent of Curriculum and Instruction
Dr. Angela Siso Stentz	Assistant Superintendent for Human Resources
Micki Crisafulli	Director of Student Services
Margarita Baldeo	Assistant Superintendent of Student Services (effective 5/1/2025)
David Harding	Director of Plant and Operations
Jeanine DeOre	Assistant Business Administrator/Assistant Board Secretary
John Calavano	Treasurer of School Monies

PRINCETON PUBLIC SCHOOLS

Consultants and Advisors

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320

Lawrence Business Park
11 Lawrence Road
Newton NJ, 07860

1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Architects

Fraytak Veisz Hopkins Duthie, P.C.
1515 Lower Ferry Rd.
Ewing Township, NJ 08618

Attorneys

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

Gorman D'Anella and Morlok
1601 Atlantic Ave. Suite 700
Atlantic City, NJ 08401

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

Hill Wallack
21 Roszel Road
PO Box 5226, Princeton, New Jersey 08543

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, 2025, 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, 2025, 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 25, 2025 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 25, 2025

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, 2025**

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, 2025. 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

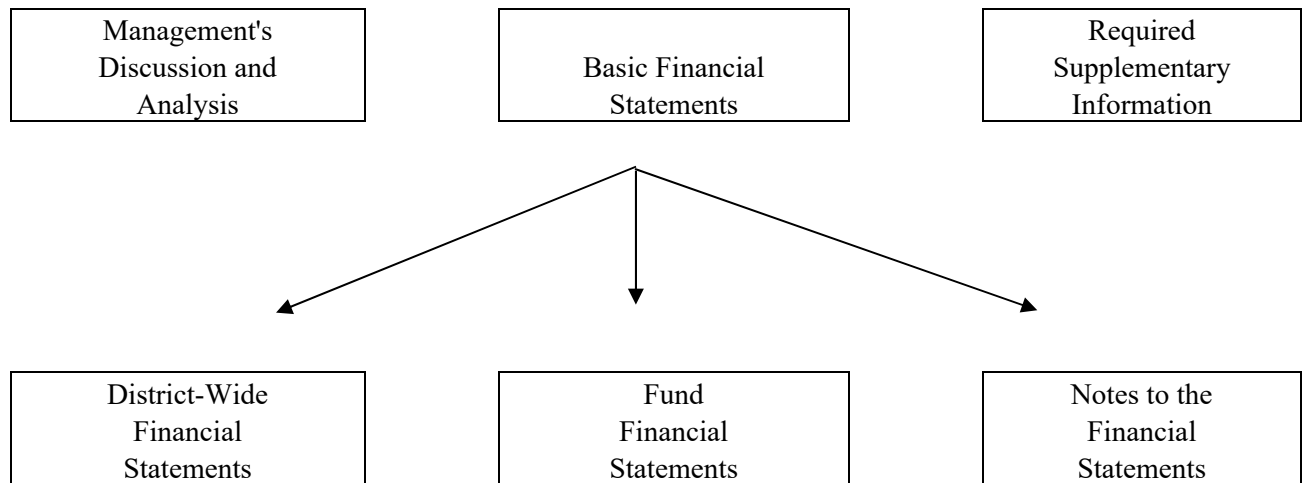
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2025**

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	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • 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, 2025

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, 2025**

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, 2025 and 2024. The District's combined net position was \$61,342,718 on June 30, 2025 or 2.04% more than the year before. Net investment in capital assets increased by \$1,227,274 primarily due to capital asset additions and the redemption of principal for outstanding bonds, leases, and financed purchases, offset by current year capital asset depreciation and lease asset amortization. Restricted net position decreased by \$472,270 primarily due to decreases in the capital and maintenance reserves, excess surplus and the capital projects fund. Unrestricted net position increased by \$651,611 primarily due to changes in deferred inflows and deferred outflows related to pensions and a decrease in business-type activities.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Assets:							
Current and Other Assets	\$ 111,555,707	\$ 38,442,949	\$ 597,727	\$ 756,888	\$ 112,153,434	\$ 39,199,837	
Capital Assets, Net	114,805,782	102,977,046	303,113	297,314	115,108,895	103,274,360	
Lease Assets, Net	213,880	309,550			213,880	309,550	
Total Assets	226,575,369	141,729,545	900,840	1,054,202	227,476,209	142,783,747	59.32%
Deferred Outflows of Resources	2,981,968	3,566,536			2,981,968	3,566,536	-16.39%
Liabilities:							
Other Liabilities	6,152,392	6,411,100	224,291	329,320	6,376,683	6,740,420	
Long-Term Liabilities	161,158,019	77,565,076			161,158,019	77,565,076	
Total Liabilities	167,310,411	83,976,176	224,291	329,320	167,534,702	84,305,496	98.72%
Deferred Inflows of Resources	1,580,757	1,929,343			1,580,757	1,929,343	-18.07%
Net Position:							
Net Investment in Capital Assets	73,180,697	72,138,563	303,113	297,314	73,483,810	72,435,877	
Restricted	11,730,537	12,202,807			11,730,537	12,202,807	
Unrestricted/(Deficit)	(24,245,065)	(24,950,808)	373,436	427,568	(23,871,629)	(24,523,240)	
Total Net Position	\$ 60,666,169	\$ 59,390,562	\$ 676,549	\$ 724,882	\$ 61,342,718	\$ 60,115,444	2.04%

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 %
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change 2024/25
Revenue:							
Program Revenue:							
Charges for Services	\$ 7,413,730	\$ 7,246,248	\$ 1,308,986	\$ 962,447	\$ 8,722,716	\$ 8,208,695	
Grants and Contributions:							
Operating	23,700,519	26,022,398	621,422	438,880	24,321,941	26,461,278	
General Revenue:							
Property Taxes	91,100,835	89,250,214			91,100,835	89,250,214	
Federal and State Aid							
Not Restricted	2,042,629	2,648,851			2,042,629	2,648,851	
Other	4,486,847	4,694,522	15,902	23,264	4,502,749	4,717,786	
Total Revenue	128,744,560	129,862,233	1,946,310	1,424,591	130,690,870	131,286,824	-0.45%
Expenses:							
Instruction	68,749,607	68,535,366			68,749,607	68,535,366	
Pupil and Instruction Services	21,664,511	21,677,933			21,664,511	21,677,933	
Administrative and Business	8,994,973	8,389,111			8,994,973	8,389,111	
Maintenance and Operations	10,798,206	9,670,523			10,798,206	9,670,523	
Transportation	6,892,774	6,256,389			6,892,774	6,256,389	
Other	10,368,882	9,233,363	1,994,643	1,672,763	12,363,525	10,906,126	
Total Expenses	127,468,953	123,762,685	1,994,643	1,672,763	129,463,596	125,435,448	3.21%
Change in Net Position	\$ 1,275,607	\$ 6,099,548	\$ (48,333)	\$ (248,172)	\$ 1,227,274	\$ 5,851,376	-79.03%

Governmental Activities

The financial position of the District increased by \$1,275,607 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, 2025**

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	
	2024/25	2023/24	2024/25	2023/24
Instruction	\$ 68,749,607	\$ 68,535,366	\$ 41,820,592	\$ 39,715,209
Pupil and Instruction Services	21,664,511	21,677,933	19,586,730	19,222,840
Administrative and Business	8,994,973	8,389,111	8,385,770	7,699,280
Maintenance and Operations	10,798,206	9,670,523	10,564,312	9,557,419
Transportation	6,892,774	6,256,389	5,628,418	5,065,928
Other	10,368,882	9,233,363	10,368,882	9,233,363
	\$ 127,468,953	\$ 123,762,685	\$ 96,354,704	\$ 90,494,039

Business-Type Activities

Net position from the District's business-type activity decreased by \$48,333 (Refer to Figure A-4). This was due primarily to operating expenses exceeding operating grants and contributions, and daily sales.

Financial Analysis of the District's Funds

The District's General Fund financial position decreased \$315,309 on the GAAP basis primarily due to an increase in expenditures and a transfer to the Capital Projects Fund. 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.

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 2024/2025 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, 2025**

Capital Assets

The District's capital assets increased \$11,834,535 or 11.46%, over the course of the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
	Land	\$ 195,190	\$ 195,190			\$ 195,190	\$ 195,190
Construction in Progress	25,027,768	10,017,866			25,027,768	10,017,866	
Buildings and Building Improvements	88,274,843	92,037,127	\$ 173,061	\$ 180,585	88,447,904	92,217,712	
Machinery and Equipment	1,307,981	726,863	130,052	116,729	1,438,033	843,592	
Total Capital Assets (Net of Depreciation)	\$ 114,805,782	\$ 102,977,046	\$ 303,113	\$ 297,314	\$ 115,108,895	\$ 103,274,360	11.46%

Capital asset additions consisted of \$15,009,902 of construction in progress from capital projects and \$1,112,197 in capital additions (\$1,080,711 from its governmental activities and \$31,486 from its business-type activities).

Depreciation expense was \$4,261,877 from its governmental activities and \$25,687 from its business-type activities.

Long-term Liabilities

The District's long-term liabilities increased \$83,592,943, or 107.77% during the fiscal year.

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

	Total School District		Total Percentage Change
	2024/25	2023/24	2024/25
General Obligation Bonds (Financed with Property Taxes)	\$ 135,490,000	\$ 49,773,000	
Financed Purchases Payable	560,824	1,375,086	
Leases Payable	221,234	316,072	
Net Pension Liability	20,126,352	21,498,361	
Other Long-Term Liabilities	4,759,609	4,602,557	
	\$ 161,158,019	\$ 77,565,076	107.77%

**PRINCETON PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Long-term Liabilities

- The District issued \$89,120,000 and paid down \$3,403,000 of their School Bonds during the fiscal year.
- Compensated absences payable increased by a net amount of \$11,922.
- Net pension liability decreased by \$1,372,009.
- The District paid down \$814,262 in financed purchase agreement principal during the fiscal year.
- The District paid down \$94,838 in lease principal during the fiscal year.
- The District amortized \$6,870 of bond issuance premiums.
- The District had an increase in their arbitrage rebate payable of \$152,000.

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 district faces challenges for financial planning to continue the expansion and renovation of District buildings to meet curriculum demands and aging facilities. The 2% tax levy cap continues to prove challenging to maintain given the annual increases in health benefits costs and other additional costs due to inflation.

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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,794,496	\$ 257,312	\$ 2,051,808
Investments	102,939,461		102,939,461
Internal Balances	(94,800)	94,800	
Receivables from Federal Government	178,616	26,574	205,190
Receivables from State Government	2,879,960	1,825	2,881,785
Receivables from Other Governments	8,370		8,370
Other Receivables	216,359	201,456	417,815
Inventory		15,760	15,760
Restricted Assets:			
Cash and Cash Equivalents	3,633,245		3,633,245
Capital Assets, Net:			
Sites (Land) and Construction in Progress	25,222,958		25,222,958
Depreciable Buildings and Building Improvements and Machinery and Equipment	89,582,824	303,113	89,885,937
Lease Assets, Net	213,880		213,880
Total Assets	226,575,369	900,840	227,476,209
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	2,981,968		2,981,968
Total Deferred Outflows of Resources	2,981,968		2,981,968
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,586,381	45,826	3,632,207
Accrued Interest Payable	1,342,663		1,342,663
Payable to State Government	77,115		77,115
Unearned Revenue	1,146,233	178,465	1,324,698
Noncurrent Liabilities:			
Due Within One Year	5,405,820		5,405,820
Due Beyond One Year	155,752,199		155,752,199
Total Liabilities	167,310,411	224,291	167,534,702
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,580,757		1,580,757
Total Deferred Inflows of Resources	1,580,757		1,580,757

PRINCETON PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2025
(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 73,180,697	\$ 303,113	\$ 73,483,810
Restricted for:			
Capital Projects	2,961,159		2,961,159
Debt Service	350,001		350,001
Maintenance	785,384		785,384
Excess Surplus	6,589,543		6,589,543
Unemployment Compensation	704,920		704,920
Scholarships	9,009		9,009
Student Activities	330,521		330,521
Unrestricted/(Deficit)	<u>(24,245,065)</u>	<u>373,436</u>	<u>(23,871,629)</u>
Total Net Position	<u>\$ 60,666,169</u>	<u>\$ 676,549</u>	<u>\$ 61,342,718</u>

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, 2025

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
Governmental Activities:						
Instruction:						
Regular	\$ 44,662,298	\$ 5,167,949	\$ 8,791,964	\$ (30,702,385)	\$	\$ (30,702,385)
Special Education	17,644,063		12,255,334	(5,388,729)		(5,388,729)
Other Instruction	6,443,246		713,768	(5,729,478)		(5,729,478)
Support Services:						
Tuition	3,881,718			(3,881,718)		(3,881,718)
Student & Instruction Related Services	17,782,793	2,077,781	102,872	(15,705,012)		(15,705,012)
General Administrative Services	1,494,753			(1,391,881)		(1,391,881)
School Administrative Services	3,819,043		368,081	(3,450,962)		(3,450,962)
Central Services	2,075,598		97,617	(1,977,981)		(1,977,981)
Administration Information Technology	1,605,579		40,633	(1,564,946)		(1,564,946)
Plant Operations and Maintenance	10,798,206		233,894	(10,564,312)		(10,564,312)
Pupil Transportation	6,892,774	168,000	1,096,356	(5,628,418)		(5,628,418)
Interest on Long-Term Debt	2,220,446			(2,220,446)		(2,220,446)
Capital Outlay	239,765			(239,765)		(239,765)
Transfer to Charter Schools	7,908,671			(7,908,671)		(7,908,671)
Total Governmental Activities	127,468,953	7,413,730	23,700,519	(96,354,704)		(96,354,704)

PRINCETON PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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	\$ 1,994,643	\$ 1,308,986	\$ 621,422		\$ (64,235)	\$ (64,235)
Total Business-Type Activities	1,994,643	1,308,986	621,422		(64,235)	(64,235)
Total Primary Government	\$ 129,463,596	\$ 8,722,716	\$ 24,321,941	\$ (96,354,704)	(64,235)	(96,418,939)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				87,966,648		87,966,648
Taxes Levied for Debt Service				3,134,187		3,134,187
Federal and State Aid Not Restricted				2,042,629		2,042,629
Interest and Miscellaneous Income				4,486,847	15,902	4,502,749
Total General Revenues				97,630,311	15,902	97,646,213
Change in Net Position				1,275,607	(48,333)	1,227,274
Net Position - Beginning				59,390,562	724,882	60,115,444
Net Position - Ending				\$ 60,666,169	\$ 676,549	\$ 61,342,718

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 673,204	\$ 756,462	\$ 14,829	\$ 350,001	\$ 1,794,496
Investments			102,939,461		102,939,461
Interfund Receivable	8,175,255				8,175,255
Receivables from Federal Government		178,616			178,616
Receivables from State Government	2,243,403	636,557			2,879,960
Receivables from Other Governments	8,370				8,370
Other Receivables	216,359				216,359
Restricted Cash and Cash Equivalents	3,293,715	339,530			3,633,245
Total Assets	\$ 14,610,306	\$ 1,911,165	\$ 102,954,290	\$ 350,001	\$ 119,825,762
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 94,800		\$ 8,175,255		\$ 8,270,055
Payable to State Government		\$ 77,115			77,115
Accounts Payable	926,406	611,862	9,940		1,548,208
Unearned Revenue		1,146,233			1,146,233
Total Liabilities	1,021,206	1,835,210	8,185,195		11,041,611
Fund Balances:					
Restricted:					
Excess Surplus	2,695,848				2,695,848
Excess Surplus - Subsequent Year's Expenditures	3,893,695				3,893,695
Capital Reserve Account	2,961,159				2,961,159
Maintenance Reserve Account	785,384				785,384
Unemployment Compensation	704,920				704,920
Capital Projects			94,512,095		94,512,095
Debt Service				\$ 350,001	350,001
Scholarships		9,009			9,009
Student Activities		330,521			330,521
Assigned:					
Encumbrances	843,923				843,923
Capital Projects			257,000		257,000
Unassigned/(Deficit)	1,704,171	(263,575)			1,440,596
Total Fund Balances	13,589,100	75,955	94,769,095	350,001	108,784,151
Total Liabilities and Fund Balances	\$ 14,610,306	\$ 1,911,165	\$ 102,954,290	\$ 350,001	\$ 119,825,762

PRINCETON PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(Continued)

	<u>Total Governmental Funds</u>
Amounts Reported for Governmental Activities in the Statement of Net Position (Exhibit A-1) are Different Because:	
Funds Balances - Governmental Funds (Above)	\$ 108,784,151
Capital Assets Used in Governmental Activities are not Financial Resources the Funds.	114,805,782
Leased Assets used in Governmental Activities are not financial resources, and therefore, are not reported in the Funds.	213,880
Interest on Long-Term Liabilities is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(1,342,663)
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	943,795
Deferred Inflows	(1,580,757)
Long-Term Liabilities, including Bonds Payable, Leases Payable, Financed Purchases Payable, Arbitrage Rebate 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.	(161,079,017)
Bond Premiums are reported as revenue in the Governmental Funds in the year the bonds are sold.	<u>(79,002)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 60,666,169</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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 87,966,648			\$ 3,134,187	\$ 91,100,835
Other Local Governmental Units - Unrestricted	168,000				168,000
Tuition From Individuals	271,548				271,548
Tuition From Other LEAs Within the State	4,896,401				4,896,401
Rents and Royalties	229,998				229,998
Private Contributions	2,386,800				2,386,800
Unrestricted Miscellaneous Revenues	608,426		\$ 1,114,466		1,722,892
Interest Earned on Maintenance Reserve	28,490				28,490
Interest Earned on Capital Reserve Funds	108,480				108,480
Other Restricted Miscellaneous Revenues	10,187	\$ 2,077,781			2,087,968
Total - Local Sources	96,674,978	2,077,781	1,114,466	3,134,187	103,001,412
State Sources	28,962,314	4,630,217		1,500,675	35,093,206
Federal Sources	14,230	1,491,095			1,505,325
Total Revenues	125,651,522	8,199,093	1,114,466	4,634,862	139,599,943
EXPENDITURES					
Current:					
Regular Instruction	27,927,168	4,155,366			32,082,534
Special Education Instruction	9,992,004	2,398,406			12,390,410
Other Instruction	4,449,510				4,449,510
Support Services and Undistributed Costs:					
Tuition	3,881,718				3,881,718
Student & Instruction Related Services	11,368,394	1,066,608			12,435,002
General Administrative Services	1,135,460				1,135,460
School Administrative Services	2,656,313				2,656,313
Central Services	1,624,440				1,624,440
Administration Information Technology	1,302,415				1,302,415
Plant Operations and Maintenance	9,165,938				9,165,938
Pupil Transportation	5,928,573				5,928,573
Unallocated Benefits	38,934,159				38,934,159
Debt Service:					
Principal				3,403,000	3,403,000
Interest and Other Charges				1,414,537	1,414,537
Capital Outlay	575,884	600,000	15,009,902		16,185,786
Transfer of Funds to Charter Schools	7,908,671				7,908,671
Total Expenditures	126,850,647	8,220,380	15,009,902	4,817,537	154,898,466
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(1,199,125)	(21,287)	(13,895,436)	(182,675)	(15,298,523)
OTHER FINANCING SOURCES/(USES)					
School Bonds Issued			89,120,000		89,120,000
Transfers	883,816	78,650	(962,466)		
Total Other Financing Sources/(Uses)	883,816	78,650	88,157,534		89,120,000
Net Change in Fund Balances	(315,309)	57,363	74,262,098	(182,675)	73,821,477
Fund Balance — July 1	13,904,409	18,592	20,506,997	532,676	34,962,674
Fund Balance — June 30	\$ 13,589,100	\$ 75,955	\$ 94,769,095	\$ 350,001	\$ 108,784,151

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 73,821,477

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit 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	\$ (4,261,877)
Capital Asset Additions	16,090,613

11,828,736

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

(95,670)

Proceeds from debt issues are an other financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases Long-Term Liabilities in the Statement of Net Position.

(89,120,000)

In the Statement of Activities, arbitrage rebate liability is accrued, regardless of when due. In the Governmental Funds, arbitrage rebate payable is reported when due.

(152,000)

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. (+)

3,403,000

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, 2025
(Continued)

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.	\$ 94,838
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.	814,262
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 (+).	(660,779)
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 (+)	6,870
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	1,372,009
Change in Deferred Outflows	(373,800)
Change in Deferred Inflows	348,586
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 (+).	<u>(11,922)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 1,275,607</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, 2025

	<u>Business-type Activities - Enterprise Funds</u> Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 257,312
Interfund Receivable - General Fund	94,800
Intergovernmental Accounts Receivable:	
State	1,825
Federal	26,574
Other Accounts Receivable	201,456
Inventories	15,760
Total Current Assets	<u>597,727</u>
Non-Current Assets:	
Capital Assets:	
Buildings and Building Improvements	188,109
Machinery and Equipment	1,036,695
Less: Accumulated Depreciation	<u>(921,691)</u>
Total Non-Current Assets	<u>303,113</u>
Total Assets	<u>900,840</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	45,826
Unearned Revenue:	
Prepaid Meals	178,040
Donated Commodities	425
Total Liabilities	<u>224,291</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	303,113
Unrestricted	<u>373,436</u>
Total Net Position	<u>\$ 676,549</u>

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, 2025

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 565,747
Non-Reimbursable Programs	722,098
Miscellaneous Revenue	21,141
Total Operating Revenue	1,308,986
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	380,854
Non-Reimbursable Programs	500,339
Salaries	633,377
Benefits and Payroll Taxes	184,139
Supplies, Insurance & Other Costs	115,442
Management Fee	94,115
Miscellaneous Expenses	60,690
Depreciation Expense	25,687
Total Operating Expenses	1,994,643
Operating Loss	(685,657)
Non-Operating Income:	
Local Sources:	
Interest Income	15,902
State Sources:	
School Breakfast Program	675
School Lunch Program	15,937
State Extended Income Eligibility - Breakfast	1,580
State Extended Income Eligibility - Lunch	9,676
Summer Electronic Benefit Transfer	321
Federal Sources:	
School Breakfast Program	40,941
National School Lunch Program	338,936
Food Distribution Program	98,062
COVID 19 - Supply Chain Assistance	113,883
Summer Electronic Benefit Transfer	322
Local Food for Schools Cooperative Program	1,089
Total Non-Operating Income	637,324
Change in Net Position	(48,333)
Net Position - Beginning of Year	724,882
Net Position - End of Year	\$ 676,549

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, 2025

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,288,088
Payments to Food Service Contractor	(1,895,386)
Payments to Suppliers	(48,951)
Net Cash Used for Operating Activities	<u>(656,249)</u>
Cash Flows from Investing Activities:	
Interest Income	15,902
Net Cash Provided by Investing Activities	<u>15,902</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(31,486)
Net Cash Used for Capital and Related Financing Activities	<u>(31,486)</u>
Cash Flows from Noncapital Financing Activities:	
Interfund Advanced - General Fund	136,462
State Sources	23,280
Federal Sources	399,347
Net Cash Provided by Noncapital Financing Activities	<u>559,089</u>
Net Decrease in Cash and Cash Equivalents	(112,744)
Cash and Cash Equivalents, July 1	<u>370,056</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 257,312</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (685,657)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	25,687
Food Distribution Program	98,062
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Meals	106,121
(Decrease) in Unearned Revenue - Donated Commodities	(4,591)
(Decrease) in Accounts Payable	(92,676)
(Increase) in Accounts Receivable	(127,019)
Decrease in Inventory	23,824
Net Cash Used for Operating Activities	<u><u>\$ (656,249)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$93,471 and utilized U.S.D.A. Commodities valued at \$98,062.

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, 2025

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, 2025
(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, 2025
(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, 2025
(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, 2025 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, 2025
(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.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 125,733,981	\$ 8,316,230
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		635,414
Prior Year Encumbrances Canceled		(13,500)
Current Year Encumbrances		(662,887)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	426,695	187,411
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(509,154)	(263,575)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 125,651,522	\$ 8,199,093
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 126,850,647	\$ 8,261,353
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		635,414
Prior Year Encumbrances Canceled		(13,500)
Current Year Encumbrances		(662,887)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 126,850,647	\$ 8,220,380

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025
(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, 2025.

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, 2025
(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, 2025, the amount earned by these employees but not disbursed was \$501,165.

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, 2025
(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 \$13,589,100 General Fund fund balance at June 30, 2025 \$843,923 is assigned for encumbrances; \$-0- is assigned for subsequent year's expenditures; \$2,961,159 and \$785,384 are restricted in the capital reserve and maintenance reserve accounts, respectively; \$704,920 is restricted for unemployment compensation; \$2,695,848 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, 2027; \$3,893,695 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; and \$1,704,171 is unassigned which is \$509,154 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, 2025.

Special Revenue Fund: Of the \$75,955 Special Revenue Fund fund balance at June 30, 2025, \$9,009 is restricted for scholarships; \$330,521 is restricted for student activities; and there is a deficit in unassigned fund balance of \$263,575 at June 30, 2025 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, 2025.

Capital Projects Fund: Of the \$94,769,095 Capital Projects Fund fund balance at June 30, 2025, \$94,512,095 is restricted and \$257,000 is assigned.

Debt Service Fund: The Debt Service Fund fund balance is \$350,001 at June 30, 2025 and is restricted.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025 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 \$509,154 and \$263,575, respectively, as reported in the fund statements (modified accrual basis) for the non-recognition of the last two state aid payments.

U. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$24,245,065 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 \$263,575 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, 2026. 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, 2025
(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, debt service, 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 no committed resources at June 30, 2025.

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 in the General Fund and for arbitrage rebate in the Capital Projects Fund at June 30, 2025.

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, 2025 for pensions. The District had deferred inflows of resources for pensions at June 30, 2025.

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, 2025
(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 an 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. The District considers resources received within sixty days of the fiscal year end to be available.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, 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. 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, 2025
(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, 2025
(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, 2025
(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, 2025
(Continued)

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

Investments: (Cont'd)

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents						Long-Term Investments	Total
	Restricted					Unrestricted		
	Capital Reserve	Maintenance Reserve	Unemployment Compensation	Scholarships	Student Activities			
Checking								
Accounts	\$ 1,803,411	\$ 785,384	\$ 704,920	\$ 9,009	\$ 330,521	\$ 2,051,808		\$ 5,685,053
NJ ARM							\$ 102,939,461	102,939,461
	<u>\$ 1,803,411</u>	<u>\$ 785,384</u>	<u>\$ 704,920</u>	<u>\$ 9,009</u>	<u>\$ 330,521</u>	<u>\$ 2,051,808</u>	<u>\$ 102,939,461</u>	<u>\$ 108,624,514</u>

During the period ended June 30, 2025, the District held investments in the New Jersey Asset and Rebate Management Program (NJ ARM). The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$108,624,514 and the bank balance was \$112,839,322. The \$102,939,461 with NJ ARM is uninsured and unregistered.

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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 2,852,679
Interest Earnings	<u>108,480</u>
Ending Balance, June 30, 2025	<u><u>\$ 2,961,159</u></u>

The June 30, 2025 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, 2025
(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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 756,894
Interest Earnings	<u>28,490</u>
Ending Balance, June 30, 2025	<u><u>\$ 785,384</u></u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ending June 30, 2025, the District transferred \$324,420 to the capital outlay accounts for equipment, for which County Superintendent approval is not required.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2025 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	10,017,866	\$ 15,009,902		25,027,768
Total Capital Assets Not Being Depreciated	<u>10,213,056</u>	<u>15,009,902</u>		<u>25,222,958</u>
Capital Assets Being Depreciated:				
Land Improvements	596,300			596,300
Buildings and Building Improvements	150,009,605			150,009,605
Machinery and Equipment	9,477,540	1,080,711		10,558,251
Total Capital Assets Being Depreciated	<u>160,083,445</u>	<u>1,080,711</u>		<u>161,164,156</u>
Governmental Activities Capital Assets	<u>170,296,501</u>	<u>16,090,613</u>		<u>186,387,114</u>
Less Accumulated Depreciation for:				
Land Improvements	(596,300)			(596,300)
Buildings and Building Improvements	(57,972,478)	(3,762,284)		(61,734,762)
Machinery and Equipment	(8,750,677)	(499,593)		(9,250,270)
	<u>(67,319,455)</u>	<u>(4,261,877)</u>		<u>(71,581,332)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 102,977,046</u>	<u>\$ 11,828,736</u>	<u>\$ - 0 -</u>	<u>\$ 114,805,782</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 188,109			\$ 188,109
Machinery and Equipment	1,005,209	\$ 31,486		1,036,695
Total Capital Assets Being Depreciated	<u>1,193,318</u>	<u>31,486</u>		<u>1,224,804</u>
Business-Type Activities Capital Assets	<u>1,193,318</u>	<u>31,486</u>		<u>1,224,804</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(7,524)	(7,524)		(15,048)
Machinery and Equipment	(888,480)	(18,163)		(906,643)
	<u>(896,004)</u>	<u>(25,687)</u>		<u>(921,691)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 297,314</u>	<u>\$ 5,799</u>	<u>\$ - 0 -</u>	<u>\$ 303,113</u>

The District expended \$15,009,902 from the Capital Projects Fund for various construction projects during the fiscal year. As of June 30, 2025, the District has \$94,769,095 in active construction projects including \$7,302,605 of encumbrances.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,575,405
Special Education Instruction	563,661
Other Instruction	251,002
Student & Instruction Related Services	641,305
General Administration	64,053
School Administration	149,846
Central Services	91,637
Administrative Information Technology	73,471
Plant Operations & Maintenance	517,059
Student Transportation	334,438
	<u>\$ 4,261,877</u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2025 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	\$ 478,350			\$ 478,350
Total Lease Assets Being Amortized	<u>478,350</u>			<u>478,350</u>
Governmental Activities Lease Assets	<u>478,350</u>			<u>478,350</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(168,800)</u>	<u>\$ (95,670)</u>		<u>(264,470)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 309,550</u>	<u>\$ (95,670)</u>	<u>\$ - 0 -</u>	<u>\$ 213,880</u>

Amortization expense was charged to governmental functions as follows:

General Administration	\$ 31,571
School Administration	31,571
Central Services	32,528
	<u>\$ 95,670</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2024	Added	Retired	Balance 6/30/2025	Due within One Year
Serial Bonds Payable	\$ 49,773,000	\$ 89,120,000	\$ 3,403,000	\$ 135,490,000	\$ 4,885,000
Unamortized Bond Issuance					
Premiums	85,872		6,870	79,002	6,870
Leases Payable	316,072		94,838	221,234	79,811
Financed Purchases Payable	1,375,086		814,262	560,824	275,305
Compensated Absences Payable	4,411,685	263,696	251,774	4,423,607	158,833
Arbitrage Rebate Payable	105,000	152,000		257,000	
Net Pension Liability	21,498,361		1,372,009	20,126,352	
	<u>\$ 77,565,076</u>	<u>\$ 89,535,696</u>	<u>\$ 5,942,753</u>	<u>\$ 161,158,019</u>	<u>\$ 5,405,819</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 \$72,132.

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, 2025 is \$4,885,000 and the long-term portion is \$130,605,000. Bonds are liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2025 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2019 School Bonds	7/15/2038	3.00%	\$ 21,875,000
2022 School Bonds	1/15/2042	2.60% - 2.75%	12,050,000
2023 School Bonds	1/15/2037	1.00%-4.00%	12,445,000
2025 School Bonds	1/15/2052	4.00%-4.125%	89,120,000
			<u>\$ 135,490,000</u>

On April 8, 2025, the District issued school bonds in the amount of \$89,120,000 related to the 2025 referendum approved by the taxpayers on October 29, 2024 for upgrades and renovations to the District's buildings. The bonds are being retired over 27 years with principal and interest payments beginning January 15, 2026 through January 15, 2052 with interest rates ranging from 4.00% to 4.125%. The bonds are callable with the first optional redemption date of January 15, 2032.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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
2026	\$ 4,885,000	\$ 4,062,163	\$ 8,947,163
2027	5,860,000	4,739,332	10,599,332
2028	5,275,000	4,554,923	9,829,923
2029	5,425,000	4,385,902	9,810,902
2030	5,590,000	4,202,322	9,792,322
Thereafter:			
2031-2035	30,370,000	18,067,518	48,437,518
2036-2040	29,065,000	12,593,428	41,658,428
2041-2045	21,020,000	8,077,850	29,097,850
2046-2050	20,000,000	4,050,000	24,050,000
2051-2052	8,000,000	495,000	8,495,000
	<u>\$ 135,490,000</u>	<u>\$ 65,228,438</u>	<u>\$ 200,718,438</u>

C. Bonds Authorized But Not Issued:

As of June 30, 2025, 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 \$4,054,176 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, 2025.

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 296,112
2027	296,112
Total Minimum Financed Purchases Payments	592,224
Less: Amount Representing Interest	(31,400)
Present Value Net of Minimum Financed Purchases Payments	<u>\$ 560,824</u>

The current portion of the financed purchase payable at June 30, 2025 is \$275,305 and the long-term portion is \$285,519. 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, 2025
(Continued)

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

E. Leases Payable:

The District had leases outstanding as of June 30, 2025 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	09/01/28	3.400%	\$ 203,268
Canon Copiers	Monthly	12/01/25	3.300%	17,966
				<u>\$ 221,234</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>Principal</u>	<u>Interest</u>
2026	\$ 79,812	\$ 6,171
2027	63,981	3,853
2028	66,190	1,643
2029	11,251	54
	<u>\$ 221,234</u>	<u>\$ 11,721</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 \$158,833 and the long-term portion is \$4,264,774.

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, 2025, 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, 2025 is \$-0- and the long-term portion is \$20,126,352. See Note 10 for further information on the PERS.

H. Arbitrage Rebate Liability:

The District is subject to liability for arbitrage rebate to the federal government relative to its \$17,451,000 School Bonds dated March 30, 2022, and its \$89,120,000 School Bonds dated April 8, 2025. The long-term portion for arbitrage rebate liability is \$257,000 and will be liquidated through the Debt Service Fund.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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.nj.gov/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. For fiscal year 2024, the State’s pension contribution was more than the actuarial determined amount.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$2,015,473 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$64,888 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$20,126,352 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.148%, which was consistent with its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$668,667 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$64,888 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024.

At June 30, 2025, 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	2020	5.16		\$ 146,259
	2021	5.13	\$ 25,003	
	2022	5.04		82,733
			<u>25,003</u>	<u>228,992</u>
Changes in Proportion	2020	5.16	21,518	
	2021	5.13		186,687
	2022	5.04	494,106	
	2023	5.08		140,920
	2024	5.08		37,372
			<u>515,624</u>	<u>364,979</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		1,381,545
	2022	5.00		(2,191,605)
	2023	5.00		568,321
	2024	5.00		1,174,943
				<u>933,204</u>
Difference Between Expected and Actual Experience	2020	5.16	8,149	
	2021	5.13		19,884
	2022	5.04		33,698
	2023	5.08	103,529	
	2024	5.08	291,490	
			<u>403,168</u>	<u>53,582</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	2,038,173	
			<u>\$ 2,981,968</u>	<u>\$ 1,580,757</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (810,913)
2026	827,017
2027	(425,622)
2028	(232,423)
2029	4,979
	\$ (636,962)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025
(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, 2024) 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, 2024 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	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025
(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, 2024 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, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 26,742,974	\$ 20,126,352	\$ 14,495,644

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.nj.gov/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, 2025
(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 2024, 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, 2025
(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 2025, the State of New Jersey contributed \$13,793,049 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$587,182).

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, 2025, the District reported a liability of \$160,966,799 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.325%, which was a decrease of 0.003% from its proportion measured as of June 30, 2024.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>160,966,799</u>
Total	<u>\$ 160,966,799</u>

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$587,182 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 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, 2025
(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	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
		<u>436,488,877</u>	<u>266,879,466</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
			<u>403,364,319</u>	
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</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, 2025
(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)

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	\$ (9,436,989,313)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025
(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, 2024) 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, 2024 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	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025
(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, 2024 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, 2024		
	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	\$ 191,331,828	\$ 160,966,799	\$ 135,393,704

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 \$28,869 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$43,959 for the year ended June 30, 2025.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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>
2024-2025	\$ 26,567	\$ 99,164	\$ 115,544	\$ 704,920
2023-2024	24,234	96,451	83,126	694,733
2022-2023	1,570	92,435	101,547	657,174

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, 2025
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2025 audit report for NJSIG is not available as of the date of this report. Selected, summarized financial information for NJSIG as of June 30, 2024 is as follows:

Total Assets	<u>\$ 452,862,436</u>
Net Position	<u>\$ 208,313,945</u>
Total Revenue	<u>\$ 187,698,949</u>
Total Expenses	<u>\$ 178,093,729</u>
Change in Net Position	<u>\$ 7,005,220</u>
Member Dividends	<u>\$ 2,600,000</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, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 8,175,255	\$ 94,800
Capital Projects Fund		8,175,255
Food Service Fund	<u>94,800</u>	
	<u>\$ 8,270,055</u>	<u>\$ 8,270,055</u>

The interfund between the Capital Projects Fund and General Fund represent interest earned on investments in the Capital Projects Fund that was transferred to the General Fund, and payments made by the General Fund on behalf of the Capital Projects Fund. The interfund between General Fund and the Food Service Fund represent subsidy reimbursements 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, 2025
(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, 2025, 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
\$ 843,923	\$ 662,887	\$ 7,302,605	\$ 8,809,415

On the District's Governmental Fund Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$662,887 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, \$7,302,605 of year-end encumbrances are included in the restricted fund balance at June 30, 2025.

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, 2025
(Continued)

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2025:

	<u>Governmental Funds</u>			<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>District</u> <u>Contribution</u> <u>Subsequent</u> <u>to</u> <u>Measurement</u> <u>Date</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u> <u>Proprietary</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>				
Vendors	\$ 395,395	\$ 611,862	\$ 9,940	\$ 1,017,197		\$ 1,017,197	\$ 45,826
Payroll Deductions and Withholdings	29,846			29,846		29,846	
Accrued Salaries and Wages	501,165			501,165		501,165	
Due to:							
State of New Jersey					\$ 2,038,173	2,038,173	
	<u>\$ 926,406</u>	<u>\$ 611,862</u>	<u>\$ 9,940</u>	<u>\$ 1,548,208</u>	<u>\$ 2,038,173</u>	<u>\$ 3,586,381</u>	<u>\$ 45,826</u>

NOTE 16. TAX CALENDAR

Property taxes are levied by the District's constituent municipality 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, 2025
(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 local 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.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	372,741

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% - 5.65%	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, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

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, 2025
(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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.8% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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 3.93%. This represents the municipal bond return 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

	Total OPEB Liability
Balance at June 30, 2023	\$ 155,294,879
Changes for Year:	
Service Cost	6,580,332
Interest on the Total OPEB Liability	5,892,638
Changes of Assumptions	13,392,448
Differences between Expected and Actual Experience	2,197,511
Gross Benefit Payments by the State	(4,500,303)
Contributions from Members	154,095
Net Changes	23,716,721
Balance at June 30, 2024	\$ 179,011,600

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 209,660,922	\$ 179,011,600	\$ 154,093,093

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, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 149,117,966	\$ 179,011,600	\$ 217,950,031

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$7,605,113 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, 2024 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, 2025
(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		\$ 3,433,020
	2018	9.51		4,191,157
	2019	9.29	\$ 661,249	
	2020	9.24	17,057,304	
	2021	9.24	100,754	
	2022	9.13		27,375,321
	2023	9.30	248,611	
	2024	9.33	11,957,031	
			<u>30,024,949</u>	<u>34,999,498</u>
Differences between Expected and Actual Experience	2018	9.51		3,961,948
	2019	9.29		7,782,940
	2020	9.24	15,898,076	
	2021	9.24		19,375,870
	2022	9.13	2,819,265	
	2023	9.30		2,309,513
	2024	9.33	425,841	
			<u>19,143,182</u>	<u>33,430,271</u>
Changes in Proportion	N/A	N/A	7,817,010	
			<u>\$ 56,985,141</u>	<u>\$ 68,429,769</u>

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

Fiscal Year Ending June 30,	Total
2025	\$ (6,349,750)
2026	(5,324,303)
2027	(2,528,875)
2028	664,632
2029	(4,614,716)
Thereafter	(1,108,626)
	<u>\$ (19,261,638)</u>

PRINCETON PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 \$991,618 from payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2024 without the abatement would have been \$2,800,318 of which \$1,328,127 would have been for the school tax.

**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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability	0.1224672619%	0.1362304658%	0.1319352300%	0.1361551600%	0.1442049101%	0.1472872292%	0.1434012239%	0.1498190368%	0.1484245074%	0.1481180774%
District's Proportionate Share of the Net Pension Liability	\$ 27,491,446	\$ 40,347,557	\$ 30,712,413	\$ 26,808,273	\$ 25,983,537	\$ 24,018,695	\$ 16,988,025	\$ 22,609,755	\$ 21,498,361	\$ 20,126,352
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	12,030,316
District's proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	333.65%	440.58%	346.45%	291.64%	263.52%	233.65%	165.65%	208.58%	191.06%	167.30%
Plan Fiduciary Net Position as a % of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,185,410	\$ 1,222,239	\$ 1,210,252	\$ 1,354,304	\$ 1,402,695	\$ 1,611,249	\$ 1,679,395	\$ 1,889,290	\$ 2,008,128	\$ 2,015,494
Contributions in relation to the Contractually Required Contribution	(1,185,410)	(1,222,239)	(1,210,252)	(1,354,304)	(1,402,695)	(1,611,249)	(1,679,395)	(1,889,290)	(2,008,128)	(2,015,494)
Contribution Deficiency/(Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 9,157,896	\$ 8,864,968	\$ 9,192,234	\$ 9,860,178	\$ 10,279,776	\$ 10,255,387	\$ 10,839,617	\$ 11,252,443	\$ 12,030,316	\$ 12,875,435
Contributions as a % of Covered Employee Payroll	12.94%	13.79%	13.17%	13.74%	13.65%	15.71%	15.49%	16.79%	16.69%	15.65%

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's Proportion of the Net Pension Liability attributable to the District	0.3194868784%	0.3175550101%	0.3114428785%	0.3256115443%	0.3241116554%	0.3368444450%	0.3388116074%	0.3303911195%	0.3277341241%	0.3256782027%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 201,929,350	\$ 249,808,990	\$ 209,986,019	\$ 207,147,070	\$ 198,910,382	\$ 221,808,014	\$ 162,884,319	\$ 170,463,368	\$ 167,251,473	\$ 160,966,799
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	\$ 41,257,370
State's Proportionate Share of the Net Pension Liability attributable to the District as a % of its Covered Employee Payroll	605.53%	734.12%	604.75%	584.64%	550.17%	601.23%	432.68%	443.76%	424.55%	390.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.59%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 12,329,605	\$ 18,769,670	\$ 14,546,768	\$ 12,075,950	\$ 11,732,266	\$ 13,792,967	\$ 3,832,740	\$ 4,587,645	\$ 4,108,882	\$ (587,182)
Contributions in relation to the Contractually Required Contribution	(2,421,829)	(3,390,631)	(4,795,109)	(6,374,492)	(7,388,289)	(9,848,843)	(13,601,067)	(13,397,968)	(13,878,234)	(13,793,049)
Contribution Deficiency/(Excess)	\$ 9,907,776	\$ 15,379,039	\$ 9,751,659	\$ 5,701,458	\$ 4,343,977	\$ 3,944,124	\$ (9,768,327)	\$ (8,810,323)	\$ (9,769,352)	\$ (14,380,231)
District's Covered Employee Payroll	\$ 34,028,275	\$ 34,722,730	\$ 35,431,357	\$ 36,154,446	\$ 36,892,292	\$ 37,645,196	\$ 38,413,465	\$ 39,394,750	\$ 41,257,370	\$ 42,755,184
Contributions as a % of Covered Employee Payroll	7.12%	9.76%	13.53%	17.63%	20.03%	26.16%	35.41%	34.01%	33.64%	32.26%

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

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 6,829,938	\$ 5,681,946	\$ 5,221,756	\$ 5,436,077	\$ 9,944,737	\$ 8,537,861	\$ 6,569,710	\$ 6,580,332
Interest on the Total OPEB Liability	4,729,081	5,504,216	5,140,801	4,296,548	4,537,369	3,939,106	5,469,296	5,892,638
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)	313,010	13,392,448
Differences between Expected and Actual Experience								
Gross Benefit Payments by the State	(3,467,886)	(13,352,374)	(19,001,431)	34,727,464	(31,998,312)	4,902,037	(1,573,194)	2,197,511
Contributions from Members	127,696	119,560	108,249	103,370	115,998	125,172	140,159	154,095
Net Change in Total OPEB Liability	(11,038,813)	(20,351,874)	(10,408,666)	76,936,992	(20,987,992)	(26,271,452)	6,655,576	23,716,721
Total OPEB Liability - Beginning	160,761,108	149,722,295	129,370,421	118,961,755	195,898,747	174,910,755	148,639,303	155,294,879
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>	<u>\$ 155,294,879</u>	<u>\$ 179,011,600</u>
District's Covered Employee Payroll *	\$ 43,587,698	\$ 44,623,591	\$ 46,014,624	\$ 47,172,068	\$ 47,900,583	\$ 49,253,082	\$ 50,647,193	\$ 53,287,686
Total OPEB Liability as a Percentage of Covered Employee Payroll	343%	290%	259%	415%	365%	302%	307%	336%

* - Covered payroll for the fiscal years ending June 30, 2017-2024 are based on the payroll on the June 30, 2016-2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 87,966,648		\$ 87,966,648	\$ 87,966,648	
Other Local Governmental Units - Unrestricted	168,000		168,000	168,000	
Tuition From Individuals	300,000		300,000	271,548	\$ (28,452)
Tuition From Other LEAs Within the State	4,875,390		4,875,390	4,896,401	21,011
Rents and Royalties				229,998	229,998
Private Contributions	2,386,800		2,386,800	2,386,800	
Unrestricted Miscellaneous Revenues	985,000		985,000	608,426	(376,574)
Interest Earned on Maintenance Reserve	2,000		2,000	28,490	26,490
Interest Earned on Capital Reserve Funds	2,000		2,000	108,480	106,480
Other Restricted Miscellaneous Revenues				10,187	10,187
Total Revenues from Local Sources	96,685,838		96,685,838	96,674,978	(10,860)
Revenues from State Sources:					
Categorical Transportation Aid	872,203		872,203	872,203	
Extraordinary Aid	2,500,000		2,500,000	1,993,785	(506,215)
Categorical Special Education Aid	4,411,650		4,411,650	4,411,650	
Categorical Security Aid	434,348		434,348	434,348	
Adjustment Aid	107,606		107,606	107,606	
Non Public Transportation				97,297	97,297
TPAF Post Retirement Contributions (Non-Budgeted)				4,080,265	4,080,265
TPAF Pension Contributions (Non-Budgeted)				13,793,049	13,793,049
TPAF Non-Contributory Insurance (Non-Budgeted)				170,859	170,859
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,793	5,793
Reimbursed TPAF Social Security Contributions				3,077,918	3,077,918
Total Revenues from State Sources	8,325,807		8,325,807	29,044,773	20,718,966

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 68,281		\$ 68,281	\$ 14,230	\$ (54,051)
Total Revenues from Federal Sources	<u>68,281</u>		<u>68,281</u>	<u>14,230</u>	<u>(54,051)</u>
TOTAL REVENUE	105,079,926		105,079,926	125,733,981	20,654,055
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 100		100	35	65
Kindergarten - Salaries of Teachers	1,133,787	(85,762)	1,048,025	1,046,567	1,458
Grades 1-5 - Salaries of Teachers	8,811,183	(197,486)	8,613,697	8,495,121	118,576
Grades 6-8 - Salaries of Teachers	4,941,099	230,561	5,171,660	5,157,359	14,301
Grades 9-12 - Salaries of Teachers	10,524,641	(159,619)	10,365,022	10,356,902	8,120
Regular Programs - Home Instruction:					
Salaries of Teachers	14,000	55,630	69,630	50,042	19,588
Purchased Professional-Educational Services	57,080	28,500	85,580	49,219	36,361
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	533,223	(162,797)	370,426	363,963	6,463
Purchased Professional-Educational Services	756,553	(344,138)	412,415	316,067	96,348
Purchased Technical Services	439		439		439
Other Purchased Services (400-500 series)	918,311	53,730	972,041	945,179	26,862
General Supplies	916,064	122,137	1,038,201	980,763	57,438
Textbooks	135,060	(87,447)	47,613	44,184	3,429
Other Objects	166,571	(22,477)	144,094	121,767	22,327
Total Regular Programs - Instruction	<u>28,908,011</u>	<u>(569,068)</u>	<u>28,338,943</u>	<u>27,927,168</u>	<u>411,775</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Instruction:					
Learning and/or Language Disabilities Mild/Moderate:					
Salaries of Teachers	\$ 387,199	\$ 3,715	\$ 390,914	\$ 369,843	\$ 21,071
Other Salaries for Instruction	267,077	36,497	303,574	296,605	6,969
General Supplies	1,000	(795)	205	205	
Other Objects	5,000	(1,900)	3,100	3,022	78
Total Learning and/or Language Disabilities Mild/Moderate	<u>660,276</u>	<u>37,517</u>	<u>697,793</u>	<u>669,675</u>	<u>28,118</u>
Emotional Regulation Impairment:					
Salaries of Teachers	67,899		67,899	67,899	
Total Emotional Regulation Impairment	<u>67,899</u>		<u>67,899</u>	<u>67,899</u>	
Multiple Disabilities:					
Salaries of Teachers	253,641	19,737	273,378	267,328	6,050
Other Salaries for Instruction	528,727	56,544	585,271	567,750	17,521
Total Multiple Disabilities	<u>782,368</u>	<u>76,281</u>	<u>858,649</u>	<u>835,078</u>	<u>23,571</u>
Resource Room/Resource Center:					
Salaries of Teachers	4,560,430	(79,570)	4,480,860	4,433,924	46,936
Other Salaries for Instruction	1,865,718	(322,186)	1,543,532	1,521,570	21,962
General Supplies	8,483	(763)	7,720	7,720	
Total Resource Room/Resource Center	<u>6,434,631</u>	<u>(402,519)</u>	<u>6,032,112</u>	<u>5,963,214</u>	<u>68,898</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	\$ 678,200	\$ 491	\$ 678,691	\$ 649,856	\$ 28,835
Other Salaries for Instruction	1,240,572	15,208	1,255,780	1,163,638	92,142
General Supplies	11,000	(6,249)	4,751	4,395	356
Other Objects	1,000	810	1,810	1,810	
Total Autism	1,930,772	10,260	1,941,032	1,819,699	121,333
Preschool Disabilities - Full-Time:					
Salaries of Teachers	330,952		330,952	330,909	43
Other Salaries for Instruction	264,063	40,453	304,516	304,217	299
General Supplies	1,000	313	1,313	1,313	
Total Preschool Disabilities - Full-Time	596,015	40,766	636,781	636,439	342
TOTAL SPECIAL EDUCATION - INSTRUCTION	10,471,961	(237,695)	10,234,266	9,992,004	242,262
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,013,036	(12,572)	1,000,464	881,741	118,723
Other Salaries for Instruction	63,267	(5,079)	58,188	58,188	
Total Basic Skills/Remedial - Instruction	1,076,303	(17,651)	1,058,652	881,741	176,911
Bilingual Education - Instruction:					
Salaries of Teachers	936,694	103,751	1,040,445	1,028,495	11,950
Other Salaries for Instruction	363,923	(27,441)	336,482	332,329	4,153
General Supplies	2,062		2,062	2,062	
Total Bilingual Education - Instruction	1,302,679	76,310	1,378,989	1,362,886	16,103

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 422,467		\$ 422,467	\$ 367,055	\$ 55,412
Purchased Services (300-500 series)	5,702		5,702	5,700	2
Supplies and Materials	14,335	\$ (50)	14,285	12,774	1,511
Other Objects	3,070	(165)	2,905	1,621	1,284
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>445,574</u>	<u>(215)</u>	<u>445,359</u>	<u>387,150</u>	<u>58,209</u>
School-Sponsored Athletics - Instruction:					
Salaries	1,066,864	32,179	1,099,043	1,096,335	2,708
Purchased Services (300-500 series)	473,652	17,340	490,992	434,952	56,040
Supplies and Materials	187,833	150	187,983	155,230	32,753
Other Objects	52,596	(7,477)	45,119	39,268	5,851
Total School-Sponsored Athletics - Instruction	<u>1,780,945</u>	<u>42,192</u>	<u>1,823,137</u>	<u>1,725,785</u>	<u>97,352</u>
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Reading Specialists	108,988		108,988	91,948	17,040
Total Other Suppl/at-risk Prog - Instruction	<u>108,988</u>		<u>108,988</u>	<u>91,948</u>	<u>17,040</u>
TOTAL INSTRUCTION	<u>44,094,461</u>	<u>(706,127)</u>	<u>43,388,334</u>	<u>42,368,682</u>	<u>1,019,652</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 246,590	\$ (120,554)	\$ 126,036	\$ 125,974	\$ 62
Tuition to County Voc. School Dist.-Regular	216,297	(115,974)	100,323	98,397	1,926
Tuition to CSSD & Reg. Day Schools	952,535	54,805	1,007,340	954,588	52,752
Tuition to Priv. Sch. for the Handicap. W/I State	2,292,891	100,989	2,393,880	2,393,342	538
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	365,000	(52,029)	312,971	309,417	3,554
Total Undistributed Expenditures - Instruction	<u>4,073,313</u>	<u>(132,763)</u>	<u>3,940,550</u>	<u>3,881,718</u>	<u>58,832</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	157,811	45,790	203,601	203,600	1
Salaries of Family Liaisons/Comm. Parent Inv. Spec.	103,617	27,406	131,023	131,023	
Other Purchased Services (400-500 series)	2,000	250	2,250	1,725	525
Total Undist. Expend. - Attendance and Social Work	<u>263,428</u>	<u>73,446</u>	<u>336,874</u>	<u>336,348</u>	<u>526</u>
Undistributed Expenditures - Health Services:					
Salaries	1,046,087	(52,110)	993,977	965,708	28,269
Purchased Professional and Technical Services	155,000	(111,467)	43,533	42,283	1,250
Supplies and Materials	35,664	(4,529)	31,135	29,284	1,851
Total Undist. Expenditures - Health Services	<u>1,236,751</u>	<u>(168,106)</u>	<u>1,068,645</u>	<u>1,037,275</u>	<u>31,370</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	1,498,283	(14,541)	1,483,742	1,482,939	803
Purchased Professional - Educational Services	26,450	2,645	29,095	29,095	
Supplies and Materials	24,500	(6,402)	18,098	18,098	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>1,549,233</u>	<u>(18,298)</u>	<u>1,530,935</u>	<u>1,530,132</u>	<u>803</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 64,230	\$ (64,230)			
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	<u>64,230</u>	<u>(64,230)</u>			
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,963,491	(30,061)	\$ 1,933,430	\$ 1,930,643	\$ 2,787
Salaries of Secretarial and Clerical Assistants	213,750		213,750	213,750	
Purchased Professional - Educational Services	438	18,812	19,250	19,250	
Other Purchased Services (400-500 series)	5,725	(487)	5,238	4,515	723
Supplies and Materials	22,301	30	22,331	22,078	253
Other Objects	4,689	1,289	5,978	5,968	10
Total Undist Expend. - Guidance	<u>2,210,394</u>	<u>(10,417)</u>	<u>2,199,977</u>	<u>2,196,204</u>	<u>3,773</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	2,749,575	(4,930)	2,744,645	2,737,731	6,914
Salaries of Secretarial and Clerical Assistants	219,159	(50,590)	168,569	162,495	6,074
Other Salaries	105,000	(48,000)	57,000	15,271	41,729
Unused Vacation Payment to Terminated/Retired Staff		21,622	21,622	21,622	
Purchased Professional - Educational Services	707,350	(28,642)	678,708	659,389	19,319
Other Purchased Services (400-500 series)	49,800	(23,550)	26,250	25,030	1,220
Supplies and Materials	50,107	5,717	55,824	54,883	941
Other Objects	1,800	(1,800)			
Total Undist Expend. - Child Study Team	<u>3,882,791</u>	<u>(130,173)</u>	<u>3,752,618</u>	<u>3,676,421</u>	<u>76,197</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Secretarial and Clerical Assistants	\$ 131,367		\$ 131,367	\$ 131,367	
Sal of Facilitators, Math Coaches & Literacy Coaches	167,914	\$ 4,296	172,210	172,210	
Purchased Professional - Educational Services	10,400	699	699	699	
Other Purchased Services (400-500 series)	6,500	2,163	12,563	10,463	\$ 2,100
Supplies and Materials	23,450	(1,286)	5,214	4,146	1,068
Other Objects	339,631	(300)	23,150	22,583	567
Total Undist. Expend.-Improv. of Inst. Serv.	<u>1,084,759</u>	<u>5,572</u>	<u>1,095,872</u>	<u>1,093,650</u>	<u>2,222</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	975,057	11,061	986,118	984,737	1,381
Supplies and Materials	109,702	(402)	109,300	108,459	841
Other Objects		454	454	454	
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>1,084,759</u>	<u>11,113</u>	<u>1,095,872</u>	<u>1,093,650</u>	<u>2,222</u>
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	921,175	16,787	937,962	937,962	
Salaries of Other Professional Staff	35,001	68,999	104,000	104,000	
Salaries of Secretarial and Clerical Assistants	83,306		83,306	83,306	
Unused Vacation Payment to Terminated/Retired Staff	80,000	22,978	22,978	22,978	
Purchased Professional - Educational Service	1,119,482	(70,900)	9,100	8,650	450
Total Undist.Expend.-Instructional Staff Training Services	<u>1,119,482</u>	<u>37,864</u>	<u>1,157,346</u>	<u>1,156,896</u>	<u>450</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 576,047	\$ (28,666)	\$ 547,381	\$ 547,380	\$ 1
Legal Services	308,490	4,647	313,137	273,911	39,226
Audit Fees	88,000	3,000	91,000	91,000	
Other Purchased Professional Services	11,000		11,000	11,000	
Communications / Telephone	130,085	(2,265)	127,820	117,346	10,474
Other Purch. Serv. (400-500 series other than 530 & 585)	36,029	(29,709)	6,320	6,025	295
General Supplies	18,477	(6,869)	11,608	9,530	2,078
Miscellaneous Expenditures	59,000	(5,415)	53,585	51,529	2,056
BOE Membership Dues and Fees	28,000	(250)	27,750	27,739	11
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>1,255,128</u>	<u>(65,527)</u>	<u>1,189,601</u>	<u>1,135,460</u>	<u>54,141</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,677,068	15,517	1,692,585	1,692,555	30
Salaries of Secretarial and Clerical Assistants	875,212	(25,711)	849,501	848,877	624
Other Salaries	8,060	6,211	14,271	13,155	1,116
Other Purchased Services (400-500 series)	28,070	(4,462)	23,608	22,068	1,540
Supplies and Materials	26,967	21,266	48,233	46,321	1,912
Other Objects	30,528	7,698	38,226	33,337	4,889
Total Undist. Expend.-Support Serv.-School Adm.	<u>2,645,905</u>	<u>20,519</u>	<u>2,666,424</u>	<u>2,656,313</u>	<u>10,111</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 1,216,344	\$ 50,202	\$ 1,266,546	\$ 1,265,999	\$ 547
Unused Vacation Payment to Terminated/Retired Staff		6,018	6,018	6,018	
Purchased Professional Services	45,726	(8,163)	37,563	29,766	7,797
Purchased Professional Services-Public Relations cost	45,000	40,205	85,205	67,750	17,455
Purchased Technical Services	73,395	(2,800)	70,595	70,595	
Miscellaneous Purchased Services (400-500 series other than 594)	65,950	(10,583)	55,367	54,732	635
Supplies and Materials	19,800	4,500	24,300	22,089	2,211
Other Objects	56,558	56,159	112,717	107,491	5,226
Total Undist. Expend. - Central Services	<u>1,522,773</u>	<u>135,538</u>	<u>1,658,311</u>	<u>1,624,440</u>	<u>33,871</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	711,798	(11,056)	700,742	700,742	
Purchased Professional Services	58,220	141,261	199,481	186,001	13,480
Other Purchased Services (400-500 series)	21,250	(11,510)	9,740	7,249	2,491
Supplies and Materials	420,005	53,960	473,965	408,423	65,542
Total Undist. Expend. - Admin. Info. Technology	<u>1,211,273</u>	<u>172,655</u>	<u>1,383,928</u>	<u>1,302,415</u>	<u>81,513</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	630,252	(92,345)	537,907	537,905	2
Cleaning, Repair, and Maintenance Services	1,264,372	840,789	2,105,161	1,681,901	423,260
General Supplies	163,392	1,914	165,306	151,761	13,545
Other Objects	14,762	8,202	22,964	21,854	1,110
Total Undist. Expend.- Required Maint. for School Facilities	<u>2,072,778</u>	<u>758,560</u>	<u>2,831,338</u>	<u>2,393,421</u>	<u>437,917</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 2,385,924	\$ 105,226	\$ 2,491,150	\$ 2,482,017	\$ 9,133
Salaries of Non-Instructional Aides	221,059	(32,833)	188,226	182,846	5,380
Unused Vacation Payment to Terminated/Retired Staff		152	152		
Purchased Professional and Technical Services	59,846	(19,348)	40,498	39,785	713
Cleaning, Repair, and Maintenance Services	68,388	18,841	87,229	80,427	6,802
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	49,668		49,668	49,668	
Lease Purchase Pymts	119,582	(36,882)	82,700	82,603	97
Other Purchased Property Services	160,000	5,000	165,000	164,235	765
Insurance	527,735	65,702	593,437	593,422	15
Miscellaneous Purchased Services		385	385		
General Supplies	166,581	106,049	272,630	268,863	3,767
Energy (Natural Gas)	415,595	200,000	615,595	484,706	130,889
Energy (Electricity)	1,096,563	274,825	1,371,388	1,305,494	65,894
Energy (Gasoline)	18,531	(3,000)	15,531	15,486	45
Total Undist. Expend.-Custodial Services	<u>5,289,472</u>	<u>684,117</u>	<u>5,973,589</u>	<u>5,750,089</u>	<u>223,500</u>
Care and Upkeep of Grounds:					
Salaries	360,767	390	361,157	361,156	1
Cleaning, Repair, and Maintenance Services	13,000	36,761	49,761	40,816	8,945
General Supplies	25,000	105,493	130,493	122,863	7,630
Total Care And Upkeep Of Grounds	<u>398,767</u>	<u>142,644</u>	<u>541,411</u>	<u>524,835</u>	<u>16,576</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 492,169	\$ (17,163)	\$ 475,006	\$ 469,733	\$ 5,273
Purchased Professional and Technical Services	20,000	(5,954)	14,046	11,640	2,406
Cleaning, Repair, and Maintenance Services	20,000	(4,900)	15,100	278	14,822
General Supplies	35,672	(18,800)	16,872	15,942	930
Total Security	567,841	(46,817)	521,024	497,593	23,431
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	8,328,858	1,538,504	9,867,362	9,165,938	701,424
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	388,150	26,475	414,625	412,597	2,028
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	906,693	(58,039)	848,654	845,444	3,210
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	846,241	29,473	875,714	871,943	3,771
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	85,035	(17,058)	67,977	57,729	10,248
Cleaning, Repair, and Maint. Services	125,000	3,308	128,308	114,309	13,999
Lease Purchase Payments - School Buses	90,915	(7,410)	83,505	83,367	138
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	200,000	(8,656)	191,344	190,167	1,177
Contract. Serv.(Bet. Home & Sch.)-Vendors	2,345,797	29,368	2,375,165	2,372,237	2,928
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	299,319	13,023	312,342	307,232	5,110
Contract. Serv.(Spl. Ed. Students)-Vendors	288,944	91,308	380,252	380,252	
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	50,000	(16,679)	33,321	33,321	
Misc. Purchased Serv. - Transportation	127,056	(14,759)	112,297	112,247	50
General Supplies	149,726	(9,983)	139,743	134,447	5,296
Transportation Supplies	17,200	(11,424)	5,776	5,776	
Other Objects	12,900	(4,539)	8,361	7,505	856
Total Undist. Expend.-Student Trans. Serv.	5,932,976	44,408	5,977,384	5,928,573	48,811

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 2,500	\$ (401)	\$ 2,099	\$ 2,099	
Social Security Contributions	1,463,656	644,336	2,107,992	1,506,016	\$ 601,976
Other Retirement Contributions - PERS	2,248,941	(208,346)	2,040,595	2,015,494	25,101
Other Retirement Contributions - Regular		28,869	28,869	28,869	
Workers Compensation	496,453	(38,280)	458,173	436,522	21,651
Health Benefits	14,445,751	(766,459)	13,679,292	13,326,725	352,567
Tuition Reimbursement	118,153	(26,726)	91,427	58,900	32,527
Other Employee Benefits	625,000	(265,200)	359,800	359,800	
Unused Sick Payment to Terminated/Retired Staff	300,000	(228,150)	71,850	71,850	
TOTAL UNALLOCATED BENEFITS	19,700,454	(860,357)	18,840,097	17,806,275	1,033,822
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				4,080,265	(4,080,265)
TPAF Pension Contributions (Non-Budgeted)				13,793,049	(13,793,049)
TPAF Non-Contributory Insurance (Non-Budgeted)				170,859	(170,859)
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,793	(5,793)
Reimbursed TPAF Social Security Contributions				3,077,918	(3,077,918)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				21,127,884	(21,127,884)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	19,700,454	(860,357)	18,840,097	38,934,159	(20,094,062)
TOTAL UNDISTRIBUTED EXPENDITURES	56,421,379	589,748	57,011,127	75,997,410	(18,986,283)
TOTAL GENERAL CURRENT EXPENSE	100,515,840	(116,379)	100,399,461	118,366,092	(17,966,631)

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ 6,965		\$ 6,965	\$ 6,965	
Vocational Programs:					
School-Sponsored and Other Instructional Programs	\$ 13,000	(9,908)	3,092	3,092	
Undistributed:					
Undistributed Expenditures - Instruction	7,855	(7,855)			
Undist. Expend. Support Serv. Child Study Teams	2,000	(2,000)			
Undist. Expend. - Required Maint for School Fac.		12,000	12,000	12,000	
Undist. Expend.-Student Trans.- Non-Inst. Equip.		112,148	112,148		\$ 112,148
School Buses - Regular	100,993	213,070	314,063	314,062	1
Total Equipment	123,848	324,420	448,268	336,119	112,149
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	239,765		239,765	239,765	
Total Facilities Acquisition and Const. Serv.	239,765		239,765	239,765	
TOTAL CAPITAL OUTLAY	363,613	324,420	688,033	575,884	112,149

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools	\$ 8,116,712	\$ (208,041)	\$ 7,908,671	\$ 7,908,671	
TOTAL EXPENDITURES	108,996,165		108,996,165	126,850,647	\$ (17,854,482)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(3,916,239)		(3,916,239)	(1,116,666)	2,799,573
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - Interest Earnings	(78,650)		(78,650)	962,466	962,466
Transfer to Special Revenue Fund - PreK - Inclusion	(78,650)		(78,650)	(78,650)	
Total Other Financing Sources/(Uses)	(157,300)		(157,300)	883,816	962,466
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,994,889)		(3,994,889)	(232,850)	3,762,039
Fund Balance, July 1	14,331,104		14,331,104	14,331,104	
Fund Balance, June 30	<u>\$ 10,336,215</u>	<u>\$ -0-</u>	<u>\$ 10,336,215</u>	<u>\$ 14,098,254</u>	<u>\$ 3,762,039</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 2,695,848	
Excess Surplus - Restricted For 2025-2026				3,893,695	
Capital Reserve				2,961,159	
Maintenance Reserve				785,384	
Unemployment Compensation				704,920	
Assigned Fund Balance:					
Year End Encumbrances				843,923	
Unassigned Fund Balance				2,213,325	
				<u>14,098,254</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(509,154)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 13,589,100</u>	

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 1,737,425	\$ 1,737,425	\$ 1,737,425	
State Sources	\$ 4,130,922	931,169	5,062,091	4,951,909	\$ (110,182)
Federal Sources	1,573,392	1,662,949	3,236,341	1,626,896	(1,609,445)
Total Revenues	5,704,314	4,331,543	10,035,857	8,316,230	(1,719,627)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	78,650		78,650	78,650	
Total Revenues and Other Financing Sources	5,782,964	4,331,543	10,114,507	8,394,880	(1,719,627)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	458,804	561,735	1,020,539	849,629	170,910
Purchased Professional - Educational Services	42,470	276,079	318,549	296,791	21,758
Tuition	900,000	52,182	952,182	952,182	
General Supplies	190,873	358,691	549,564	150,459	399,105
Textbooks	112,479	1,008	113,487	110,623	2,864
Other Objects	95,337	95,242	190,579	104,494	86,085
Total Instruction	1,799,963	1,344,937	3,144,900	2,464,178	680,722
Support Services:					
Salaries	110,713	277,175	387,888	205,194	182,694
Salaries of Supervisors of Instruction	135,000	(5,000)	130,000	130,000	
Salaries of Program Directors	52,534	(18,658)	33,876	33,876	
Salaries of Other Professional Staff	32,602	7,622	40,224	40,223	1
Other Salaries	18,121	8,644	26,765	22,805	3,960
Salaries of Community Parent Involvement Spec.	29,640	(9,640)	20,000	19,000	1,000
Salaries of Master Teachers	131,275	(24,739)	106,536	106,536	
Personal Services - Employee Benefits	399,830	142,104	541,934	277,337	264,597
Purchased Educational Services - Contracted Pre-K	1,865,065	51,275	1,916,340	1,905,722	10,618
Purchased Professional - Educational Services	360,725	656,172	1,016,897	701,744	315,153
Other Purchased Services	401,734	(141,213)	260,521	196,691	63,830
Supplies and Materials	7,000	78,588	85,588	30,334	55,254
Other Objects	438,762	297,668	736,430	461,105	275,325
Student Activities		1,066,608	1,066,608	1,066,608	
Total Support Services	3,983,001	2,386,606	6,369,607	5,197,175	1,172,432
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		600,000	600,000	600,000	
Total Facilities Acquisition and Construction Services		600,000	600,000	600,000	
Total Expenditures	\$ 5,782,964	\$ 4,331,543	\$ 10,114,507	\$ 8,261,353	\$ 1,853,154
Excess (Deficiency) of Revenues and					
Other Financing Sources Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 133,527	\$ 133,527

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 125,733,981	\$ 8,316,230
Differences - 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		635,414
Prior Year Encumbrances Canceled		(13,500)
Current Year Encumbrances		(662,887)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	426,695	187,411
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(509,154)</u>	<u>(263,575)</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u><u>\$ 125,651,522</u></u>	 <u><u>\$ 8,199,093</u></u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 126,850,647	\$ 8,261,353
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		635,414
Prior Year Encumbrances Canceled		(13,500)
Current Year Encumbrances		(662,887)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u><u>\$ 126,850,647</u></u>	 <u><u>\$ 8,220,380</u></u>

PRINCETON PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025

	Elementary and Secondary Education Act				
	Title I	Title II - Part A	Title III	Title III Immigrant	Title IV
REVENUES					
Local Sources					
State Sources					
Federal Sources	\$ 119,990	\$ 66,801	\$ 35,200	\$ 25,834	\$ 7,207
Total Revenues	119,990	66,801	35,200	25,834	7,207
Other Financing Sources:					
Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	119,990	66,801	35,200	25,834	7,207
EXPENDITURES					
Instruction:					
Salaries of Teachers	94,908		29,614	6,259	
Purchased Professional - Educational Services					6,100
Tuition					
General Supplies	15,611		893	739	1,107
Textbooks					
Other Objects					
Total Instruction	110,519		30,507	6,998	7,207
Support Services:					
Salaries	1,335	15,741			
Salaries of Supervisors of Instruction					
Salaries of Program Directors					
Salaries of Other Professional Staff					
Other Salaries					
Salaries of Community Parent Involvement Spec.					
Salaries of Master Teachers					
Personal Services - Employee Benefits	6,210		2,201	479	
Purchased Educational Services - Contracted Pre-K					
Purchased Professional - Educational Services		38,908		18,357	
Other Purchased Services		6,585			
Supplies and Materials	1,926	4,167	2,492		
Other Objects		1,400			
Student Activities					
Total Support Services	9,471	66,801	4,693	18,836	
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 119,990	\$ 66,801	\$ 35,200	\$ 25,834	\$ 7,207

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	<u>I.D.E.A.</u>		<u>Student</u>	<u>Scholarships</u>	<u>NJ DCA</u>
	<u>Basic</u>	<u>Preschool</u>	<u>Activities</u>		<u>Local</u>
					<u>Improvement</u>
					<u>Grant</u>
REVENUES					
Local Sources			\$ 1,199,808	\$ 327	
State Sources					\$ 90,106
Federal Sources	\$ 1,295,247	\$ 36,551			
Total Revenues	<u>1,295,247</u>	<u>36,551</u>	<u>1,199,808</u>	<u>327</u>	<u>90,106</u>
Other Financing Sources:					
Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	<u>1,295,247</u>	<u>36,551</u>	<u>1,199,808</u>	<u>327</u>	<u>90,106</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	10,204				
Purchased Professional - Educational Services					
Tuition	915,631	36,551			
General Supplies					
Textbooks					
Other Objects					
Total Instruction	<u>925,835</u>	<u>36,551</u>			
Support Services:					
Salaries	92,117				
Salaries of Supervisors of Instruction					
Salaries of Program Directors					
Salaries of Other Professional Staff					
Other Salaries					
Salaries of Community Parent Involvement Spec.					
Salaries of Master Teachers					
Personal Services - Employee Benefits					
Purchased Educational Services - Contracted Pre-K					
Purchased Professional - Educational Services	277,295				
Other Purchased Services					90,106
Supplies and Materials					
Other Objects					
Student Activities			1,066,608		
Total Support Services	<u>369,412</u>		<u>1,066,608</u>		<u>90,106</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>\$ 1,295,247</u>	<u>\$ 36,551</u>	<u>\$ 1,066,608</u>	<u>\$ - 0 -</u>	<u>\$ 90,106</u>

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	ARP			ARP
	Evidence Based Comprehensive Beyond the School Day	NJ BPU Clean Fleet Grant Program	Climate Change Education and Resilience	GEER High Impact Tutoring
REVENUES				
Local Sources				
State Sources		\$ 100,000	\$ 52,241	
Federal Sources	\$ 19			\$ 40,047
Total Revenues	19	100,000	52,241	40,047
Other Financing Sources:				
Transfer In - Board Contribution - General Fund				
Total Revenues and Other Financing Sources	19	100,000	52,241	40,047
EXPENDITURES				
Instruction:				
Salaries of Teachers			17,757	37,201
Purchased Professional - Educational Services				
Tuition				
General Supplies	19		29,356	
Textbooks				
Other Objects				
Total Instruction	19		47,113	37,201
Support Services:				
Salaries			4,290	
Salaries of Supervisors of Instruction				
Salaries of Program Directors				
Salaries of Other Professional Staff				
Other Salaries				
Salaries of Community Parent Involvement Spec.				
Salaries of Master Teachers				
Personal Services - Employee Benefits			838	2,846
Purchased Educational Services - Contracted Pre-K				
Purchased Professional - Educational Services				
Other Purchased Services		100,000		
Supplies and Materials				
Other Objects				
Student Activities				
Total Support Services		100,000	5,128	2,846
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 19	\$ 100,000	\$ 52,241	\$ 40,047

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	Nonpublic			
	Textbooks	Nursing	Technology Initiative	Security Aid
REVENUES				
Local Sources				
State Sources	\$ 110,623	\$ 319,670	\$ 104,188	\$ 459,705
Federal Sources				
Total Revenues	<u>110,623</u>	<u>319,670</u>	<u>104,188</u>	<u>459,705</u>
Other Financing Sources:				
Transfer In - Board Contribution - General Fund				
Total Revenues and Other Financing Sources	<u>110,623</u>	<u>319,670</u>	<u>104,188</u>	<u>459,705</u>
EXPENDITURES				
Instruction:				
Salaries of Teachers				
Purchased Professional - Educational Services				
Tuition				
General Supplies				
Textbooks	110,623			
Other Objects			104,188	
Total Instruction	<u>110,623</u>		<u>104,188</u>	
Support Services:				
Salaries				
Salaries of Supervisors of Instruction				
Salaries of Program Directors				
Salaries of Other Professional Staff				
Other Salaries				
Salaries of Community Parent Involvement Spec.				
Salaries of Master Teachers				
Personal Services - Employee Benefits				
Purchased Educational Services - Contracted Pre-K				
Purchased Professional - Educational Services		319,670		
Other Purchased Services				
Supplies and Materials				
Other Objects				459,705
Student Activities				
Total Support Services		<u>319,670</u>		<u>459,705</u>
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	<u>\$ 110,623</u>	<u>\$ 319,670</u>	<u>\$ 104,188</u>	<u>\$ 459,705</u>

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	Nonpublic Auxiliary Services		
	Compensatory Education	Home Instruction	ESL
REVENUES			
Local Sources			
State Sources	\$ 25,922	\$ 5,507	\$ 2,649
Federal Sources			
Total Revenues	<u>25,922</u>	<u>5,507</u>	<u>2,649</u>
Other Financing Sources:			
Transfer In - Board Contribution - General Fund			
Total Revenues and Other Financing Sources	<u>25,922</u>	<u>5,507</u>	<u>2,649</u>
EXPENDITURES			
Instruction:			
Salaries of Teachers			
Purchased Professional - Educational Services	25,922	5,507	2,649
Tuition			
General Supplies			
Textbooks			
Other Objects			
Total Instruction	<u>25,922</u>	<u>5,507</u>	<u>2,649</u>
Support Services:			
Salaries			
Salaries of Supervisors of Instruction			
Salaries of Program Directors			
Salaries of Other Professional Staff			
Other Salaries			
Salaries of Community Parent Involvement Spec.			
Salaries of Master Teachers			
Personal Services - Employee Benefits			
Purchased Educational Services - Contracted Pre-K			
Purchased Professional - Educational Services			
Other Purchased Services			
Supplies and Materials			
Other Objects			
Student Activities			
Total Support Services			
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment			
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 25,922</u>	<u>\$ 5,507</u>	<u>\$ 2,649</u>

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	<u>Nonpublic Handicapped Services</u>		
	<u>Examination & Classification</u>	<u>Supplementary Instruction</u>	<u>Corrective Speech</u>
REVENUES			
Local Sources			
State Sources	\$ 47,014	\$ 30,562	\$ 32,736
Federal Sources			
Total Revenues	<u>47,014</u>	<u>30,562</u>	<u>32,736</u>
Other Financing Sources:			
Transfer In - Board Contribution - General Fund			
Total Revenues and Other Financing Sources	<u>47,014</u>	<u>30,562</u>	<u>32,736</u>
EXPENDITURES			
Instruction:			
Salaries of Teachers			
Purchased Professional - Educational Services		30,562	32,736
Purchased Professional - Technical Services			
Tuition			
General Supplies			
Textbooks			
Other Objects			
Total Instruction		<u>30,562</u>	<u>32,736</u>
Support Services:			
Salaries			
Salaries of Supervisors of Instruction			
Salaries of Program Directors			
Salaries of Other Professional Staff			
Other Salaries			
Salaries of Community Parent Involvement Spec.			
Salaries of Master Teachers			
Personal Services - Employee Benefits			
Purchased Educational Services - Contracted Pre-K			
Purchased Professional - Educational Services	47,014		
Other Purchased Services			
Supplies and Materials			
Other Objects			
Student Activities			
Total Support Services	<u>47,014</u>		
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment			
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 47,014</u>	<u>\$ 30,562</u>	<u>\$ 32,736</u>

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	NJ DEP Electric School Bus Program	Preschool Education Aid	Private Donations	Total
REVENUES				
Local Sources			\$ 537,290	\$ 1,737,425
State Sources	\$ 600,000	\$ 2,970,986		4,951,909
Federal Sources				1,626,896
Total Revenues	600,000	2,970,986	537,290	8,316,230
Other Financing Sources:				
Transfer In - Board Contribution - General Fund		78,650		78,650
Total Revenues and Other Financing Sources	600,000	3,049,636	537,290	8,394,880
EXPENDITURES				
Instruction:				
Salaries of Teachers		430,467	223,219	849,629
Purchased Professional - Educational Services			193,315	296,791
Tuition				952,182
General Supplies		102,734		150,459
Textbooks				110,623
Other Objects			306	104,494
Total Instruction		533,201	416,840	2,464,178
Support Services:				
Salaries			91,711	205,194
Salaries of Supervisors of Instruction		130,000		130,000
Salaries of Program Directors		33,876		33,876
Salaries of Other Professional Staff		40,223		40,223
Other Salaries		22,805		22,805
Salaries of Community Parent Involvement Spec.		19,000		19,000
Salaries of Master Teachers		106,536		106,536
Personal Services - Employee Benefits		252,220	12,543	277,337
Purchased Educational Services - Contracted Pre-K		1,905,722		1,905,722
Purchased Professional - Educational Services			500	701,744
Other Purchased Services				196,691
Supplies and Materials		6,053	15,696	30,334
Other Objects				461,105
Student Activities				1,066,608
Total Support Services		2,516,435	120,450	5,197,175
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment	600,000			600,000
Total Facilities Acquisition and Construction Services	600,000			600,000
Total Expenditures	\$ 600,000	\$ 3,049,636	\$ 537,290	\$ 8,261,353

PRINCETON PUBLIC SCHOOLS
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 442,696	\$ 430,467	\$ 12,229
General Supplies	118,670	102,734	15,936
Total Instruction	561,366	533,201	28,165
Support Services:			
Salaries of Supervisors of Instruction	130,000	130,000	
Salaries of Program Directors	33,876	33,876	
Salaries of Other Professional Staff	40,224	40,223	1
Other Salaries	26,765	22,805	3,960
Salaries of Community Parent Involvement Spec.	20,000	19,000	1,000
Salaries of Master Teachers	106,536	106,536	
Personal Services – Employee Benefits	314,833	252,220	62,613
Purchased Educational Services - Contracted Pre-K	1,916,340	1,905,722	10,618
Travel	2,878		2,878
Supplies and Materials	7,000	6,053	947
Total Support Services	2,598,452	2,516,435	82,017
Total Expenditures	\$ 3,159,818	\$ 3,049,636	\$ 110,182
		State Grant Expenditures \$ 2,970,986	
		Local Expenditures 78,650	
		<u>\$ 3,049,636</u>	

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	\$ 3,015,865
Actual Preschool Expansion Aid Carryover (June 30, 2024)	46,894
Add: Budgeted Transfer from General Fund 2024-25	78,650
Total Preschool Education Aid Funds Available for 2024-25	3,141,409
Less: 2024-2025 Budgeted Preschool Education Expansion Aid Funds	(3,159,818)
Available & Unbudgeted Preschool Education Expansion Aid Funds as of June 30, 2025	(18,409)
Add: June 30, 2025 Unexpended Preschool Education Aid	110,182
Carryover - Preschool Education Aid	<u>\$ 91,773</u>
Available for Budgeting for Preschool Programs - State Portion	<u>\$ 80,049</u>
State Funding Deduction of 25% of Carryover Funds	<u>\$ 11,724</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, 2025

Revenue and Other Financing Sources:	
Bond Proceeds	\$ 89,120,000
Interest Revenue	1,114,466
	<hr/>
Total Revenue and Other Financing Sources	90,234,466
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	3,169,136
Construction Services	11,840,766
Transfers Out:	
General Fund - Interest Earned	962,466
	<hr/>
Total Expenditures and Other Financing Uses	15,972,368
	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	74,262,098
	<hr/>
Fund Balance - Beginning	20,506,997
	<hr/>
Fund Balance - Ending	\$ 94,769,095
	<hr/> <hr/>
Recapitulation:	
Assigned - Arbitrage Rebate Payable	\$ 257,000
Restricted Fund Balance	87,209,490
Restricted Fund Balance - Year-End Encumbrances	7,302,605
	<hr/>
	\$ 94,769,095
	<hr/> <hr/>

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2025 BOND REFERENDUM CAPITAL PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:			
Bond Proceeds	<u>\$ 89,120,000</u>	<u>\$ 89,120,000</u>	<u>\$ 89,120,000</u>
Total Revenue and Other Financing Sources	<u>89,120,000</u>	<u>89,120,000</u>	<u>89,120,000</u>
Expenditures:			
Purchased Professional and Technical Services	2,263,151	2,263,151	9,088,934
Construction Services			79,136,630
Equipment			<u>894,436</u>
Total Expenditures	<u>2,263,151</u>	<u>2,263,151</u>	<u>89,120,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 86,856,849</u>	<u>\$ 86,856,849</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Bond Authorization Date	10/29/24
Bonds Authorized	\$ 89,120,000
Bonds Issued	\$ 89,120,000
Original Authorized Cost	\$ 89,120,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 89,120,000
Change Order Percentage	0.00%
Percentage Completion	2.54%
Original Target Completion Date	06/30/27

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, 2025

	<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	1,435,361	\$ 280,052	1,715,413	1,585,998
Construction Services	6,000,460	6,393,264	12,393,724	15,865,002
Total Expenditures	7,435,821	6,673,316	14,109,137	17,451,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 10,015,179	\$ (6,673,316)	\$ 3,341,863	\$ - 0 -

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	80.85%
Original Target Completion Date	06/30/24
Revised Target Completion Date	06/30/26

PRINCETON PUBLIC SCHOOLS
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2023 BOND REFERENDUM PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 12,998,000		\$ 12,998,000	\$ 12,998,000
Total Revenue and Other Financing Sources	12,998,000		12,998,000	12,998,000
Expenditures:				
Purchased Professional and Technical Services	638,630	\$ 625,933	1,264,563	1,100,000
Construction Services	1,972,552	5,447,502	7,420,054	11,898,000
Total Expenditures	2,611,182	6,073,435	8,684,617	12,998,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 10,386,818	\$ (6,073,435)	\$ 4,313,383	\$ - 0 -

Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Bond Authorization Date	11/7/2023
Bonds Authorized	\$ 12,998,000
Bonds Issued	\$ 12,998,000
Original Authorized Cost	\$ 12,998,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 12,998,000
Change Order Percentage	0.00%
Percentage Completion	66.82%
Original Target Completion Date	06/30/25
Revised Target Completion Date	06/30/26

PROPRIETARY FUNDS

PRINCETON PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 257,312
Interfund Receivable - General Fund	94,800
Intergovernmental Accounts Receivable:	
State	1,825
Federal	26,574
Other Accounts Receivable	201,456
Inventories	15,760

Total Current Assets	<u>597,727</u>
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Non-Current Assets:

Capital Assets:

Buildings and Building Improvements	188,109
Machinery and Equipment	1,036,695
Less: Accumulated Depreciation	<u>(921,691)</u>

Total Non-Current Assets	<u>303,113</u>
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Total Assets	<u>900,840</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	45,826
Unearned Revenue:	
Prepaid Meals	178,040
Donated Commodities	425

Total Liabilities	<u>224,291</u>
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NET POSITION:

Investment in Capital Assets	303,113
Unrestricted	<u>373,436</u>

Total Net Position	<u>\$ 676,549</u>
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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, 2025

Operating Revenue:	
Local Sources:	
Daily Sales:	
Reimbursable Programs	\$ 565,747
Non-Reimbursable Programs	722,098
Miscellaneous Revenue	21,141
	<hr/>
Total Operating Revenue	1,308,986
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	380,854
Non-Reimbursable Programs	500,339
Salaries	633,377
Benefits and Payroll Taxes	184,139
Supplies, Insurance and Other Costs	115,442
Management Fee	94,115
Miscellaneous Expenses	60,690
Depreciation Expense	25,687
	<hr/>
Total Operating Expenses	1,994,643
Operating Loss	(685,657)
Non-Operating Income:	
Local Sources:	
Interest Income	15,902
State Sources:	
School Breakfast Program	675
School Lunch Program	15,937
State Extended Income Eligibility - Breakfast	1,580
State Extended Income Eligibility - Lunch	9,676
Summer Electronic Benefit Transfer	321
Federal Sources:	
School Breakfast Program	40,941
National School Lunch Program	338,936
Food Distribution Program	98,062
COVID 19 - Supply Chain Assistance	113,883
Summer Electronic Benefit Transfer	322
Local Food for Schools Cooperative Program	1,089
	<hr/>
Total Non-Operating Income	637,324
Change in Net Position	(48,333)
Net Position - Beginning of Year	724,882
Net Position - End of Year	<u>\$ 676,549</u>

PRINCETON PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,288,088
Payments to Food Service Contractor	(1,895,386)
Payments to Suppliers	(48,951)
Net Cash Used for Operating Activities	<u>(656,249)</u>
Cash Flows from Investing Activities:	
Interest Income	15,902
Net Cash Provided by Investing Activities	<u>15,902</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(31,486)
Net Cash Used for Capital and Related Financing Activities	<u>(31,486)</u>
Cash Flows from Noncapital Financing Activities:	
Interfund Advanced - General Fund	136,462
State Sources	23,280
Federal Sources	399,347
Net Cash Provided by Noncapital Financing Activities	<u>559,089</u>
Net Decrease in Cash and Cash Equivalents	(112,744)
Cash and Cash Equivalents, July 1	<u>370,056</u>
Cash and Cash Equivalents, June 30	<u>\$ 257,312</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (685,657)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	25,687
Food Distribution Program	98,062
Changes in Assets and Liabilities:	
Increase in Unearned Revenue - Prepaid Meals	106,121
(Decrease) in Unearned Revenue - Donated Commodities	(4,591)
(Decrease) in Accounts Payable	(92,676)
(Increase) in Accounts Receivable	(127,019)
Decrease in Inventory	23,824
Net Cash Used for Operating Activities	<u>\$ (656,249)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$93,471 and utilized U.S.D.A. Commodities valued at \$98,062.

**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, 2025
			Outstanding		Interest Rate	Balance July 1, 2024	Issued		
			Date	June 30, 2025 Amount					
School Bonds	1/9/2019	\$ 26,928,000	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%		\$ 23,225,000	\$ 1,350,000	\$ 21,875,000	
School Bonds	3/30/2022	17,451,000	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%					

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Retired/ Matured	Balance June 30, 2025
			Outstanding		Interest Rate	Balance July 1, 2024		
			Date	June 30, 2025 Amount				
School Bonds	3/30/2022	\$ 17,451,000	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%	\$ 13,550,000	\$ 12,050,000	
School Bonds	12/28/2023	12,998,000	1/15/2026	895,000	1.000%			
			1/15/2027	925,000	1.000%			
			1/15/2028	955,000	2.000%			
			1/15/2029	990,000	3.000%			
			1/15/2030	1,025,000	3.000%			
			1/15/2031	1,060,000	3.000%			
			1/15/2032	1,095,000	3.000%			
			1/15/2033	1,100,000	3.000%			
			1/15/2034	1,100,000	3.000%			
			1/15/2035	1,100,000	4.000%			
School Bonds			1/15/2036	1,100,000	4.000%			
			1/15/2037	1,100,000	4.000%	12,998,000	12,445,000	
School Bonds	4/8/2025	89,120,000	1/15/2026	2,000,000	4.000%			
			1/15/2027	2,880,000	4.000%			
			1/15/2028	2,205,000	4.000%			
			1/15/2029	2,260,000	4.000%			

PRINCETON PUBLIC SCHOOLS
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Retired/ Matured	Balance June 30, 2025
			Outstanding						
			Date	June 30, 2025	Interest Rate	Balance July 1, 2024	Issued		
School Bonds	4/8/2025	\$ 89,120,000	1/15/2030	\$ 2,325,000	4.000%				
			1/15/2031	2,430,000	4.000%				
			1/15/2032	2,545,000	4.000%				
			1/15/2033	2,685,000	4.000%				
			1/15/2034	2,835,000	4.000%				
			1/15/2035	2,990,000	4.000%				
			1/15/2036	3,160,000	4.000%				
			1/15/2037	3,335,000	4.000%				
			1/15/2038	3,255,000	4.000%				
			1/15/2039	3,375,000	4.000%				
			1/15/2040	3,505,000	4.000%				
			1/15/2041	3,640,000	4.000%				
			1/15/2042	3,775,000	4.000%				
			1/15/2043	3,920,000	4.000%				
			1/15/2044	4,000,000	4.000%				
			1/15/2045	4,000,000	4.000%				
			1/15/2046	4,000,000	4.000%				
			1/15/2047	4,000,000	4.000%				
			1/15/2048	4,000,000	4.000%				
			1/15/2049	4,000,000	4.000%				
			1/15/2050	4,000,000	4.000%				
			1/15/2051	4,000,000	4.125%				
			1/15/2052	4,000,000	4.125%				
							\$ 89,120,000	\$ 89,120,000	
							\$ 49,773,000	\$ 89,120,000	
							\$ 3,403,000	\$ 135,490,000	

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2024</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2025</u>
Various Equipment	0.77%	\$ 3,240,000	\$ 548,805	\$ 548,805	
Various Equipment	3.71%	1,375,000	<u>826,281</u>	<u>265,457</u>	<u>\$ 560,824</u>
			<u>\$ 1,375,086</u>	<u>\$ 814,262</u>	<u>\$ 560,824</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, 2024</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2025</u>
Canon Copiers	3.40%	\$ 311,339	\$ 263,049	\$ 59,781	\$ 203,268
Canon Copiers	3.30%	167,012	<u>53,023</u>	<u>35,057</u>	<u>17,966</u>
			<u>\$ 316,072</u>	<u>\$ 94,838</u>	<u>\$ 221,234</u>

PRINCETON PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,134,187		\$ 3,134,187	\$ 3,134,187	
State Sources:					
Debt Service Aid	1,500,675		1,500,675	1,500,675	
Total Revenues	4,634,862		4,634,862	4,634,862	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,414,538		1,414,538	1,414,537	\$ 1
Redemption of Principal	3,403,000		3,403,000	3,403,000	
Total Regular Debt Service	4,817,538		4,817,538	4,817,537	1
Total Expenditures	4,817,538		4,817,538	4,817,537	1
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(182,676)	\$ - 0 -	(182,676)	(182,675)	1
Fund Balance, July 1	532,676		532,676	532,676	
Fund Balance, June 30	<u>\$ 350,000</u>	<u>\$ - 0 -</u>	<u>\$ 350,000</u>	<u>\$ 350,001</u>	<u>\$ 1</u>
<u>Recapitulation of Fund Balance at June 30, 2025:</u>					
Restricted for Subsequent Year's Expenditures			\$ 350,000		
Restricted Fund Balance			<u>1</u>		
			<u>\$ 350,001</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

	<u>Exhibit</u>
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
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 60,336,519	\$ 66,875,881	\$ 70,334,757	\$ 68,332,193	\$ 65,933,225	\$ 76,555,652	\$ 47,289,017	\$ 44,886,861	\$ 44,678,927	\$ 44,662,298
Special Education							14,991,718	16,127,988	17,087,272	17,644,063
Other Instruction							6,050,477	6,246,946	6,769,167	6,443,246
Support Services:										
Tuition	17,321,869	19,926,571	19,665,453	19,511,772	19,169,566	21,184,326	2,450,680	3,310,362	3,941,698	3,881,718
Student & Instruction Related Services	1,127,016	1,354,304	1,386,700	1,338,894	1,438,226	1,618,674	16,160,754	16,592,057	17,736,235	17,782,793
General Administrative Services	4,653,951	4,926,312	4,818,743	4,635,840	4,364,530	4,542,590	1,688,899	1,645,317	1,664,379	1,494,753
School Administrative Services	1,721,539	2,059,619	2,222,864	2,172,176	1,918,751	2,213,697	4,016,034	3,889,664	3,796,385	3,819,043
Central Services	169,930	191,128	1,322,921	1,050,273	958,739	1,552,398	1,890,568	1,776,550	1,873,283	2,075,598
Administration Information Technology	8,686,617	9,078,030	9,882,650	9,229,050	8,903,100	11,454,120	1,295,518	1,321,258	1,055,064	1,605,579
Plant Operations and Maintenance	3,420,892	3,794,242	4,205,926	4,559,556	4,000,703	4,447,809	4,542,987	5,386,206	6,256,389	10,798,206
Pupil Transportation	1,357,596	1,241,805	866,111	864,673	1,222,994	2,076,449	984,113	1,199,888	1,369,095	2,220,446
Interest on Long-term Liabilities							239,765	239,765	239,765	239,765
Capital Outlay							7,122,382	6,961,200	7,624,503	7,908,671
Transfer to Charter Schools										
Total Governmental Activities Expenses	103,703,336	114,193,669	120,245,746	117,856,107	114,453,981	132,249,669	118,459,019	119,369,851	123,762,685	127,468,953
Business-type Activities:										
Food Service	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208	1,773,640	1,545,463	1,672,763	1,994,643
Total Business-type Activities Expenses	965,528	1,029,485	1,103,582	1,040,449	1,025,928	807,208	1,773,640	1,545,463	1,672,763	1,994,643

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Total District Expenses	\$ 104,668,864	\$ 115,223,154	\$ 121,349,328	\$ 118,896,556	\$ 115,479,909	\$ 133,056,877	\$ 120,232,659	\$ 120,915,314	\$ 125,435,448	\$ 129,463,596
Program Revenues										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services							1,231,114	1,110,294	1,826,152	2,077,781
Instruction (Tuition)	5,376,277	5,150,332	5,228,140	5,565,909	5,405,652	5,720,335	5,152,878	5,395,363	5,252,096	5,167,949
Pupil Transportation	194,682	170,061	168,768	170,000	144,500	123,722	168,000	168,000	168,000	168,000
Operating Grants and Contributions	2,216,199	2,436,682	2,427,599	2,761,618	3,329,870	28,299,586	30,844,414	25,597,227	26,022,398	23,700,519
Capital Grants and Contributions	21,749	458,968								
Total Governmental Activities Program Revenues	7,808,907	8,216,043	7,824,507	8,497,527	8,880,022	34,143,643	37,396,406	32,270,884	33,268,646	31,114,249
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	635,162	754,998	787,213	738,705	614,450	1,222	108,013	785,931	962,447	1,308,986
Operating Grants and Contributions	300,296	312,002	323,289	321,573	440,444	915,211	2,147,407	617,031	438,880	621,422
Total Business-Type Activities Revenues	935,458	1,067,000	1,110,502	1,060,278	1,054,894	916,433	2,255,420	1,402,962	1,401,327	1,930,408
Total District Program Revenues	8,744,365	9,283,043	8,935,009	9,557,805	9,934,916	35,060,076	39,651,826	33,673,846	34,669,973	33,044,657
Net (Expense)/Revenue										
Governmental Activities	(95,894,429)	(105,977,626)	(112,421,239)	(109,358,580)	(105,573,959)	(98,106,026)	(81,062,613)	(87,098,967)	(90,494,039)	(96,354,704)
Business-Type Activities	(30,070)	37,515	6,920	19,829	28,966	109,225	481,780	(142,501)	(271,436)	(64,235)
Total District-Wide Net (Expense)/Revenue	(95,924,499)	(105,940,111)	(112,414,319)	(109,338,751)	(105,544,993)	(97,996,801)	(80,580,833)	(87,241,468)	(90,765,475)	(96,418,939)

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 68,227,892	\$ 70,148,719	\$ 73,055,295	\$ 76,246,634	\$ 78,244,587	\$ 79,613,869	\$ 80,410,007	\$ 83,016,283	\$ 86,098,310	\$ 87,966,648
Taxes Levied for Debt Service	5,184,676	5,447,926	5,512,273	5,168,761	5,754,598	6,634,882	6,324,895	3,718,619	3,151,904	3,134,187
Unrestricted Grants and Contributions	22,530,148	28,887,329	31,697,530	27,462,239	24,315,955	13,897,602	926,251	931,551	2,648,851	2,042,629
Investment Earnings	87,684	83,404	83,202	423,997	526,089	79,822	47,691	47,964	599,967	450,010
Miscellaneous Income	673,868	457,106	427,356	949,073	489,408	348,480	782,223	1,856,509	4,094,555	4,036,837
Total Governmental Activities	96,704,268	105,024,484	110,775,656	110,250,704	109,330,637	100,574,655	88,491,067	89,570,926	96,593,587	97,630,311
Business-Type Activities:										
Investment Earnings	1,502	1,731	1,978	2,165	2,445	1,207	945	1,798	23,264	15,902
Total Business-Type Activities	1,502	1,731	1,978	2,165	2,445	1,207	945	1,798	23,264	15,902
Total District-Wide	96,705,770	105,026,215	110,777,634	110,252,869	109,333,082	100,575,862	88,492,012	89,572,724	96,616,851	97,646,213
Change in Net Position										
Governmental Activities	809,839	(953,142)	(1,645,583)	892,124	3,756,678	2,468,629	7,428,454	2,471,959	6,099,548	1,275,607
Business-Type Activities	(28,568)	39,246	8,898	21,994	31,411	110,432	482,725	(140,703)	(248,172)	(48,333)
Total District	\$ 781,271	\$ (913,896)	\$ (1,636,685)	\$ 914,118	\$ 3,788,089	\$ 2,579,061	\$ 7,911,179	\$ 2,331,256	\$ 5,851,376	\$ 1,227,274

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 3,082,576	\$ 3,179,518	\$ 2,436,059	\$ 2,414,531	\$ 5,674,217	\$ 6,343,070	\$ 3,727,833	\$ 7,010,281	\$ 11,464,128	\$ 11,041,006
Assigned	2,497,562	3,147,073	3,223,468	2,636,370	3,088,774	1,463,510	2,596,553	3,066,846	732,762	843,923
Unassigned	2,227,902	2,159,598	1,708,174	3,244,594	2,604,101	5,301,615	5,730,609	2,381,414	1,707,519	1,704,171
Total General Fund	\$ 7,808,040	\$ 8,486,189	\$ 7,367,701	\$ 8,295,495	\$ 11,367,092	\$ 13,108,195	\$ 12,054,995	\$ 12,458,541	\$ 13,904,409	\$ 13,589,100
All Other Governmental Funds:										
Restricted:										
Student Activities						\$ 337,098	\$ 363,893	\$ 339,027	\$ 197,321	\$ 330,521
Scholarships						11,269	10,302	9,333	8,682	9,009
Capital Projects Fund	\$ 2,331,483	\$ 1,360,096	\$ 622,496	\$ 25,647,721	\$ 15,914,234	6,303,792	18,114,370	13,413,437	20,401,997	94,512,095
Debt Service Fund	26,702		134,683	362,964	606,701	450,316	24,876	207,552	532,676	350,001
Committed:										
Capital Projects Fund							99,278	31,915		
Assigned:										
Capital Projects Fund									105,000	257,000
Unassigned/(Deficit)	(4,950)	(4,950)	(4,950)	(4,950)	(31,362)	(106,482)	(108,402)	(105,161)	(187,411)	(263,575)
Total All Other Governmental Funds	\$ 2,353,235	\$ 1,355,146	\$ 752,229	\$ 26,005,735	\$ 16,489,573	\$ 6,995,993	\$ 18,504,317	\$ 13,896,103	\$ 21,058,265	\$ 95,195,051
Total Governmental Funds:										
Restricted	\$ 5,440,761	\$ 4,539,614	\$ 3,193,238	\$ 28,425,216	\$ 22,195,152	\$ 13,445,545	\$ 22,241,274	\$ 20,979,630	\$ 32,604,804	\$ 106,242,632
Committed							99,278	31,915		
Assigned	2,497,562	3,147,073	3,223,468	2,636,370	3,088,774	1,463,510	2,596,553	3,066,846	837,762	1,100,923
Unassigned	2,222,952	2,154,648	1,703,224	3,239,644	2,572,739	5,195,133	5,622,207	2,276,253	1,520,108	1,440,596
Total Governmental Funds	\$ 10,161,275	\$ 9,841,335	\$ 8,119,930	\$ 34,301,230	\$ 27,856,665	\$ 20,104,188	\$ 30,559,312	\$ 26,354,644	\$ 34,962,674	\$ 108,784,151

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 73,412,568	\$ 75,596,645	\$ 78,567,568	\$ 81,415,395	\$ 83,999,185	\$ 86,248,751	\$ 86,734,902	\$ 86,734,902	\$ 89,250,214	\$ 91,100,835
Tuition Charges	5,376,277	5,150,332	5,228,140	5,565,909	5,405,652	5,720,335	5,152,878	5,395,363	5,252,096	5,167,949
Interest Earnings	87,684	83,404	83,202	423,997	526,089	79,822	13,480	10,556	142,578	136,970
Miscellaneous	713,882	674,754	657,681	1,163,363	753,323	1,324,439	2,215,548	3,172,211	6,546,096	6,595,658
State Sources	13,452,835	14,882,094	16,509,223	19,569,673	20,954,833	25,643,260	29,938,202	30,359,670	34,503,352	35,093,206
Federal Sources	1,432,793	1,586,747	1,529,965	1,753,037	1,529,078	2,355,974	4,221,424	2,441,820	2,228,081	1,505,325
Total Revenues	94,476,039	97,973,976	102,575,779	109,891,374	113,168,160	121,372,581	128,276,434	128,114,522	137,922,417	139,599,943
Expenditures										
Instruction:										
Regular Instruction	37,514,063	38,166,287	40,512,992	41,757,056	40,880,589	45,858,388	31,715,575	29,384,135	31,813,498	32,082,534
Special Education Instruction							9,709,894	11,042,298	11,902,826	12,390,410
Other Instruction							3,907,256	4,240,630	4,513,671	4,449,510
Support Services:										
Tuition							2,450,680	3,310,362	3,941,698	3,881,718
Student & Instruction Related Services	10,723,379	11,510,633	10,988,212	11,738,423	11,811,470	12,839,801	10,763,488	11,515,609	12,058,514	12,435,002
General Administrative Services	785,218	925,642	942,831	939,515	1,055,497	1,129,495	1,279,165	1,327,132	1,457,206	1,135,460
School Administrative Services	2,736,859	2,695,930	2,517,971	2,595,530	2,444,746	2,462,695	2,597,875	2,627,182	2,620,376	2,656,313
Central Services	1,103,190	1,177,230	1,303,813	1,351,836	1,154,097	1,277,128	1,436,306	1,425,098	1,552,264	1,624,440
Administration Information Technology	98,495	100,957	1,180,271	922,913	843,185	942,244	997,953	1,074,776	836,551	1,302,415
Plant Operations and Maintenance	6,310,727	6,194,070	6,870,708	6,529,375	6,364,128	7,311,781	7,968,793	8,266,866	8,189,907	9,165,938
Pupil Transportation	2,837,918	2,928,654	3,296,172	3,698,554	3,214,314	3,255,572	3,838,853	4,811,404	5,492,194	5,928,573
Unallocated Benefits	21,262,303	22,696,745	25,156,558	27,504,081	29,169,845	32,489,144	35,789,570	36,813,454	38,187,561	38,934,159

PRINCETON PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenditures										
Capital Outlay	\$ 381,872	\$ 1,322,626	\$ 116,620	\$ 1,534,848	\$ 9,478,916	\$ 10,471,679	\$ 8,469,107	\$ 6,734,593	\$ 7,086,479	\$ 16,185,786
Transfer of Funds to Charter Schools	4,907,407	4,745,777	5,539,621	6,161,680	6,544,147	6,603,954	7,122,382	6,961,200	7,624,503	7,908,671
Debt Service:										
Principal	4,734,765	4,874,765	5,009,765	5,511,120	5,209,765	7,067,962	6,200,000	3,026,000	4,200,000	3,403,000
Interest and Other Charges	1,193,850	1,079,600	961,650	649,497	1,442,026	1,485,309	1,025,413	1,133,451	1,146,478	1,414,537
Total Expenditures	94,590,046	98,418,916	104,397,184	110,894,428	119,612,725	133,195,152	135,272,310	133,694,190	142,623,726	154,898,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,007)	(444,940)	(1,821,405)	(1,003,054)	(6,444,565)	(11,822,571)	(6,995,876)	(5,579,668)	(4,701,309)	(15,298,523)
Other Financing Sources (Uses)										
Bond Proceeds				26,928,000			17,451,000		12,998,000	89,120,000
Refunding Bonds Issued				12,155,000						
Premium on Bonds Issued				847,672						
Special Items		125,000	100,000	25,000						
Payment to Escrow Agent				(12,771,318)						
Leases									311,339	
Financed Purchases						3,240,000		1,375,000		
Total Other Financing Sources (Uses)	- 0 -	125,000	100,000	27,184,354	- 0 -	3,240,000	17,451,000	1,375,000	13,309,339	89,120,000
Net Change in Fund Balances	\$ (114,007)	\$ (319,940)	\$ (1,721,405)	\$ 26,181,300	\$ (6,444,565)	\$ (8,582,571)	\$ 10,455,124	\$ (4,204,668)	\$ 8,608,030	\$ 73,821,477
Debt Service as a Percentage of Noncapital Expenditures	6.72%	6.53%	6.07%	3.50%	6.43%	7.49%	6.04%	3.39%	4.11%	3.60%

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		Tuition	Rentals	Private Contributions		Other	Total
		Hazardous Routes							
2016	\$ 70,790	\$ 194,682	\$ 5,376,277	\$ 237,393	\$ 186,475	\$ 6,065,617			\$ 6,065,617
2017	72,275	170,061	5,150,332	238,380	218,726	5,849,774			5,849,774
2018	73,807	168,768	5,228,140	238,800	188,556	5,898,071			5,898,071
2019	73,011	170,000	5,565,909	270,979	670,557	6,750,456			6,750,456
2020	102,006	144,500	5,405,652	233,459	255,949	6,141,566			6,141,566
2021	60,919	123,722	5,720,335	37,981	310,499	6,253,456			6,253,456
2022	47,691	168,000	5,152,878	167,932	586,311	6,122,812			6,122,812
2023	47,964	168,000	5,395,363	258,983	\$ 1,125,000	7,307,159			7,307,159
2024	599,967	168,000	5,252,096	224,391	2,295,000	9,215,273			9,215,273
2025	450,010	168,000	5,167,949	229,998	2,386,800	8,708,330			8,708,330

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)
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
2023	88,063,500	6,020,211,400	30,664,700	264,000	721,654,600	11,759,700	239,233,752	7,111,851,652	2,785,310,900	8,273,057	7,120,124,709	1.25	9,213,659,333
2024	92,755,600	6,050,460,700	29,840,300	261,600	717,424,300	11,759,700	231,593,700	7,134,095,900	2,831,177,000	7,557,514	7,141,653,414	1.26	10,142,543,351

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	
2015	\$ 0.98	\$ 0.08	\$ 1.06	\$ 0.49	\$ 0.66	\$ 2.21
2016	1.00	0.08	1.08	0.49	0.69	2.26
2017	1.02	0.08	1.10	0.50	0.70	2.30
2018	1.04	0.08	1.12	0.50	0.71	2.33
2019	1.08	0.08	1.15	0.51	0.71	2.37
2020	1.10	0.08	1.18	0.51	0.73	2.42
2021	1.12	0.09	1.20	0.51	0.73	2.44
2022	1.15	0.05	1.20	0.52	0.71	2.43
2023	1.21	0.04	1.25	0.55	0.73	2.53
2024	1.22	0.04	1.26	0.58	0.82	2.66

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

	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Trustees of Princeton University	\$ 227,740,900	3.19%	Trustees of Princeton University	\$ 388,887,000
Palmer Residences I & II LLC/PSN	66,004,000	0.92%	PSN Partners	59,200,000
Avalon Bay	63,626,600	0.89%	Palmer Residences I LLC	33,310,000
Princeton (Edens) LLC	48,147,200	0.67%	Jasna Polna Golf Club	32,266,900
Palmer Square Limited Partners	35,310,000	0.49%	Palmer Square Limited Partners	31,500,000
Jasna Polna Golf Club	31,500,000	0.44%	Princeton (Edens) LLC	30,741,400
Institute for Advanced Study	31,410,200	0.44%	Nassau Inn Partnership	26,030,000
Copperwood Associates LLC	28,170,100	0.39%	Avalon Properties LLC	24,900,400
NILP (Nassau Inn)	26,030,333	0.36%	Institute for Advanced Study	23,069,800
Princeton Theological Seminary	22,508,500	0.32%	Princeton Theological Seminary	20,380,100
	<u>\$ 580,447,833</u>	<u>8.13%</u>		<u>\$ 670,285,600</u>
				<u>9.83%</u>

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	
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 -
2024	89,250,214	89,250,214	100.00%	- 0 -
2025	91,100,835	91,100,835	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		Financed Purchases	Bond Anticipation Notes (BANs)		Total District	Percentage of Personal Income ^a	Per Capita ^a
			Premiums			Notes				
2016	\$ 31,635,000	\$ - 0 -	\$ 1,249,622	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 32,884,622	1.74%	1,092	
2017	27,000,000	- 0 -	1,043,518	- 0 -	- 0 -	- 0 -	28,043,518	1.41%	904	
2018	22,230,000	- 0 -	837,414	- 0 -	- 0 -	- 0 -	23,067,414	1.13%	735	
2019	43,718,000	- 0 -	752,712	- 0 -	- 0 -	- 0 -	44,470,712	2.09%	1,421	
2020	38,748,000	- 0 -	496,370	- 0 -	- 0 -	- 0 -	39,244,370	1.78%	1,259	
2021	32,750,000	- 0 -	240,028	2,170,038	- 0 -	- 0 -	35,160,066	1.53%	1,139	
2022	44,001,000	- 0 -	104,356	1,633,792	- 0 -	- 0 -	45,739,148	1.90%	1,482	
2023	40,975,000	- 0 -	92,742	2,175,634	- 0 -	- 0 -	43,243,376	1.79%	1,424	
2024	49,773,000	- 0 -	85,872	1,375,086	- 0 -	- 0 -	51,233,958	2.00%	1,692	
2025	135,490,000	- 0 -	79,002	560,824	- 0 -	- 0 -	136,129,826	5.13%	4,329	

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: Princeton Public 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		
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
2024	49,773,000	- 0 -	49,773,000	0.699%	1,643
2025	135,490,000	- 0 -	135,490,000	1.897%	4,309

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.

PRINCETON PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2024
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	\$ 204,951,909	100.00%	\$ 204,951,909
County of Mercer	651,783,788	17.24%	<u>112,347,341</u>
Subtotal, Overlapping Debt			317,299,250
Princeton Public Schools Direct Debt			<u>46,370,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 363,669,250</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				
	2016	2017	2018	2019	2020
Debt Limit	\$ 299,372,689	\$ 307,724,150	\$ 317,382,257	\$ 325,866,696	\$ 336,259,411
Total Net Debt Applicable to Limit	<u>31,635,000</u>	<u>27,000,000</u>	<u>22,230,000</u>	<u>43,718,000</u>	<u>38,748,000</u>
Legal Debt Margin	<u>\$ 267,737,689</u>	<u>\$ 280,724,150</u>	<u>\$ 295,152,257</u>	<u>\$ 282,148,696</u>	<u>\$ 297,511,411</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.57%	8.77%	7.00%	13.42%	11.52%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 343,536,176	\$ 343,536,176	\$ 359,710,159	\$ 377,733,338	\$ 402,077,464
Total Net Debt Applicable to Limit	<u>32,750,000</u>	<u>44,001,000</u>	<u>40,975,000</u>	<u>49,773,000</u>	<u>135,490,000</u>
Legal Debt Margin	<u>\$ 310,786,176</u>	<u>\$ 299,535,176</u>	<u>\$ 318,735,159</u>	<u>\$ 327,960,338</u>	<u>\$ 266,587,464</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.53%	12.81%	11.39%	13.18%	33.70%

Legal Debt Margin Calculation for Fiscal Year 2025

Year Ended December 31,	Equalized Valuation Basis
2022	9,341,543,866
2023	10,086,302,159
2024	10,727,963,759
	<u>\$ 30,155,809,784</u>
Average Equalized Valuation of Taxable Property	<u>\$ 10,051,936,595</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 402,077,464
Net Bonded School Debt	<u>135,490,000</u>
Legal Debt Margin	<u>\$ 266,587,464</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>Mercer County Per Capita Personal Income ^c</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Unemployment Rate ^d</u>
2016	31,019	63,905	1,982,269,195	3.00%
2017	31,391	65,247	2,048,168,577	2.80%
2018	31,306	68,052	2,130,435,912	2.30%
2019	31,160	70,675	2,202,233,000	2.10%
2020	30,879	74,218	2,291,777,622	4.50%
2021	30,872	77,911	2,405,268,392	3.60%
2022	30,377	79,354	2,410,536,458	2.40%
2023	30,289	84,392	2,556,149,288	2.80%
2024	31,445	84,392 *	2,653,706,440	3.00%
2025	31,445 **	84,392 *	2,653,706,440 ***	N/A

* - Latest Mercer County per capita personal income available (2023) was used for calculation purposes.

** - Latest municipal population data available (2024) was used for calculation purposes.

*** - Latest Mercer County per capita personal income available (2023) and municipal population data available (2024) 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 - MERCER COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2024	2015	
Employer	Employees	Percentage of Total Employment	Employer
		Employment	Employees
		of Total	Percentage of Total Employment
Princeton University	6,729	1.29%	
Bristol-Meyers Squibb	5,500	1.05%	
Bank of America	4,000	0.77%	
Capital Health Systems	3,400	0.65%	
Education Testing Services	3,000	0.58%	
Amazon	2,500	0.48%	
Mathematical Policy Research	2,260	0.43%	
Rider University	1,842	0.35%	
NJ Manufacturers Insurance Company	1,700	0.33%	
The College of New Jersey (TCNJ)	1,558	0.30%	
	<u>32,489</u>	<u>6.23%</u>	
Total County Employment *	<u>521,596</u>		

INFORMATION IS NOT AVAILABLE

* - Employment data provided by the NJ Department of Labor and Workforce Development.

Source: Mercer County, New Jersey Website.

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

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	290	294	293	287	280	279	280	267	268	270
Special Education	54	54	56	60	59	59	63	73	74	60
Other Instruction	133	147	151	161	150	150	150	120	114	151
Support Services:										
Student & Instruction Related Services	56	69	72	75	72	72	74	118	119	95
General Administrative Services	5	5	5	5	5	5	6	5	5	6
School Administrative Services	49	49	51	50	45	45	44	61	59	56
Business Administrative Services	12	12	12	11	10	10	9	9	9	8
Plant Operations and Maintenance	72	70	76	75	79	76	75	55	55	51
Pupil Transportation	22	32	42	46	45	46	45	48	49	47
Total	693	732	758	770	745	742	746	756	752	744

Source: Princeton Public School District Personnel Records.

PRINCETON PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	<u>Pupil/Teacher Ratio</u>										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	Middle School	High School	Average Daily Enrollment (ADE) ^c				
2016	3,553	\$ 88,279,559	\$ 24,846	3.36%	344	0.05	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%	
2024	3,719	130,190,769	35,007	7.02%	338	1:10	1:10	1:11	3,770	3,566	1.27%	94.59%	
2025	3,801	133,895,143	35,226	0.63%	340	1:10	1:10	1:11	3,801	3,472	0.83%	91.34%	

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Elementary Schools										
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	378	378	378
Enrollment	320	371	380	375	409	317	285	290	294	317
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	383	383	383
Enrollment	346	388	389	374	374	336	412	422	393	387
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	333	337	371	380	408	352	387	402	384	381
Riverside School (1959)										
Square Feet	60,094	60,094	60,094	60,094	60,094	60,094	60,994	60,094	60,094	60,094
* Capacity (Students)	409	409	409	409	409	409	409	409	409	409
Enrollment	261	283	298	317	316	281	293	294	333	315
Middle School										
Princeton Middle School (1965)										
Square Feet	148,531	148,531	148,531	148,531	148,531	148,531	162,000	162,000	162,000	162,000
* Capacity (Students)	560	560	560	560	560	560	746	746	746	746
Enrollment	723	788	788	752	777	830	813	820	779	834
High School										
Princeton High School										
Square Feet	293,020	293,020	293,020	293,020	293,020	293,020	303,020	313,020	323,020	323,020
* Capacity (Students)	1,221	1,221	1,221	1,221	1,221	1,221	1,591	1,591	1,591	1,591
Enrollment	1,570	1,584	1,601	1,575	1,572	1,549	1,526	1,526	1,536	1,567
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, 2025

Elementary = 4

Middle School = 1

High School = 1

* Based on Functional Capacity in District's LRF

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

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,				
	2021	2022	2023	2024	2025
Princeton High School	\$ 1,035,406	\$ 994,815	\$ 1,036,410	\$ 892,892	\$ 1,079,308
Princeton Middle School	653,251	637,247	580,691	373,512	500,715
Community Park Elementary	241,945	170,286	180,775	157,923	196,023
Johnson Park Elementary	163,766	237,748	116,836	118,619	207,813
Littlebrook Elementary	196,851	222,838	178,963	177,996	202,497
Riverside Elementary	294,546	223,898	128,526	156,598	207,065
 Total School Facilities	 <u>\$ 2,585,765</u>	 <u>\$ 2,486,832</u>	 <u>\$ 2,222,201</u>	 <u>\$ 1,877,540</u>	 <u>\$ 2,393,421</u>

<u>School Facilities*</u>	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Princeton High School	\$ 455,054	\$ 374,250	\$ 396,099	\$ 626,349	\$ 418,501
Princeton Middle School	276,127	265,878	502,436	370,262	349,210
Community Park Elementary	136,973	135,525	123,467	139,052	131,747
Johnson Park Elementary	148,948	141,076	181,817	91,122	211,594
Littlebrook Elementary	139,448	143,672	141,697	175,456	161,029
Riverside Elementary	141,106	149,084	168,027	164,845	186,243
 Total School Facilities	 <u>\$ 1,297,656</u>	 <u>\$ 1,209,485</u>	 <u>\$ 1,513,543</u>	 <u>\$ 1,567,086</u>	 <u>\$ 1,458,324</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, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Fund (NJSIG):		
Section I - Property:		
Blanket Building and Contents	\$ 232,103,339	\$ 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	31,000,000	10,000
Section V - Crime:		
Blanket Employee Dishonesty	1,000,000	1,000
Money & Securities	100,000	1,000
Faithful Performance	1,000,000	1,000
Depositors Forgery	50,000	1,000
Workers Compensation:		
Section A	Statutory	None
Section B - Employers Liability Limit	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
Foreign Travel		
Liability Student & Adult Chaperones	1,000,000	None
Excess Liability ~ Umbrella Coverage	25,000,000	
Fidelity Bonds:		
Selective Insurance Company		
Treasurer of School Monies	450,000	
Business Administrator/Board Secretary	421,000	
Assistant Business Administrator/Board Secretary	421,000	
Comptroller	421,000	

Source: Princeton Public Schools Financial Reports.

SINGLE AUDIT SECTION



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ
973.298.8500
nisivoccia.com
Independent Member
BKR International

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, 2025, 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 25, 2025.

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 25, 2025

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ
973.298.8500
nisivoccia.com
Independent Member
BKR International

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, 2025. 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, 2025.

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 25, 2025

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, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expendi- tures	Cancellation of Prior Year Encum- brances	Balance at June 30, 2025		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:												
Special Revenue Fund:												
Passed-through State Department of Education: Elementary and Secondary Education Act:												
Title I	84.010	ESEA425525	7/1/24-9/30/25	\$ 181,057			\$ 77,543	\$ (97,298)			\$ (19,755)	
Title I	84.010	ESEA425524	7/1/23-9/30/24	172,727			35,047	(22,692)			(19,755)	
Total Title I							112,590	(119,990)			(37,435)	
Title II A	84.367	ESEA425525	7/1/24-9/30/25	79,155			29,366	(66,801)				
Title II A	84.367	ESEA425524	7/1/23-9/30/24	87,691			7,886		\$ 13,500			
Total Title II							37,252	(66,801)	13,500		(37,435)	
Title III	84.365	ESEA425525	7/1/24-9/30/25	44,745			28,527	(32,288)			(3,761)	
Title III	84.365	ESEA425524	7/1/23-9/30/24	51,384			2,912	(2,912)				
Total Title III							31,439	(35,200)			(3,761)	
Title III - Immigrant	84.365	ESEA425525	7/1/24-9/30/25	44,202			16,653	(25,712)			(9,059)	
Title III - Immigrant	84.365	ESEA425524	7/1/23-9/30/24	44,739			4,375	(122)				
Total Title III - Immigrant							21,028	(25,834)			(9,059)	
Title IV	84.424	ESEA425525	7/1/24-9/30/25	13,072			6,632	(7,207)			(575)	
Title IV	84.424	ESEA425524	7/1/23-9/30/24	19,984			5,359					
Total Title IV							11,991	(7,207)			(575)	
Special Education Cluster (IDEA):												
I.D.E.A. Part B, Basic	84.027	ESEA425525	7/1/24-9/30/25	1,373,112			1,063,019	(1,253,864)			(190,845)	
I.D.E.A. Part B, Basic	84.027	ESEA425524	7/1/23-9/30/24	1,435,482			116,365	(41,383)				
I.D.E.A. Preschool	84.173	IDEA425525	7/1/24-9/30/25	36,551			34,661	(36,551)			(1,890)	
Total Special Education Cluster (IDEA)							1,214,045	(1,331,798)			(192,735)	
Education Stabilization Fund:												
COVID 19 - ARP:												
ESSER III	84.425U	S425U240027	3/13/20-9/30/25	1,806,276			122,331					
Comprehensive Beyond School Day	84.425U	S425U240027	3/13/20-9/30/25	40,000			3,470	(19)				
COVID-19 GEER High Impact Tutoring	84.425V	S425V210027	10/11/23-8/31/24	76,000			16,950	(40,047)			(51,097)	
Total Education Stabilization Fund							142,751	(40,066)			(51,097)	
Total U.S. Department of Education							1,571,096	(1,626,896)	13,500		(314,417)	
Total Special Revenue Fund							1,571,096	(1,626,896)	13,500		(314,417)	

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Cancellation of Prior Year Encum- brances	Balance at June 30, 2025	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received		Budgetary Accounts Receivable	Budgetary Unearned Revenue
<u>U.S. Department of Health and Human Services:</u>										
<u>Medicaid Cluster:</u>										
Medicaid Assistance Program	93.778	N/A	7/1/24-6/30/25	\$ 14,230		\$ 14,230		\$ (14,230)		
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						14,230		(14,230)		
<u>U.S. Department of Agriculture:</u>										
<u>Passed-through State Department of Agriculture:</u>										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	93,471		93,471		(93,046)		\$ 425
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	74,196				(5,016)		
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	338,936		315,543		(338,936)		\$ (23,393)
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	273,828		47,932				
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	40,941		37,760		(40,941)		(3,181)
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	30,595		5,918		(89,062)		
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/23-6/30/25	89,062				(24,821)		
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/25	179,430		500,624		(591,822)		425
Total Child Nutrition Cluster						118,899		(591,822)		425
Summer Electronic Benefit Transfer (EBT)	10.646	N/A	7/1/24-6/30/25	322		322		(322)		
Local Food for Schools Cooperative Program	10.185	N/A	7/1/24-6/30/25	1,089		1,089		(1,089)		
Total U.S. Department of Agriculture						502,035		(593,233)		425
<u>U.S. Department of Treasury:</u>										
<u>Passed-through State Department of Education:</u>										
Special Revenue Fund:										
COVID 19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOEISES	7/1/24-6/30/25	69,160		69,160				
Total U.S. Department of Treasury						69,160				
Total Federal Awards						\$ 118,899		\$ (2,234,359)	\$ 13,500	\$ 425
N/A - Not Available/Applicable						\$ (395,127)		\$ (340,991)		\$ -0-

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, 2025
(Continued)

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2024			Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO
				Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	
State Department of Education (Cont'd): Special Revenue Fund Aid (Cont'd): NJ Nonpublic Aid (Cont'd): Nursing Services (Chapter 226) Nursing Services (Chapter 226) Technology Initiative Technology Initiative Security Aid Security Aid Security Aid Security Aid Security Aid Subtotal Special Revenue Fund Aid	25-100-034-5120-064 24-100-034-5120-064 25-100-034-5120-373 24-100-034-5120-373 25-100-034-5120-509 24-100-034-5120-509 23-100-034-5120-509 22-100-034-5120-509 21-100-034-5120-509	7/1/24 7/1/23 7/1/24 7/1/23 7/1/24 7/1/23 7/1/22 7/1/21 7/1/21	\$ 319,670 302,160 108,094 112,161 504,095 516,190 518,650 453,775 454,825	\$ 319,670 20,061 108,094 6,795 504,095 33,443 322 4,549 6,669	\$ 20,061 6,795 33,443 322 4,549 6,669	\$ 319,670 108,094 504,095 33,443 322 4,549 6,669	\$ (319,670) (104,188) (459,705) (33,443) (322) (4,549) (6,669)	\$ (20,061) (6,795) (33,443) (322) (4,549) (6,669)	\$ 21,510 113,503 4,149,418	\$ (113,503) (4,161,803)	\$ 91,773 (5,507)	\$ 77,115 (300,362)	\$ 319,670 282,099 104,188 105,366 459,705 482,747 518,328 449,226 448,156
Debt Service Fund: Type II Aid	25-100-034-5120-075	7/1/24	1,500,675	1,500,675			1,500,675						1,500,675
Total Debt Service Fund			1,500,675	1,500,675			1,500,675						1,500,675
Total State Department of Education			34,936,978	34,707,251	21,510	34,936,978	(34,707,251)	21,510	(113,503)	(2,248,910)	91,773	(3,052,919)	51,073,586
Special Revenue Fund: NJ DCA Local Recreation Improvement NJ DCA Local Recreation Improvement Subtotal Special Revenue Fund	N/A N/A	7/1/24 7/1/23	75,000 65,000	75,000 65,000		75,000 65,000	(75,000) (151,066)						75,000 65,000
State Department of Environmental Protection: Special Revenue Fund: Electric School Bus Grant Program	N/A	7/1/24	600,000	600,000			(600,000)					(600,000)	600,000
Total State Department of Environmental Protection			600,000	600,000			(600,000)					(600,000)	600,000
State Board of Public Utilities: Special Revenue Fund: Clean Fleet Grant Program	N/A	7/1/24	100,000	100,000			(100,000)					(100,000)	100,000
Total State Board of Public Utilities			100,000	100,000			(100,000)					(100,000)	100,000
State Department of Agriculture: Food Service Fund: State School Lunch Program State School Lunch Program State School Breakfast Program State School Breakfast Program Summer Electronic Benefit Transfer (EBT)	25-495-010-3350-001 24-495-010-3350-001 25-495-010-3350-002 24-495-010-3350-002	7/1/24 7/1/23 7/1/24 7/1/23	25,613 18,853 2,255 1,175	23,949 3,769 2,094 323	23,949 3,769 2,094 323	23,949 3,769 2,094 323	(25,613) (2,255) (321)	(1,664) (161)				(1,664) (161)	25,613 18,853 2,255 1,175
Total Food Service Fund		7/1/24	321	321		321	(321)					(1,825)	321
Total State Awards Subject to Single Audit Determination			35,107,434	35,107,434	21,510	35,107,434	(35,525,546)	21,510	(113,503)	(2,250,735)	91,773	(3,754,744)	51,961,803
Less: State Awards Not Subject to Single Audit Major Program Determination On-Behalf TPAF Pension System Contributions: On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Pension Contributions On-Behalf TPAF Non-Contributory Insurance On-Behalf TPAF Long-Term Disability Insurance Subtotal - On-Behalf TPAF Pension System Contribution	25-495-034-5094-001 25-495-034-5094-002 25-495-034-5094-004 25-495-034-5094-004	7/1/24 7/1/24 7/1/24 7/1/24	4,080,265 13,793,049 (170,859) (5,793)	\$ 4,080,265 13,793,049 170,859 5,793									4,080,265 13,793,049 170,859 5,793
Total State Awards Subject to Single Audit Major Program Determination			17,475,580	17,475,580									17,475,580

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, 2025

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, 2025. 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, 2025
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$82,459) for the General Fund and (\$117,137) for the Special Revenue Fund. 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:

	Federal	State	Total
General Fund	\$ 14,230	\$ 28,962,314	\$ 28,976,544
Special Revenue Fund	1,491,095	4,630,217	6,121,312
Debt Service Fund		1,500,675	1,500,675
Food Service Fund	593,233	28,189	621,422
Total Financial Assistance	\$ 2,098,558	\$ 35,121,395	\$ 37,219,953

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

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

PRINCETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

- | | | | |
|--|-----------|----------------------|---------------|
| 1.) Material weakness identified? | _____ Yes | _____ <u>X</u> _____ | No |
| 2.) Significant deficiencies identified? | _____ Yes | _____ <u>X</u> _____ | None reported |

Noncompliance material to basic financial statements noted?	_____ Yes	_____ <u>X</u> _____	No
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Federal Awards

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

Unmodified

Internal control over major programs:

- | | | | |
|--|-----------|----------------------|---------------|
| 1.) Material weakness identified? | _____ Yes | _____ <u>X</u> _____ | No |
| 2.) Significant deficiencies identified? | _____ Yes | _____ <u>X</u> _____ | None reported |

Noncompliance material to basic financial statements noted?	_____ Yes	_____ <u>X</u> _____	No
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X _____ No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster (IDEA):					
I.D.E.A. Part B, Basic	84.027	7/1/24	9/30/25	\$ 1,373,112	\$ 1,253,864
I.D.E.A. Part B, Basic	84.027	7/1/23	9/30/24	1,435,482	41,383
I.D.E.A. Preschool	84.173	7/1/24	9/30/25	36,551	36,551

Dollar threshold used to distinguish between Type A and B programs	\$ 750,000
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Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	Yes	_____ No
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PRINCETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

State Awards

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

Internal control over major programs:

- 1.) Material weakness identified? Yes X No
- 2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

 Yes X No

Identification of major programs:

<u>Program Name or Cluster</u>	<u>State Grant No.</u>	<u>Grant Period</u>		<u>Award Amount</u>	<u>Budgetary Expenditures</u>
		<u>Start</u>	<u>End</u>		
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/2024	6/30/2025	\$ 3,077,918	\$ 3,077,918
Debt Service Type II Aid	25-100-034-5120-075	7/1/2024	6/30/2025	1,500,675	1,500,675
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		<u> </u> X	Yes	<u> </u>	No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

PRINCETON PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.