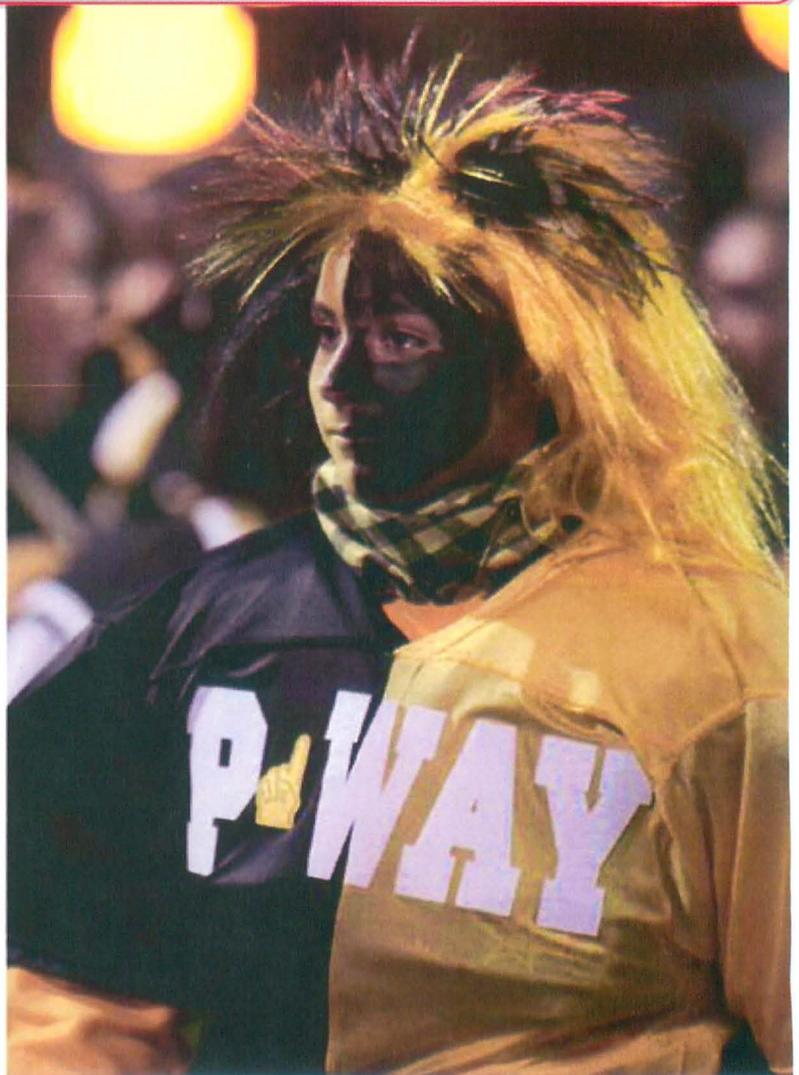


**The Piscataway Township  
Board of Education  
Middlesex County, New Jersey**

**Comprehensive Annual Financial Report**

Year Ended  
June 30, 2012



# **Piscataway Township School District**

**Piscataway, New Jersey**

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

Prepared by

Business Office

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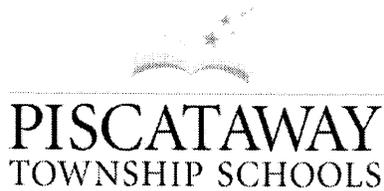
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Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Comprehensive Annual Financial Report.

# Introductory Section



**Teresa M. Rafferty**  
Interim Superintendent of Schools

**Brian P. De Lucia**  
Business Administrator/  
Board Secretary

1515 Stelton Road  
P.O. Box 1332  
Piscataway, NJ 08855-1332  
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[www.piscatawayschools.org](http://www.piscatawayschools.org)

Honorable President and  
Members of the Board of Education  
Piscataway Township School District  
County of Middlesex, New Jersey

Dear Board Members and Constituents:

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

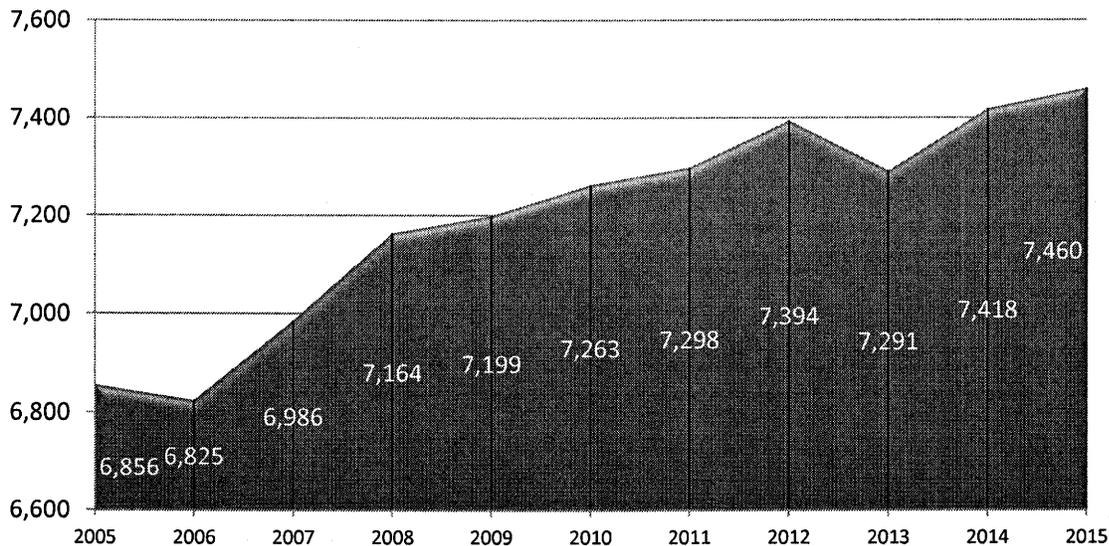
The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organization chart, a roster of officials, the list of independent auditors and advisors and the International Association of School Business Officials Certificate of Excellence in Financial Reporting and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the management's discussion and analysis (presented immediately after the report of independent auditors), basic financial statements, required supplementary information, and supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on internal control over compliance and compliance with major programs and findings and recommendations are included in the Single Audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Piscataway Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and the government-wide financial statements of the District are included in this report. The Piscataway Township 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 and vocational programs as well as special education for handicapped youngsters. The Township and School District are coterminous. The School District is an independent legal entity operating under Title 18A, Education of the New Jersey Statutes. The schools are organized on a K-3, 4-5, 6-8 and 9-12 system and include a high school built in 1957, with additions in 1965, 1973 and 2005-2007, three middle schools, and six elementary schools, all operating on a full-day schedule including kindergarten, along with a new integrated preschool. In addition, Piscataway has five private/parochial elementary schools and a County vocational and technical high school. There is also a charter school to which Piscataway sends students. Refer to Schedule J-18 for additional information about the District's school buildings.

**Enrollment**

The exhibit below illustrates enrollment projections. From the 2007-08 to the 2011-12 school year the enrollment grew from 7,164 to 7,394. That is an increase of 230 students or approximately 3.2%. The projection shows that the growth is expected to continue to 7,627 during the 2017-18 school year. That is a projected increase of 233 students or approximately 3.1%. This number could even be greater if the current economy and housing market improve during the next few years. A recent report by Money Magazine indicated that Piscataway is one of best places to live and this should further add to the population of the community.



The K-3 enrollment grew from 1,893 students in 2005 to 2,200 students in 2012. This is an increase of 307 students or approximately 16.2%. This growth can partially be attributed to the changeover from half day to full day kindergarten in 2005. The intermediate schools grew from 961 in 2005 to 1,083 in 2012. This is an increase of 122 students, or approximately 12.7%. The middle schools experienced a marginal decreased enrollment from 1,601 in 2005 to 1,599 in 2012.

The enrollment at Piscataway High School increased from 2,218 in 2005 to 2,248 in 2012. This is an increase of 30 students or less than 2%.

While many other school districts have shown enrollment declines or at the very least flat enrollments during the 2005-06 through the 2011-12 school years, Piscataway has grown, in spite of a down economy and poor housing market. It is also interesting to note that the enrollment in the elementary schools has shown the most growth which would indicate continuing growth as these students move up into the higher grades.

Projections:

One of the issues which have arisen in providing enrollment projections during the past two years has been the instability of the economy especially with regard to the housing market. In reviewing six years of history in many school districts, the first two to three years of enrollment history were still based upon the "boom" housing market, the past three years have shown the effects of the "down" housing market.

It is projected that the enrollment in the District will grow from current total enrollment of 7,394 students to 7,627 students in 2016-17. This represents a projected overall growth of 233 students or approximately 3.2%.

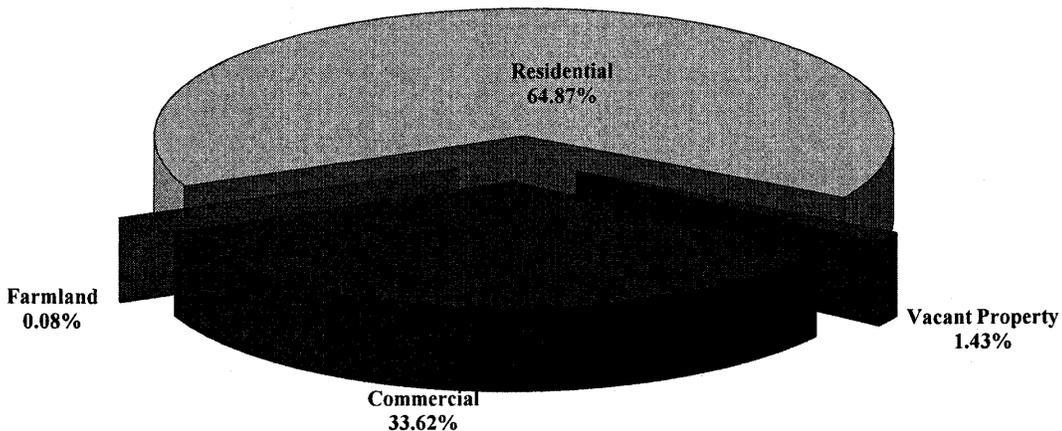
The Planning Board of the Township of Piscataway is considering approving a new 442 unit development (Lackland). The management company of the new development predicts the new additions will yield 83 students by applying a formula using state-wide data. However, the demographics of Piscataway are very different than those of the State of New Jersey as a whole. Dr. Ross Haber, a demographer retained by the Piscataway School District, predicts 160 students from the Lackland apartments based on the demographics of Piscataway. Specifically, the number of students from rental units in Piscataway divided by the number of rental units in Piscataway gives you an average student yield per rental unit. Using the most recent available data, the yield is 0.38 students per unit. In other words, every 100 rental units in Piscataway includes an average of 38 students. The proposed 422 rental units would therefore be expected to yield 160 students. If this development is approved, the District's enrollment projections will be updated accordingly.

**2) ECONOMIC CONDITION AND OUTLOOK:** Ratables were relatively stable during 2011-2012. Our bonded indebtedness is \$31,930,000 as compared to our school-borrowing margin of \$222,498,781.

Piscataway is the home of many well-known industrial concerns, research centers and computer installations comfortably spaced in attractively designed modern buildings on broad beautifully landscaped sites including the major employers listed herein.

Piscataway's ratables are classified in the 2012 Abstract of Ratables, Middlesex County Taxation Board, as follows:

Vacant Property	\$ 32,052,300
Residential	1,452,762,350
Farmland	1,752,600
Commercial	<u>752,795,400</u>
TOTAL Ratables	<u>\$ 2,239,362,650</u>



Rutgers, The State University of New Jersey, and the University of Medicine and Dentistry of New Jersey (UMDNJ), covers approximately one-eighth of the Township. These entities include the College of Engineering, School of Pharmacy, Department of Physics, Chemistry, Life Sciences, Mathematics, and Computer Science as well as The Institute of Microbiology, the Graduate School of Applied and Professional Studies, the Institute for Alcohol Studies, the School of Business and Livingston College. The Rutgers Athletic Center Complex and Rutgers Stadium are also included. UMDNJ includes the Robert Wood Johnson Medical School.

**3) LONG TERM FINANCIAL PLANNING / MAJOR INITIATIVES:** As a public school community, we are faced with unbelievable challenges. The expectation that what was once meant for a very few – an elite education capable of sending only a few to college – is now the goal for every child we teach. Couple that with the realization that we will probably never have the resources at our fingers that we once had, and the challenge to public schools is huge.

Recognizing these realities, the Piscataway Schools has undertaken a three tiered approach to meeting our goals and responsibilities. First, we will continue to move toward the most rigorous program of study we can provide so that our students are in the best competitive position as possible. To this end, we have crafted a balanced literacy initiative in the elementary schools, enhanced the middle grades math program, and begun eliminating all but college preparatory courses at the high school.

Secondly, we will continue to create support structures such as preschool, full day kindergarten, Saturday and summer academies, the freshman foundations at the high school and partnerships with colleges and universities in order to provide the supplemental aids some students need to succeed.

Finally, the linchpin of all of this is a sound financial program that will continue to search for efficiencies and maximize return on our investments. Over the last five years, we have saved over \$7 million through investment, shared services and cost containment.

This year's budget process has allowed for more thoughtful planning than the reckless scenario last year when we unexpectedly were told we lost \$5 million in state aid. However, the 2011-2012 budget process continues to boggle our minds because Piscataway remains shortchanged by the State of New Jersey. The best practices for government budgeting that Piscataway has tried to use over the last several years remain out of reach because of laws that restrict reserve accounts and governmental chicanery that usurps funds such as surplus that we should have at our disposal.

The 2011-2012 fiscal year budget is not the immediate problem. The 2011-2012 operating budget restored three guidance counselors in the K-5 schools, addressed class size at specific elementary grade levels and provided a program for gifted and talented students. The budget maintained the full athletic program in the High School and restored middle school sports. Full day kindergarten, lost in nearby Edison, remains a vital part of our early childhood goals and values. We continue to provide strong visual and performing arts. We also restored our commitment to supplemental support programs with full funding for the Saturday and Summer Academies.

As Board members are aware, the administration has long supported both multiple-year budget planning and transparent, detailed information. While state vagaries have made the first difficult, we respect the Board and public with a transparent and detailed plan of both allocation and revenue.

As we project the future, we are working with the following assumptions:

- Assumption One – Tax Levies for school districts cannot exceed 2% unless we meet very few exceptions. In essence, unless our costs, many of which are beyond our control, are kept below the levy cap, Piscataway will progressively lose programs.
- Assumption Two – Personnel – We are a human resource dependent organization. Our budget projections have placed a 2% increase on total compensation costs for all bargaining units. Our five-year projection keeps all labor costs frozen meaning that programs will be sacrificed.
- Assumption Three – Energy – We are budgeting a 3% increase. Should we move forward with our solar project, the anticipated savings for 15 years will be applied to our roof repairs. We will still need to budget an increase in overall energy.
- Assumption Four – All other expenditures, including supplies and new equipment, will be held to a 3% inflationary growth.
- Thus, our fifth assumption – revenue – assuming a 2% tax CAP, level state aid, and a dwindling reserve base, means that we expect to lose over \$700,000 in revenue in fiscal year 2013, a loss of \$1.2 million for fiscal 2014, and a loss of \$1.6 million for fiscal year 2015.

If neither the Supreme Court nor the Legislature addresses our underfunding, the Piscataway School District will see catastrophic program reductions in the next few years.

The 2011-2012 budget has been able to resurrect some lost programs and expand a few. The irony of the last several years is that low-taxing, high-achieving districts are not rewarded. At every turn, Piscataway finds itself in an awkward battle. For example, last year the State cut districts based on their overall spending. Since our budget was \$100 million, we lost \$5 million. This year, the State **restored** based on spending. By spending less, we received less. And again, the State has held back funds they owe us for previous construction bonds.

As the Board reviews this document and our budget book, be assured that the administration takes seriously our fiduciary and moral responsibility to see that education dollars are carefully spent for the well being of every child in Piscataway.

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

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

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to evaluate whether the District has complied with applicable laws and regulations relating to its major programs.

**5) BUDGETARY CONTROLS:** In addition to internal control, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. 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.

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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's financial statements are presented in conformity with 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) DEBT ADMINISTRATION:** At June 30, 2012, the District's outstanding debt issues included serial bonds in the amount of \$31,930,000 and capital leases in the amount of \$8,185,000.

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

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

**10) OTHER INFORMATION:**

*A. Independent Audit:* State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey OMB Circular 04-04, as amended. The auditors' report on the basic financial statements, required supplementary information, and 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.

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

The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2011-2012 certificate.

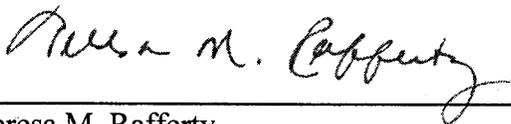
In addition, the Certificate of Achievement for Excellence in Financial Reporting has been awarded to Piscataway Township School District by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). This was the fifth year that the District has received this prestigious award. The GFOA is a nonprofit professional association serving approximately 17,000 government finance professionals with offices in Chicago IL, and Washington, D.C. This was the second year that the District has received this prestigious award.

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year 2011-2012 certificate.

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,



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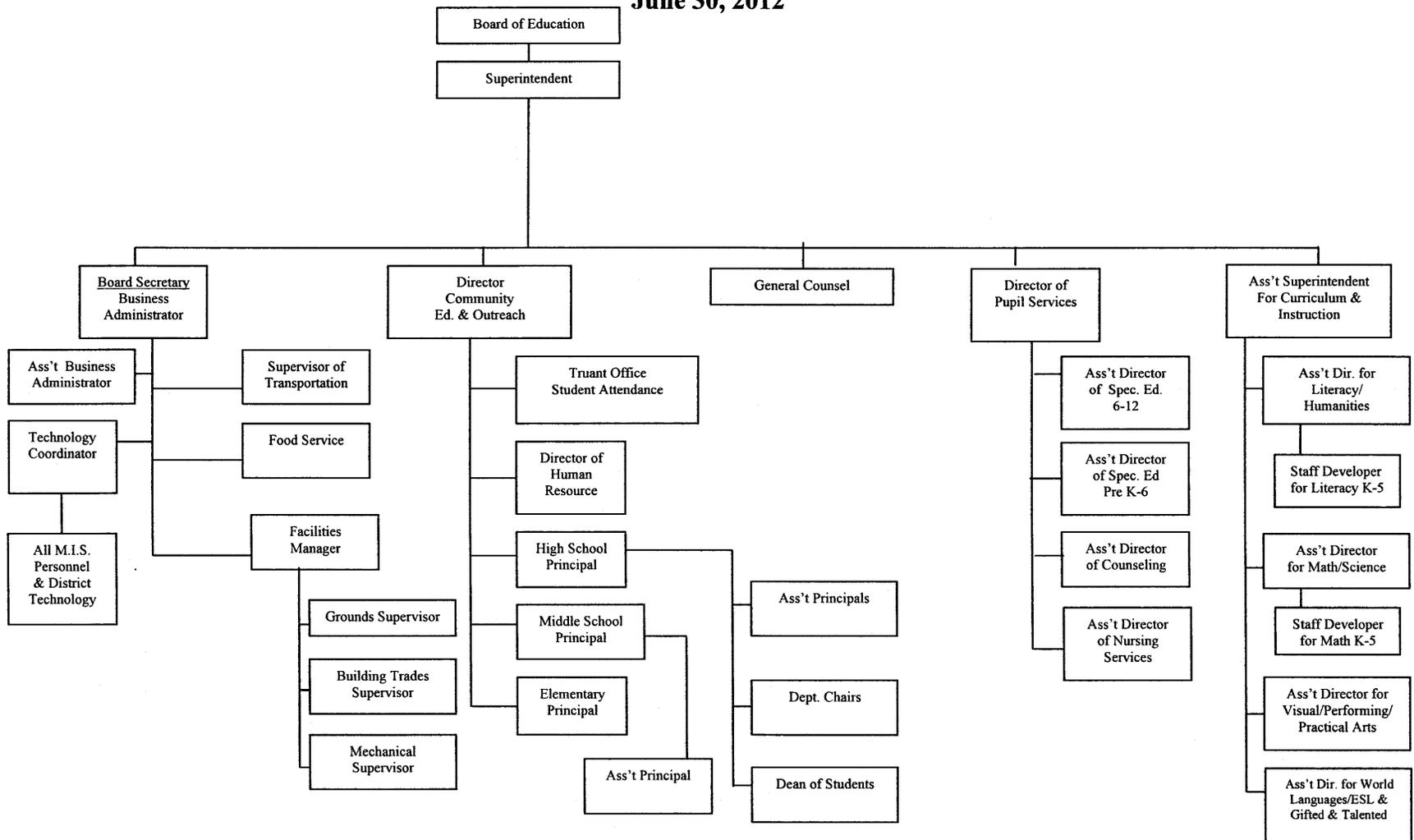
Teresa M. Rafferty  
Interim Superintendent of Schools



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Brian P. De Lucia  
Business Administrator/Board Secretary

**Piscataway Township School District  
Organization Chart  
June 30, 2012**



Piscataway Township School District  
Piscataway, New Jersey

Roster of Officials

June 30, 2012

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Paula A. Y. Maas, President	2014
Thomas Mosier, Vice President	2013
Tom Connors	2012
Catherine Sucher Greeley	2013
Margaret King	2012
Alexandra Lopez	2014
Mark Okamoto	2014
Robert Ortiz	2013
Isaac Peng	2012

**Other Officials**

Robert L. Copeland, Superintendent, through October 1, 2012

Teresa M. Rafferty, Interim Superintendent of Schools, effective October 1, 2012

Brian DeLucia, School Business Administrator/Board Secretary

David B. Rubin, Esq., Solicitor

Piscataway Township School District  
Piscataway, New Jersey

Independent Auditors and Advisors

**Architects**

Spiezle Group, Inc.  
120 Sanhican Drive  
Trenton, NJ 08618

**Independent Auditors**

Wiss & Company, LLP  
485C Route 1 South  
Suite 250  
Iselin, NJ 08830

**Attorney**

David B. Rubin  
(Staff Counsel)

**Official Depository**

TD Bank  
2473 Plainfield Avenue  
South Plainfield, NJ 07080

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**THE PISCATAWAY TOWNSHIP BOARD OF EDUCATION**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2011

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

President

Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Piscataway Township  
Board of Education  
New Jersey

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrill*

President

*Jeffrey R. Emer*

Executive Director

## Financial Section



## Independent Auditors' Report

Honorable President and Members  
of the Board of Education  
Piscataway Township School District  
Piscataway, New Jersey  
County of Middlesex

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 Piscataway Township School District, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

As discussed in Note 1R to the basic financial statements, in 2012 the District changed its method of accounting for its jointure transportation agreements. The District established a transportation internal service fund to account for these agreements as opposed to accounting for them in the general fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as found in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

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

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



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 4, 2012  
Iselin, New Jersey

Required Supplementary Information – Part I  
Management's Discussion and Analysis

# Piscataway Township School District

## Management's Discussion and Analysis Year Ended June 30, 2012 (Unaudited)

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

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information and required by the Governmental Accounting Standards Board. Certain comparative information between the current year and the prior year is presented in this MD&A.

### **Overview of the Financial Statements**

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

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

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

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

The government-wide financial statements can be found on pages 30-31 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 32-34 of this report.

**Proprietary funds.** The District maintains two proprietary fund types. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and adult and child care programs, both of which are considered major funds of the District. Internal service funds are funds used to accumulate and allocate costs internally among the District's various functions or for providing a service to other entities on a break-even basis. The District uses two internal service funds to account for services provided to all the other funds. The District operates an internal service fund for its self-insurance activities as well as a separate internal

service fund for transportation, which accounts for all the jointure transportation contracts for the District. Both internal service funds are considered to be major funds of the District. The internal service funds have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The District also has an unemployment compensation fund and a private-purpose scholarship fund. The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40-68 of this report.

**Other information.** The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 69-123 of this report.

## **Financial Highlights**

### **Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$44,361,135 (net assets) at the close of 2012. Of this amount, \$3,148,547 (unrestricted net assets) may be used to meet the District's ongoing obligation to taxpayers and creditors.

Key financial highlights for the 2011-2012 fiscal year include the following:

- Net assets increased by \$1,109,804 as a result of an increase in state aid and an increase in the property tax levy.
- Consistent with the prior year, the State withheld the school district's fiscal 2011-2012 last two state aid payments until July 2012.

The following table provides a summary of net assets relating to the District's governmental and business-type activities as of June 30, 2012 and 2011:

**Piscataway Board of Education  
Piscataway, New Jersey**

**Net Assets**

June 30,

	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 26,173,691	\$ 2,641,023	\$ 28,814,714	\$ 15,420,164	\$ 1,724,432	\$ 17,144,596
Capital assets, net	64,858,704	161,558	65,020,262	64,703,738	291,576	64,995,314
Total assets	91,032,395	2,802,581	93,834,976	80,123,902	2,016,008	82,139,910
Current liabilities	7,836,378	1,190,132	9,026,510	4,151,083	826,251	4,977,334
Long-term liabilities outstanding	40,447,331		40,447,331	33,911,245		33,911,245
Total liabilities	48,283,709	1,190,132	49,473,841	38,062,328	826,251	38,888,579
Net assets:						
Invested in capital assets, net of related debt	32,762,787	161,558	32,924,345	31,456,738	291,576	31,748,314
Restricted	8,288,243		8,288,243	9,179,425		9,179,425
Unrestricted	1,697,656	1,450,891	3,148,547	1,425,411	898,181	2,323,592
Total net assets	\$ 42,748,686	\$ 1,612,449	\$ 44,361,135	\$ 42,061,574	\$ 1,189,757	\$ 43,251,331

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land, construction in progress, building and equipment) net of related debt. The balance of invested in capital assets, net of related debt is the carrying value of capital assets less the amount of the outstanding debt used to finance those assets.

An additional portion of the District's net assets (restricted) represents resources that are subject to external restrictions on how they may be used, including funds reserved for future debt service, emergency reserve, capital reserve, self-insurance claims, future transportation costs and capital projects. Restricted net assets decreased by \$891,182 during the year ended June 30, 2012 as a result of the District using some of the restricted self-insurance funds to increase the District's incurred but not reported ("IBNR") reserve for future insurance claims based on the fact that the District became self-insured for medical during the 2012 year, partially offset by the establishment of a transportation internal service fund, which will be used to generate proceeds from transportation jointures in order to purchase new buses.

The remaining balance represents unrestricted net assets of \$3,148,547 and reflects amounts that may be used to meet the District's ongoing obligations, net of any unfunded liabilities (e.g. compensated absences) that are not invested in capital assets.

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

**Piscataway Board of Education  
Piscataway, New Jersey  
Changes in Net Assets**

Year ended June 30,

	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 944,938	\$5,297,197	\$ 6,242,135	\$ 880,416	\$4,741,715	\$ 5,622,131
Operating and capital grants and contributions	3,995,376	1,266,860	5,262,236	4,902,770	1,170,997	6,073,767
Capital grants and contributions	659,323		659,323	1,480,037		1,480,037
General revenues:						
Property taxes	81,628,920		81,628,920	80,564,191		80,564,191
State and federal aid not restricted to specific purposes	22,402,736		22,402,736	20,283,429		20,283,429
Investment income	12,753	1,886	14,639	48,820	4,789	53,609
Miscellaneous	617,694		617,694	697,370		697,370
Total revenues	110,261,740	6,565,943	116,827,683	108,857,033	5,917,501	114,774,534
Expenses:						
Instructional services	66,804,688		66,804,688	62,003,904		62,003,904
Support services	41,332,546		41,332,546	39,157,617		39,157,617
Charter Schools	66,686		66,686	62,234		62,234
Interest on long term debt	1,220,708		1,220,708	1,427,261		1,427,261
Business type activities		6,293,251	6,293,251		6,087,943	6,087,943
Total expenses	109,424,628	6,293,251	115,717,879	102,651,016	6,087,943	108,738,959
Increase (decrease) in net assets before transfers	837,112	272,692	1,109,804	6,206,017	(170,442)	6,035,575
Transfers	(150,000)	150,000	-	(31,510)	31,510	-
Change in net assets	687,112	422,692	1,109,804	6,174,507	(138,932)	6,035,575
Net assets – beginning of year	42,061,574	1,189,757	43,251,331	35,887,067	1,328,689	37,215,756
Net assets – end of year	\$ 42,748,686	\$ 1,612,449	\$44,361,135	\$ 42,061,574	\$ 1,189,757	\$43,251,331

Governmental revenues increased from the prior year due to an increase in the tax levy as well as an increase in general state aid. The decrease in revenue from capital grants and contributions is the result of the projects being funded by the New Jersey Schools Development Authority nearing completion. The decrease in revenue from operating and capital grants and contributions is mainly attributable to the decrease in ARRA funding received as compared to the prior year. Governmental expenses increased as a result of an increase in unallocated benefits as well as an increase in on-behalf TPAF social security and pension contributions, which is also offset by a correlating revenue source.

The increase in business type revenues as well as the increase in the related expenses is mainly attributable to an expansion of the before and after care programs.

## Financial Analysis of the District's Funds

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

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as either restricted, committed, assigned or unassigned.

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

Revenue	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Local sources	\$ 83,437,864	76.1%	\$ 1,131,795	1.4%
State sources	23,129,595	21.1	2,537,442	12.3
Federal sources	3,030,929	2.8	(1,435,456)	(32.1)
Total	<u>\$109,598,388</u>	<u>100.0%</u>	<u>\$ 2,233,781</u>	<u>2.1%</u>

The increase in state sources is mainly attributable to an increase in general state aid as well as an increase in revenue for TPAF pension and social security contributions made on-behalf of the District. The decrease in federal sources is mainly attributable to the decrease in ARRA and Education Jobs funding received as compared to the prior year.

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

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$46,455,878	43.5%	\$ 598,852	1.3%
Undistributed expenditures	57,486,008	53.8	1,698,920	3.0
Charter Schools	66,686	0.1	4,452	7.2
Debt service:				
Principal	1,290,000	1.2	(460,000)	(26.3)
Interest	1,260,385	1.2	(197,119)	(13.5)
Bond issuance costs	253,257	0.2	253,257	100.0
Total	<u>\$106,812,214</u>	<u>100.0%</u>	<u>\$ 1,898,362</u>	<u>1.8%</u>

The increase in instruction and undistributed expenditures is mainly the result of an increase in salaries and wages, the cost of benefits as well as an increase in on-behalf TPAF social security and pension contributions, which is also offset by a correlating revenue source. The decrease in debt service expenditures is due to the refunding which occurred in the current year.

#### General Fund

Fund balance in the General Fund increased by \$761,161 due to an increase in the tax levy as well as an increase in general state aid. Of the \$4,237,086 of fund balance in the General Fund, \$14,914 is restricted in the capital reserve account, \$174,372 is restricted in the emergency reserve account, \$2,650,000 is assigned by the board of education for subsequent years' expenditures, \$323,382 of encumbrances is assigned to other purposes, and 1,074,418 is unassigned. The District is at 99% of its maximum unassigned fund balance limit, which is attributable to the efficient spending of the District as well as the proactive appropriation of funds for various capital projects throughout the District.

#### Special Revenue Fund

Expenditures in the Special Revenue Fund decreased as a result of the District spending the majority of its allotted ARRA funding in the prior years. Only \$20,141 of IDEA ARRA funds were spent during 2012 as compared to \$871,592 spent during 2011. The District has an undesignated deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2012 as a result of the State deferring the payment of the final two state aid payments until July 2012.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability.

#### Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The fund balance in the Capital Projects Fund of \$12,117,881 is the result of the unspent proceeds from transfers from capital reserve, private contributions, capital leases and state grant money that is being used for ongoing capital projects throughout the District.

## Internal Service Funds

The District added a transportation internal service fund this year which accounts for the District's jointure transportation agreements' the proceeds of which will be used to purchase buses to be used for future transportation needs. The Internal Service Fund net assets decreased by \$1,349,292 due to the District's increase in the incurred but not reported ("IBNR") reserve for future insurance claims based on the fact that the District became self-insured for medical during the 2012 year, partially offset by the establishment of the transportation internal service fund.

**Business Type Activities.** The focus of the District's business type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service and adult and child care programs.

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

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2011</b>	<b>Percent of Increase</b>
Local sources	\$ 5,299,083	80.7 %	\$ 552,579	11.6%
State sources	30,619	0.5	542	1.8
Federal sources	1,236,241	18.8	95,321	8.3
Total	<u>\$ 6,565,943</u>	<u>100.0%</u>	<u>\$ 648,442</u>	<u>11.0%</u>

The increase in local sources is mainly attributable to an increase in the participation in the adult and community education programs. The increase in federal sources is due to the increase of eligible meals served for which the District receives reimbursement from the federal government.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2012, and the increases and decreases in relation to the prior year:

<b>Expenses</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2011</b>	<b>Percent of Increase (Decrease)</b>
Salaries	\$ 3,028,527	48.1%	\$ 114,104	3.9%
Employee benefits	632,379	10.0	(1,202)	(0.2)
Other purchased services	792,543	12.6	116,352	17.2
Supplies and materials	387,907	6.2	40,959	11.8
Cost of sales	1,041,598	16.6	(73,893)	(6.6)
Other	410,297	6.5	8,988	2.2
Total	<u>\$ 6,293,251</u>	<u>100.0%</u>	<u>\$ 205,308</u>	<u>3.4%</u>

The increase in salaries is mainly attributable to the increased program offerings and client participation in the District's community education and outreach programs. The increase in other purchased services and supplies and materials is mainly attributable to the increase in meals served. However, the cost of sales decreased, even though meals served increased, due to greater discounts received on purchased foods as well as a reduction in the level of commodities granted to the District in the current year, which led to a reduction in the cost of sales attributable to commodities.

#### Food Service Fund

The food service enterprise fund operated at a \$43,932 deficit this year. Total revenues from daily food sales increased from the prior year by \$92,446 or 6.2% as a result of an increase in volume of daily sales. However, total operating expenses increased from the prior year by \$73,026 or 2.4% as a result of programmatic requirements to meet the increased demand for food products.

The net assets of the food service fund are comprised of net assets invested in capital assets of \$34,283 and unrestricted net assets of \$254,653.

#### Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$3,551,369 for the year ended June 30, 2012. Current year tuition revenues increased from the prior year by \$588,082 or 19.8% as a result of increased participation in our summer camp program along with increased participation in our preschool program, while operating expenses increased from the prior year by \$132,282 or 4.3% as a result of increased staffing (salaries and ancillary benefits) related to the expanded programs. As a result, the fund generated net operating income of \$316,624 before transfers.

The net assets of the adult and community education fund are comprised of net assets invested in capital assets of \$127,275 and unrestricted net assets of \$1,196,238. The unrestricted net assets are result of the District running a successful adult and community education program.

#### **Capital Assets and Debt Administration**

*Capital Assets.* At June 30, 2012, the District's governmental activities had capital assets of \$64,858,704 (net of accumulated depreciation), including land, construction in progress, school buildings, machinery, equipment and vehicles.

The District's governmental funds' capital assets, net of depreciation consisted of the following at June 30, 2012 and 2011:

	<b>June 30</b>	
	<b>2012</b>	<b>2011</b>
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	4,352,828	1,456,743
Buildings and building improvements, net	57,752,218	59,818,920
Machinery, equipment and vehicles, net	1,210,691	1,885,108
Total capital assets, net	<u>\$ 64,858,704</u>	<u>\$ 64,703,738</u>

Construction in progress increased due to the renovation projects currently being performed throughout the District. Building and building improvements decreased mainly due to the current year depreciation expense exceeding the number of new additions. Machinery, equipment and vehicles decreased significantly due to the current year depreciation expense as well. More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

*Debt Administration.* During the 2012 fiscal year, the District had outstanding long-term liabilities of \$47,280,889 of which \$6,833,558 was classified as the current portion.

At June 30, 2012 and 2011, the District's long-term liabilities consisted of:

	<b>June 30</b>	
	<b>2012</b>	<b>2011</b>
Bonds payable	\$ 31,930,000	\$ 33,247,000
Unamortized premium on bonds	2,247,564	
Unamortized deferred interest costs	(2,081,647)	
Capital leases	8,185,000	
Compensated absences payable	2,062,263	1,957,326
Accrued liability for insurance claims	4,937,709	1,390,630
Total long-term liabilities	<u>\$ 47,280,889</u>	<u>\$ 36,594,956</u>

Long-term liabilities increased mainly due to the issuance of \$8,185,000 of capital leases. The District also advance refunded a portion of the District's 2002 school bonds, which resulted in the unamortized premium and deferred interest costs. The increase in the District's accrued liability for insurance claims is mainly attributable to an increase in the IBNR liability related to the District becoming self-insured for health during 2012. More detailed information about the District's long-term liabilities and outstanding debt can be found in Notes 5 and 11 to the basic financial statements.

## **Economic Factors and Next Year's Budget**

Over the last 10 years, this Administration has tried to provide the best recommendations possible under the worst conditions imaginable. We were continually faced with unknowns from Trenton and the acute awareness that our community had fewer and fewer financial resources. Consequently, it has been a real test trying to match the Board's strategic vision with our existing financial picture. This year, the future will look brighter.

The Governor's budget allocation increased our state aid by \$1.2 million. However, please remember that in 2010 we lost 30% of state aid which was \$5 million. So with the increases over the last two budgets, we still are down \$1.8 million from that point in time. NJ further reduced our aid by \$700,000 because we had prudently set aside funds for tax relief and capital projects.

In addition, over the last three years, we have lost \$440,660 because the state has defaulted on a portion of their share of the 2002 referendum. In total, Piscataway has lost almost \$6.2 million over the last three budgets with \$3 million returned. This was a net loss of state aid totaling over \$3 million.

If we were fully funded by the 2007 SFRA, we could restore all of our programs and reduce the average property bill by close to \$1,000. The new calculation reduces our allocation about \$18 million and again makes us wait another four years to get our share. Piscataway will have been under funded for a generation and the taxpayers will never see that money, which is theirs.

And the inequity continues:

<u>District</u>	<u>Aid Per Pupil</u>	<u>Free/Reduced (2010-2011)</u>
Piscataway	\$2,244	30%
Old Bridge	\$4,631	20%
Manalapan-Englishtown	\$3,627	8%
Delaware Valley Regional	\$4,045	3%

The 2013 Budget is the first step in multi-year financial planning that, while still frugal in its contents, is more predictable and better able to accommodate the complexities of public sector government budgeting. The Board's decision to move the annual election to November and stay within the 2% budget CAP creates the ability of the district to target funds, build appropriate reserves, and manage the public money in a better way.

As we project the future, we are working with the following assumptions:

- Assumption One – Our tax levy may not exceed 2% unless we qualify for a very few exceptions.
- Assumption Two – Human Resources: As an organization dependent on human capital, over 75% of our budget goes to personnel. With the ratification of our recent agreement with our largest bargaining unit, we can predict the allocation for at least the next two years.
- Assumption Three – Energy: We will outline a plan to not only reduce our future energy needs through renewable sustainable energy sources but also use these savings to reduce the capital cost of roof repairs.
- Assumption Four – All of our other expenditures, including supplies and new equipment, will be held to a 2% inflationary growth.
- Assumption Five – We will take the Governor at his word when he states that New Jersey will provide for Piscataway “an increase in funding for each of the next five years.” However, we have been told this previously; Governor Corzine promised a 20% increase over seven years and fulfilled his promise only once.

After months of protestations and statements calling SFRA overly burdensome, Acting Commissioner Cerf took pen to the formula and simply changed the ratios. In essence, he reduced the funds necessary to make the current formula work but kept the essential elements that calculate aspects of school demographics to get to the distribution of state aid. Hence, instead of our full share of state funding being projected at \$39 million, we now will reach full funding at about \$20 million. Our current state aid is \$15 million.

When the original SFRA was adopted by Governor Corzine in 2007, we were told to anticipate full funding by 2014. Now we will get full funding by 2017. The travesty is that Piscataway will have waited ten years to get our justified funding while others receive it right now. And as I mentioned earlier, this is what we have been promised again and again.

As we approach the dawn of a new strategic plan, this budget borrows wisdom from the monograph, “Standing on the Shoulders of Giants.” Marc Tucker’s research on 20 years of public education in countries that regularly surpass us on international assessments demonstrates one consistent theme – all provide funding sources for students with the greatest needs and in areas where they need it most. This budget seeks to stand on the shoulders of giants by doing the same.

### **General Fund Budgetary Highlights**

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

Described below are explanations for variations in revenues and expenditures for those lines where the final budgeted amounts differ from the original budget by more than \$500,000 and 5%. All other fluctuations less than \$500,000 and 5% are considered immaterial.

#### Expenditures

- The original budget for regular programs – salaries of teachers for grades 1 through 5 exceeded the final budget by approximately \$578,000 or 5.8% as a result of unanticipated retirements of long-term employees.
- The final budget for undistributed instruction – regular programs – other objects exceeded the original budget by approximately \$622,000 or 588.1% due to the State of New Jersey allocating additional state aid which was ear-marked for specific projects that will be completed in subsequent years (and funded through a related budgeting of fund balance.)
- The original budget for undistributed instruction – special education – resource room/center – salaries of teachers exceeded the final budget by approximately \$651,000 or 12.6% due to the reclassification of certain positions to properly reflect the services provided to our students.
- The final budget for undistributed expenditures – student transportation services – between home and school jointures exceeded the original budget by approximately \$654,000 or 100.0% due to the implementation of the Transportation internal service fund.
- The final budget for undistributed expenditures – unallocated benefits – health insurance exceeded the original budget by approximately \$806,000 or 6.2% due to the District fully finding the anticipated medical IBNR reserve in 2011-2012.

Described below are explanations for variations in realized revenues and expenditures for those lines where the final budgeted amounts differ from the actual amounts by more than \$500,000 and 5%. All other fluctuations less than \$500,000 and 5% are considered immaterial.

- On-behalf TPAF pension and reimbursed social security contributions are unbudgeted revenue sources. Consequently, actual revenues as well as the related expenditures exceeded the final budgeted amount by 100.0%
- The final budget for undistributed instruction – regular programs – other objects exceeded the original budget by approximately \$644,000 or 88.4% due to due to the State of New Jersey allocating additional state aid which was ear-marked for specific projects that will be completed in subsequent years (and funded through a related budgeting of fund balance.)

## **Requests for Information**

This financial report is designed to provide a general overview of the Piscataway School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 1515 Stelton Road, Piscataway, New Jersey 08855.

## Basic Financial Statements

## Government-wide Financial Statements

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

## Piscataway Township School District

## Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 21,843,997	\$ 2,262,474	\$ 24,106,471
Accounts receivable	4,012,616	258,229	4,270,845
Internal balances	(105,320)	105,320	-
Other assets		15,000	15,000
Deferred charges	233,112		233,112
Restricted:			
Cash and cash equivalents	189,286		189,286
Capital assets, non-depreciable	5,895,795		5,895,795
Capital assets, depreciable, net	58,962,909	161,558	59,124,467
Total assets	<u>91,032,395</u>	<u>2,802,581</u>	<u>93,834,976</u>
<b>Liabilities</b>			
Accounts payable	416,624	377,646	794,270
Accrued interest payable	476,773		476,773
Intergovernmental payables - State	69,397		69,397
Unearned revenue	40,026	812,486	852,512
Current portion of long-term obligations	6,833,558		6,833,558
Noncurrent portion of long-term obligations	40,447,331		40,447,331
Total liabilities	<u>48,283,709</u>	<u>1,190,132</u>	<u>49,473,841</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	32,762,787	161,558	32,924,345
Restricted for:			
Self insurance	3,179,688		3,179,688
Transportation	953,268		953,268
Capital projects	3,932,881		3,932,881
Debt service	33,120		33,120
Capital reserve	14,914		14,914
Emergency reserve	174,372		174,372
Unrestricted	1,697,656	1,450,891	3,148,547
Total net assets	<u>\$ 42,748,686</u>	<u>\$ 1,612,449</u>	<u>\$ 44,361,135</u>

## Piscataway Township School District

## Statement of Activities

Year ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>							
Instruction	\$ 66,804,688	\$ 669,867	\$ 2,541,505		\$ (63,593,316)		\$ (63,593,316)
Support services:							
Attendance/social work	389,436				(389,436)		(389,436)
Health services	1,228,077				(1,228,077)		(1,228,077)
Other support services	11,044,283		1,453,489		(9,590,794)		(9,590,794)
Improvement of instruction	2,028,453				(2,028,453)		(2,028,453)
Other support: instructional staff	34,678				(34,678)		(34,678)
School library	939,383				(939,383)		(939,383)
General administration	2,391,805				(2,391,805)		(2,391,805)
School administration	4,483,429				(4,483,429)		(4,483,429)
Central services	1,254,987				(1,254,987)		(1,254,987)
Administrative information technology	1,314,406				(1,314,406)		(1,314,406)
Plant operation and maintenance	10,882,981		382	\$ 659,323	(10,223,276)		(10,223,276)
Student transportation	5,340,628	275,071			(5,065,557)		(5,065,557)
Charter schools	66,686				(66,686)		(66,686)
Interest on long-term debt	1,220,708				(1,220,708)		(1,220,708)
Total governmental activities	109,424,628	944,938	3,995,376	659,323	(103,824,991)		(103,824,991)
<b>Business-type activities</b>							
Food Service	3,056,902	1,745,828	1,266,860			\$ (44,214)	(44,214)
Adult and Community Education	3,236,349	3,551,369				315,020	315,020
Total business-type activities	6,293,251	5,297,197	1,266,860	-		270,806	270,806
Total primary government	\$ 115,717,879	\$ 6,242,135	\$ 5,262,236	\$ 659,323	(103,824,991)	270,806	(103,554,185)
<b>General revenues and transfers:</b>							
Taxes:							
Property taxes, levied for general purposes					78,946,236		78,946,236
Property taxes, levied for debt service					2,682,684		2,682,684
State and federal sources—unrestricted					22,402,736		22,402,736
Investment income					12,753	1,886	14,639
Miscellaneous					617,694		617,694
Transfers					(150,000)	150,000	-
Total general revenues and transfers					104,512,103	151,886	104,663,989
Change in net assets					687,112	422,692	1,109,804
Net Assets—beginning					42,061,574	1,189,757	43,251,331
Net Assets—ending					\$ 42,748,686	\$ 1,612,449	\$ 44,361,135

## Fund Financial Statements

Piscataway Township School District  
Governmental Funds

Balance Sheet

June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 1,707,820		\$ 11,004,155	\$ 33,120	\$ 12,745,095
Accounts receivable:					
State	1,067,222	\$ 465	1,005,495		2,073,182
Federal		1,506,677			1,506,677
Other	301,371		104,254		405,625
Interfund	1,474,661		35,706		1,510,367
Restricted assets:					
Cash and cash equivalents	189,286				189,286
Total assets	<u>\$ 4,740,360</u>	<u>\$ 1,507,142</u>	<u>\$ 12,149,610</u>	<u>\$ 33,120</u>	<u>\$ 18,430,232</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 315,593	\$ 13,933	\$ 31,729		\$ 361,255
Intergovernmental payables:					
State		69,397			69,397
Interfunds payable	187,681	1,428,006			1,615,687
Deferred revenue		40,026			40,026
Total liabilities	<u>503,274</u>	<u>1,551,362</u>	<u>31,729</u>		<u>2,086,365</u>
<b>Fund balances:</b>					
Restricted for:					
Capital reserve account	14,914				14,914
Emergency reserve account	174,372				174,372
Capital projects			12,117,881		12,117,881
Debt service				\$ 33,120	33,120
Assigned to:					
Other purposes	323,382				323,382
Designated for subsequent year's expenditures	2,650,000				2,650,000
Unassigned	1,074,418	(44,220)			1,030,198
Total fund balances	<u>4,237,086</u>	<u>(44,220)</u>	<u>12,117,881</u>	<u>33,120</u>	<u>16,343,867</u>
Total liabilities and fund balances	<u>\$ 4,740,360</u>	<u>\$ 1,507,142</u>	<u>\$ 12,149,610</u>	<u>\$ 33,120</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$110,658,410, and the accumulated depreciation is \$45,799,706. 64,858,704

Internal service funds are used by the District to charge the costs of the District's self-insurance fund to the individual funds and transportation costs to other school districts. The assets and liabilities of the internal service funds are included with governmental activities. 4,132,956

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (476,773)

Unamortized portion of debt issuance costs is not reported as an asset in the funds. 233,112

Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (42,343,180)

Net assets of governmental activities \$ 42,748,686

Piscataway Township School District  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 78,946,236			\$ 2,682,684	\$ 81,628,920
Tuition	669,867				669,867
Transportation	275,071				275,071
Investment income	8,724		\$ 4,029		12,753
Miscellaneous	617,694	\$ 237,588	118,118		973,400
Total local sources	80,517,592	237,588	122,147	2,682,684	83,560,011
State sources	22,305,682	823,913	541,205		23,670,800
Federal sources	97,054	2,933,875			3,030,929
Total revenues	102,920,328	3,995,376	663,352	2,682,684	110,261,740
<b>Expenditures</b>					
Current:					
Instruction	42,412,339	2,541,505			44,953,844
Undistributed-current:					
Instruction	1,502,034				1,502,034
Attendance/social work	259,050				259,050
Health services	822,246				822,246
Other support services	6,691,857	1,453,871			8,145,728
Improvement of instruction	1,688,180				1,688,180
Education media library	634,932				634,932
Other support: instructional staff	32,495				32,495
General administration	2,070,356				2,070,356
School administration	3,010,227				3,010,227
Central services	869,824				869,824
Administrative information technology	952,811				952,811
Required maintenance of plant services	1,333,486				1,333,486
Operation of plant	7,376,281				7,376,281
Student transportation	5,134,486				5,134,486
Unallocated benefits	17,453,199				17,453,199
On-behalf TPAF social security and pension contributions	7,702,707				7,702,707
Charter schools - current	66,686				66,686
Capital outlay			2,896,085		2,896,085
Debt Service:					
Principal				1,290,000	1,290,000
Interest				1,260,385	1,260,385
Bond issuance costs				253,257	253,257
Total expenditures	100,013,196	3,995,376	2,896,085	2,803,642	109,708,299
Excess (deficiency) of revenues over (under) expenditures	2,907,132	-	(2,232,733)	(120,958)	553,441
Other financing sources (uses)					
Payment to escrow agent				(29,568,542)	(29,568,542)
Refunding bonds issued				27,280,000	27,280,000
Premium on bond refunding				2,441,798	2,441,798
Capital lease			8,185,000		8,185,000
Transfers in	4,029		2,000,000		2,004,029
Transfers out	(2,150,000)		(4,029)		(2,154,029)
Total other financing sources (uses)	(2,145,971)	-	10,180,971	153,256	8,188,256
Net change in fund balances	761,161	-	7,948,238	32,298	8,741,697
Fund balances (deficit), July 1 (as restated)	3,475,925	(44,220)	4,169,643	822	7,602,170
Fund balances (deficit), June 30	\$ 4,237,086	\$ (44,220)	\$ 12,117,881	\$ 33,120	\$ 16,343,867

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

Piscataway Township School District  
Governmental Funds

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

Year ended June 30, 2012

**Total net change in fund balances - governmental funds (from B-2)** **\$ 8,741,697**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	\$(2,770,519)	
	Capital outlays	<u>2,925,485</u>	
			154,966

The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net assets.

Refunding Bonds Issued	(27,280,000)	
Capital Lease Issued	(8,185,000)	
Bonds refunded	<u>27,307,000</u>	
		(8,158,000)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.

1,290,000

Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences.

Premium on Bond Issuance	(2,441,798)	
Amortization of Premium on Bonds	194,234	
Deferred Interest Costs on Bond Refunding	2,261,542	
Amortization of Deferred Interest Costs	(179,895)	
Payment of Bond Issuance Costs	253,257	
Amortization of Deferred Issuance Costs	<u>(20,145)</u>	
		67,195

In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due.

In the governmental funds, interest is reported when due. 45,483

The Internal Service Fund is used by the District to charge the costs of self insurance to other funds. The activity of this fund is included in the Statement of Activities.

(1,349,292)

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).

(104,937)

**Change in net assets of governmental activities (A-2)**

**\$ 687,112**

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

Piscataway Township School District  
Proprietary Funds

Statement of Net Assets

June 30, 2012

	Major Funds			
	Business Type Activities - Enterprise Funds			Internal Service Funds
	Food Service	Adult and Community Education	Totals	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 222,095	\$ 2,040,379	\$ 2,262,474	\$ 9,098,902
Accounts receivable:				
State	2,268		2,268	
Federal	101,423		101,423	
Other	154,538		154,538	27,132
Interfund	151,975		151,975	
Prepaid expenses		15,000	15,000	
Total current assets	<u>632,299</u>	<u>2,055,379</u>	<u>2,687,678</u>	<u>9,126,034</u>
Capital assets:				
Equipment	800,126	443,222	1,243,348	
Accumulated depreciation	(765,843)	(315,947)	(1,081,790)	
Total capital assets, net	<u>34,283</u>	<u>127,275</u>	<u>161,558</u>	
Total assets	<u>666,582</u>	<u>2,182,654</u>	<u>2,849,236</u>	<u>9,126,034</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	377,646		377,646	55,369
Interfund payable		46,655	46,655	
Accrued liability for insurance claims				4,937,709
Unearned revenue		812,486	812,486	
Total current liabilities	<u>377,646</u>	<u>859,141</u>	<u>1,236,787</u>	<u>4,993,078</u>
<b>Net assets</b>				
Net assets, invested in capital assets	34,283	127,275	161,558	
Restricted				4,132,956
Unrestricted	254,653	1,196,238	1,450,891	
Total net assets	<u>\$ 288,936</u>	<u>\$ 1,323,513</u>	<u>\$ 1,612,449</u>	<u>\$ 4,132,956</u>

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

Piscataway Township School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Assets

Year ended June 30, 2012

	Major Funds			Internal Service Funds
	Business Type Activities - Enterprise Funds			
	Food Service	Adult and Community Education	Totals	
Operating revenues:				
Local sources:				
Daily food sales	\$ 1,591,290		\$ 1,591,290	
Tuition		\$ 3,551,369	3,551,369	
Charges for services				\$ 16,662,890
Miscellaneous	154,538		154,538	
Total operating revenues	1,745,828	3,551,369	5,297,197	16,662,890
Operating expenses:				
Salaries	951,462	2,077,065	3,028,527	176,530
Employee benefits	279,895	352,484	632,379	17,658,827
Purchased property services		180,250	180,250	
Other purchased services	191,398	420,895	612,293	184,559
Supplies and materials	270,704	117,203	387,907	
Cost of sales	1,041,598		1,041,598	
Management Fee	252,435		252,435	
Depreciation	48,557	81,461	130,018	
Miscellaneous	20,853	6,991	27,844	
Total operating expenses	3,056,902	3,236,349	6,293,251	18,019,916
Operating (loss) income	(1,311,074)	315,020	(996,054)	(1,357,026)
Nonoperating revenues:				
State sources:				
State school lunch program	30,619		30,619	
Federal sources:				
School breakfast program	150,001		150,001	
National school lunch program	934,030		934,030	
Food donation program	152,210		152,210	
Interest income	282	1,604	1,886	7,734
Total nonoperating revenues	1,267,142	1,604	1,268,746	7,734
(Loss) income before transfers	(43,932)	316,624	272,692	(1,349,292)
Transfers in		150,000	150,000	
Change in net assets	(43,932)	466,624	422,692	(1,349,292)
Total net assets-beginning (as restated)	332,868	856,889	1,189,757	5,482,248
Total net assets-ending	\$ 288,936	\$ 1,323,513	\$ 1,612,449	\$ 4,132,956

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

Piscataway Township School District  
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2012

	Major Funds			Internal Service Funds
	Business Type Activities - Enterprise Funds			
	Food Service	Adult and Community Education	Totals	
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 1,813,294	\$ 3,729,433	\$ 5,542,727	
Payments to employees	(951,462)	(2,077,065)	(3,028,527)	
Payments for employee benefits	(279,895)	(352,484)	(632,379)	
Payments to suppliers	(1,578,902)	(550,991)	(2,129,893)	
Receipts from services provided				\$ 16,635,758
Payments for insurance				(14,039,701)
Payments for transportation				(499,390)
Net cash (used in) provided by operating activities	(996,965)	748,893	(248,072)	2,096,667
<b>Cash flows from noncapital financing activities</b>				
Receipts from other funds		150,000	150,000	
Cash received from state and federal reimbursements	1,218,778		1,218,778	
Net cash provided by noncapital financing activities	1,218,778	150,000	1,368,778	
<b>Cash flows from investing activities</b>				
Interest received	282	1,604	1,886	7,734
Net cash provided by investing activities	282	1,604	1,886	7,734
Net increase in cash and cash equivalents	222,095	900,497	1,122,592	2,104,401
Cash and cash equivalents, beginning of year (as restated)	-	1,139,882	1,139,882	6,994,501
Cash and cash equivalents, end of year	<u>\$ 222,095</u>	<u>\$ 2,040,379</u>	<u>\$ 2,262,474</u>	<u>\$ 9,098,902</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:</b>				
Operating (loss) income	\$ (1,311,074)	\$ 315,020	\$ (996,054)	\$ (1,357,026)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	48,557	81,461	130,018	
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	125,046		125,046	(27,132)
Increase in interfund receivable	(62,542)		(62,542)	
(Increase) in prepaid expenses		(15,000)	(15,000)	
Decrease in inventory	4,962		4,962	
Increase (decrease) in accounts payable	198,086	(7,307)	190,779	(66,254)
Increase in interfund payable		196,655	196,655	
Increase in unearned revenue		178,064	178,064	
Increase in accrued liability for insurance claims				3,547,079
Net cash (used in) provided by operating activities	<u>\$ (996,965)</u>	<u>\$ 748,893</u>	<u>\$ (248,072)</u>	<u>\$ 2,096,667</u>

**Noncash noncapital financing activities:**

The District received \$147,248 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2012.

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

Piscataway Township School District  
Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2012

	<u>Private-Purpose Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 24,775	\$ 1,702,115	\$ 394,165
Total assets	<u>24,775</u>	<u>1,702,115</u>	<u>\$ 394,165</u>
<b>Liabilities</b>			
Payroll deductions payable			\$ 31,092
Accounts payable			51,360
Due to student groups			311,713
Total liabilities			<u>\$ 394,165</u>
<b>Net assets</b>			
Held in trust for unemployment claims		<u>\$ 1,702,115</u>	
Reserved for scholarships	<u>\$ 24,775</u>		

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

Piscataway Township School District  
Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2012

	<b>Private-Purpose Scholarship Funds</b>	<b>Unemployment Compensation Trust</b>
<b>Additions</b>		
Contributions:		
Board		\$ 110,000
Employee		133,275
Other	\$ 600	
Interest income	40	1,930
Total additions	640	245,205
<b>Deductions</b>		
Unemployment claims paid		224,022
Scholarship payments	5,300	
Total deductions	5,300	224,022
Change in net assets	(4,660)	21,183
Net assets-beginning of the year	29,435	1,680,932
Net assets-end of the year	\$ 24,775	\$ 1,702,115

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

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2012

### 1. Summary of Significant Accounting Policies

The financial statements of the Piscataway Township School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

#### A. Reporting Entity

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

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

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental and proprietary fund as a major fund and each major individual fund is reported as separate columns in the fund financial statements. The NJDOE believes the presentation of all funds as major is important for public interest and to promote consistency among New Jersey School District financial reporting.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

of the current period. For this purpose, the District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment healthcare benefits and capital leases are recorded only when payment is due.

Property taxes, interest, and state and federal equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

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

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

*Capital Projects Fund:* The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

The District reports the following major proprietary funds:

*Enterprise Funds (Food Service, Adult and Community Education):* The enterprise funds account for all revenues and expenses pertaining to the cafeteria and the adult school and child care program operations. The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

*Internal Service Funds (Self Insurance and Transportation):* The self insurance internal service fund is used to account for the District's various insurance expenses and the funds reserved by the District to cover the self-insured limits of the various insurance policies of the District. The transportation internal service fund is used to account for the District's jointure transportation contracts, with the proceeds generated from these contracts being used to fund future transportation costs.

Additionally, the District reports the following fiduciary fund types:

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

*Trust Funds:* The unemployment compensation fund is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, the State of New Jersey requires school districts to include the unemployment compensation trust as a private-purpose trust fund in the fiduciary fund. The principal and income deposited into this fund are for the sole benefit of specific individuals, former employees, and can not be used to support the government's own programs. The management of the District is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey. Additionally, the unemployment compensation trust fund does not meet the criteria required to be included as an enterprise fund. One of the following criteria would need to be met for inclusion as an enterprise fund: the activity is financed with debt that is secured by a pledge of the revenues charged; laws or regulations require that the activity's cost be recovered with fees and charges, rather than with taxes or similar revenues; the pricing policies of the activity establish fees and charges designed to recover its costs. These criteria are not met as follows and therefore the unemployment compensation fund is recorded as a trust fund: there is no debt issued related to

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

unemployment compensation claims; laws and regulations do not require that the activity's costs be recovered with fees and charges, in fact, employer contributions greatly exceed employee contributions and those employee contributions are raised through taxation; and lastly pricing policies are not established by the District as employee contributions to the activity are regulated by the State of New Jersey and contributions are raised through payroll taxes. See footnote 11 for additional information. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, charges to other funds and tuition. Operating expenses for proprietary funds include the cost of sales, administrative expenses, expenses for the payment of insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

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

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

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

### **D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations. The over-expenditure in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

### **E. Interfund Receivables/Payables**

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

### **F. Inventories**

Enterprise fund inventories are recorded at market value at the time of donation, which approximates current market value, using the first-in, first-out (FIFO) method. At June 30, 2012, the District did not have any inventories or unearned revenue in the Food Service Enterprise Fund since there were no unused Food Donation Program commodities on hand.

### **G. Tuition**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the 2011-12 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### H. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Land was valued at assessed value based upon information received from the Township of Piscataway. Donated capital assets are valued at their estimated fair market value on the date of donation.

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

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10

#### I. Compensated Absences

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

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

The liability for vested compensated absences of the district is recorded in the government-wide financial statements and includes salary related payments.

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, 2012, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,062,263 and no liability existed for compensated absences in the enterprise funds.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### **J. Deferred Revenue /Unearned Revenue**

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned, and outstanding encumbrances in the special revenue fund. Unearned revenue in the other enterprise funds represents cash received in advance of the related services being provided.

#### **K. Long-Term Obligations**

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

The District has no arbitrage rebate liability as of June 30, 2012.

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### L. Fund Equity

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

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

Of the \$4,237,086 of fund balance in the General Fund, \$14,914 has been restricted in the capital reserve account, \$174,372 has been restricted in the emergency reserve account, \$2,650,000 has been assigned to designated for subsequent year expenditures, \$323,382 of encumbrances are assigned to other purposes and \$1,074,418 is unassigned.

### **M. Net Assets and Fund Balance / Restricted Assets**

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

### **N. Management Estimates**

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

### **O. On-Behalf Payments**

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### P. Calculation of Excess Surplus

The designation for restricted fund balance-excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended.

New Jersey school districts are required to reserve fund balance in the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District did not have an excess fund balance generated during the 2011-2012 fiscal year.

#### Q. Cash, Cash Equivalents and Investments

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

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

#### R. Restatement of Beginning Balances

The District established a transportation internal service fund during 2012. In order to establish this fund, the District restated its June 30, 2011 General Fund fund balance (B-2) to transfer proceeds earned in previous years from jointure transportation contracts to the newly established transportation internal service fund and establish an opening net assets balance as of July 1, 2011 in the transportation internal service fund (B-5 and G-5). The following presents the effects of the restatement on fund balance:

Beginning fund balance – General Fund (B-2)	\$ 4,138,499
Transfer to transportation internal service fund	<u>(662,574)</u>
Beginning fund balance – General Fund (B-2), as restated	<u>\$ 3,475,925</u>
Beginning fund balance – General Fund (C-1)	\$ 5,282,905
Transfer to transportation internal service fund	<u>(662,574)</u>
Beginning fund balance – General Fund (C-1), as restated	<u>\$ 4,620,331</u>

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**R. Restatement of Beginning Balances (continued)**

Beginning net assets – Transportation Internal Service Fund	\$ -
Transfer from general fund	<u>662,574</u>
Beginning net assets – Transportation Internal Service Fund (B-5 and G-5), as restated	<u>\$ 662,574</u>

The transfer of fund balance of \$662,574 relates to \$302,553 of net jointure transportation contract revenue generated in the 2011 fiscal year and \$360,021 generated in the 2010 fiscal year.

**S. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2012 through December 4, 2012, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

**2. Reconciliation of Government-wide and Fund Financial Statements**

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$42,343,180 difference are as follows:

Bonds payable	\$ 31,930,000
Capital leases payable	8,185,000
Unamortized premium on bonds	2,247,564
Unamortized deferred interest costs	(2,081,647)
Compensated absences	<u>2,062,263</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets – governmental activities	<u>\$ 42,343,180</u>

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### 3. Deposits and Investments

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

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

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

#### Deposits

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

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

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### 3. Deposits and Investments (continued)

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2012, the District's carrying amount of deposits was \$26,416,753 and the bank balance was \$31,106,571. Of the bank balance, \$250,373 was secured by federal depository insurance and the remaining bank balance of \$30,856,198 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### 3. Deposits and Investments (continued)

#### Investments

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

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank which have a maturity date not greater than twelve months from the date of purchase.
- c. State of New Jersey Cash Management Fund (NJCMF), New Jersey Asset and Rebate Management Fund (NJARM) and M.B.I.A. CLASS.
- d. Bonds or other obligations of the School District.

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management Fund ("NJARM") as its sole investment. The District invests funds in the New Jersey Asset and Rebate Management Fund, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At June 30, 2012, the District's bank and book balance in NJARM was \$59 and is classified as cash equivalents due to its short term nature.

*Custodial Credit Risk:* Pursuant to GASB 40, the NJARM which is a pooled investment is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. As of June 30, 2012, the District's investments in NJARM are not rated by a rating agency.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2012, all of the District's investments were invested in NJARM.

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**3. Deposits and Investments (continued)**

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The average maturity of the District's investments, the NJARM, is less than one year.

**4. Capital Assets**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>			
Capital assets, not being depreciated:			
Land	\$ 1,542,967		\$ 1,542,967
Construction in progress	1,456,743	\$ 2,896,085	4,352,828
Total capital assets, not being depreciated	2,999,710	2,896,085	5,895,795
Capital assets, being depreciated:			
Buildings and building improvements	97,986,576		97,986,576
Machinery, equipment and vehicles	6,746,639	29,400	6,776,039
Total capital assets being depreciated	104,733,215	29,400	104,762,615
Less accumulated depreciation for:			
Buildings and building improvements	38,167,656	2,066,702	40,234,358
Machinery, equipment and vehicles	4,861,531	703,817	5,565,348
Total accumulated depreciation	43,029,187	2,770,519	45,799,706
Total capital assets, being depreciated, net	61,704,028	(2,741,119)	58,962,909
Governmental activities capital assets, net	<u>\$ 64,703,738</u>	<u>\$ 154,966</u>	<u>\$ 64,858,704</u>

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2012 as follows:

Instruction	\$ 1,640,261
Attendance/social work	9,095
Health services	28,870
Other support services	285,991
Improvement of instruction	59,274
Education media library	22,293
Other support: Instruction staff	1,141
General administration	72,692
School administration	105,692
Central Services	30,540
Administrative information technology	33,454
Plant operation and maintenance	300,939
Student transportation	180,277
Total depreciation expense – governmental activities	<u>\$ 2,770,519</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$1,243,348		\$1,243,348
Less accumulated depreciation for:			
Equipment	951,772	\$ 130,018	1,081,790
Total business-type activities capital assets, net	<u>\$ 291,576</u>	<u>\$ (130,018)</u>	<u>\$ 161,558</u>

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**5. Long-Term Liabilities**

During the year ended June 30, 2012, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,957,326	\$ 251,157	\$ 146,220	\$ 2,062,263	\$ 175,292
Bonds payable	33,247,000	27,280,000	28,597,000	31,930,000	2,270,000
Unamortized premium on bonds		2,441,798	194,234	2,247,564	221,982
Unamortized deferred interest costs		(2,261,542)	(179,895)	(2,081,647)	(205,595)
Capital lease payable		8,185,000		8,185,000	800,942
Accrued liability for insurance claims	1,390,630	17,207,755	13,660,676	4,937,709	3,570,937
	<u>\$ 36,594,956</u>	<u>\$ 53,104,168</u>	<u>\$ 42,418,235</u>	<u>\$ 47,280,889</u>	<u>\$ 6,833,558</u>

Refer to Note 11- Risk Management for further discussion of the District's accrued liability for insurance claims.

The District expects to liquidate the compensated absences with payments made from the District's general fund and the bonds payable from the debt service fund. The accrued liability for insurance claims is paid with charges to other funds' budgets from the internal service fund.

**Capital Lease Payable**

The District is leasing solar panels and roof site work equipment in an amount of \$8,185,000 under a capital lease. The equipment is being leased with an interest rate of 1.23% for a term of five years. The following is a schedule of the future minimum lease payments under this capital lease and the net present value of the net minimum lease payments at June 30, 2012:

	<u>Amount</u>
Year:	
2013	\$ 1,691,559
2014	1,691,558
2015	1,691,559
2016	1,691,558
2017	1,691,559
Total minimum lease payments	<u>8,457,793</u>
Less amounts representing interest	<u>272,793</u>
Present value of net minimum lease payments	<u>\$ 8,185,000</u>

## Piscataway Township School District

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

##### Bonds Payable

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

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2013	\$ 2,270,000	\$ 1,184,719	\$ 3,454,719
2014	2,380,000	1,088,812	3,468,812
2015	2,540,000	1,001,625	3,541,625
2016	2,635,000	924,000	3,559,000
2017	2,740,000	829,675	3,569,675
2018-2022	15,790,000	2,293,813	18,083,813
2023	3,575,000	66,725	3,641,725
	\$ 31,930,000	\$ 7,389,369	\$ 39,319,369

##### Advance Refunding

On August 15, 2011, the District issued \$27,280,000 of Refunding School Bonds with interest rates ranging from 2.50% to 5.00%. The District issued the bonds to advance refund \$27,307,000 of the outstanding 2002 bonds with interest rates ranging from 4.00% to 4.60%, which allowed the District to reduce long-term debt payments by \$1,085,726 over the next twelve years and resulted in a net present value savings of \$884,016. As a result, the liability related to this refunded debt has been removed from the financial statements of the District as it is no longer responsible for this debt. The outstanding principal of the defeased debt is \$27,280,000 at June 30, 2012.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### **6. Pension Plans**

#### **Description of Systems**

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

#### **Teachers' Pension and Annuity Fund**

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

#### **Public Employee's Retirement System**

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

### **Funding Policy**

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

During the year ended June 30, 2012, the State of New Jersey contributed \$4,365,574 to the TPAF for normal costs of pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,337,133 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2012, 2011 and 2010 were \$1,404,154, 1,330,802, and \$955,218 respectively, equal to the required contributions for each year.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

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

#### **Post-Retirement Benefits**

##### *Plan Description*

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

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### 6. Pension Plans (continued)

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2012, 2011 and 2010 were \$2,915,343, \$2,947,024, and \$2,808,842 respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

### 7. 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). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- The Variable Annuity Life Insurance Company
- Great American Life Insurance Company Security First Group
- The Copeland Companies
- Great West Life Assurance Company
- Lincoln Investment Planning Incorporated
- The Equitable Financial Companies Vanguard Fiduciary Group
- Metropolitan Life and Affiliated Company
- American Express Financial Advisors
- Financial Resources and Retirement Advisory, Incorporated
- Fidelity Investments

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### 8. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2012 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$1,474,661	\$ 187,681
Special Revenue Fund		1,428,006
Capital Projects Fund	35,706	
Food Service Enterprise Fund	151,975	
Adult and Community Education Enterprise Fund		46,655
	<u>\$ 1,662,342</u>	<u>\$ 1,662,342</u>

The interfund payable in the general fund represents cash owed to the food service enterprise fund and capital projects fund for the general fund's share of costs incurred in those respective funds, which was not yet remitted as of June 30, 2012. The interfund receivable in the general fund represents cash loaned to the special revenue fund to cover a pooled cash deficit and a receivable from the adult and community education enterprise fund for costs originally paid by the general fund. All interfunds are expected to be repaid within one year.

### 9. Economic Dependency

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

### 10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its approved referendum project. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required.

In the opinion of the District, there are no other significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### **10. Contingent Liabilities (continued)**

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

There is currently an ongoing investigation being conducted by federal and state agencies related to one of the District's former employees. The scope of the investigation is greater than an audit done in accordance with auditing standards generally accepted in the United States of America. As of the report date, no reports have been issued by any federal or state agencies related to this investigation and the effects of this investigation and its outcome on the District, if any, are currently unknown and undeterminable.

### **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.

#### **Property and Liability Insurance**

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

#### **Self-Insurance**

The District is self-insured for workers' compensation, medical, prescription and dental benefits and has established an internal service fund to account for its self insurance activities. The accrued liability for unpaid workers' compensation, medical and dental claims of \$4,937,709 has been recorded in the financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The workers' compensation IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 3% discount rate in determining the workers compensation present value of the liability. The IBNR liability for medical and dental benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has restricted \$3,179,688 for future medical, dental, and prescription claims.

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**11. Risk Management (continued)**

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2012, 2011, and 2010 were:

	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at End of Year</b>
2011-12	\$1,390,630	\$17,207,755	\$13,660,676	\$4,937,709
2010-11	4,084,875	(1,525,627)	1,168,618	1,390,630
2009-10	2,460,835	2,147,217	523,177	4,084,875

The large increase in the claims activity is due to the District becoming fully self-insured for medical during 2012. The District has estimated the short-term liability to be \$3,570,937, which approximates the District's recent claims history for workers' compensation plus a three months' average of premium costs for medical and dental claims.

**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.

**12. Restricted Assets**

Restricted assets consist of funds set-aside in a capital reserve fund and an emergency reserve that are restricted pursuant to enabling legislation.

**13. Transfers – Reconciliation**

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

	<b>In</b>	<b>Out</b>
General Fund	\$ 4,029	\$2,150,000
Capital Projects Fund	2,000,000	4,029
Adult and Community Education Enterprise Fund	150,000	
	<u>\$ 2,154,029</u>	<u>\$2,154,029</u>

The transfer from the capital projects fund to the general fund represents interest earned in the capital projects fund due to the general fund.

Piscataway Township School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

**13. Transfers – Reconciliation (continued)**

The transfer from the general fund to the capital projects fund represents a transfer of capital reserve funds from the general fund as approved in the annual budget statement of purpose.

The transfer from the general fund to the adult and community education enterprise fund represents payment for rent and overhead for the preschool handicapped program which is operated at the Cabrini school.

**14. Capital Reserve Account**

A capital reserve account was established by the District by transferring \$1 to a capital reserve account in 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department 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 year-end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2011	\$ 14,914
Deposits:	
Approved at the June 2012 Board meeting	2,000,000
Withdrawals:	
Board resolution/Budget	(2,000,000)
Ending balance, June 30, 2012	<u>\$ 14,914</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

# Piscataway Township School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2012

### **15. Deficit Fund Balance**

The District has an undesignated deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). For budget purposes only, P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund fund balance deficit does not alone indicate that the District is facing financial difficulties.

### **16. Commitments**

There was \$4,797,626 of contractual commitments at June 30, 2012 to vendors related to ongoing construction projects which is reported as restricted for capital projects in the Capital Projects Fund. There are contractual commitments in the general fund in the amount of \$323,382 at June 30, 2012 and are reported as assigned to other purposes.

### **17. Deferred Issuance Costs**

In the governmental funds, debt issuance costs are recognized as expenditures in the year the bonds are issued. For the government-wide financial statements, debt issuance costs are amortized using the straight line method, which approximates the effective interest method, over the life of the specific bonds. The total costs associated with the issues of the District's bonds amounted to \$253,257. The amortization expense for the year ended June 30, 2012 amounted to \$20,145 and the unamortized balance of the deferred charges at June 30, 2012 is \$233,112.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 78,946,236		\$ 78,946,236	\$ 78,946,236	
Tuition	354,250		354,250	669,867	\$ 315,617
Transportation	510,000		510,000	275,071	(234,929)
Interest on investments	54,251		54,251	8,724	(45,527)
Miscellaneous	402,542		402,542	617,694	215,152
Total revenues - local sources	80,267,279		80,267,279	80,517,592	250,313
State sources:					
Categorical Special education aid	4,043,223		4,043,223	4,043,223	
Equalization Aid	8,898,223	\$ 587,415	9,485,638	9,485,838	200
Extraordinary aid	350,000		350,000	831,979	481,979
Security Aid		379,134	379,134	379,134	
Additional non public transportation aid				65,522	65,522
Other				851	851
On-behalf TPAF pension contributions (non-budgeted)				4,365,574	4,365,574
Reimbursed TPAF social security contributions (non-budgeted)				3,337,133	3,337,133
Total - state sources	13,291,446	966,549	14,257,995	22,509,254	8,251,259
Federal sources:					
Medicaid reimbursement	68,307		68,307	97,054	28,747
Total Federal sources:	68,307	-	68,307	97,054	28,747
Total revenues	93,627,032	966,549	94,593,581	103,123,900	8,530,319
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,600,242	(109,313)	1,490,929	1,490,929	
Grades 1-5	10,031,840	(337,641)	9,694,199	9,271,834	422,365
Grades 6-8	6,994,334	(223,140)	6,771,194	6,379,376	391,818
Grades 9-12	10,309,079	(322,955)	9,986,124	9,545,206	440,918
Home instruction - regular programs:					
Salaries of teachers	68,624	23,179	91,803	91,803	
Purchased professional-educational services	96,730		96,730	22,484	74,246
Undistributed instruction - regular programs:					
Salaries of teachers	56,148		56,148	56,148	
Other salaries for instruction	552,333	91,565	643,898	643,898	
Purchased professional-educational services	615,042	814,875	1,429,917	1,192,907	237,010
Purchased technical services	5,000		5,000	700	4,300
Other purchased services	46,875	(7,775)	39,100	33,427	5,673
General supplies	730,443	122,302	852,745	829,474	23,271
Textbooks	153,108	(16,002)	137,106	127,079	10,027
Other objects	105,771	622,975	728,746	84,392	644,354
Total instruction - regular programs	31,365,569	658,070	32,023,639	29,769,657	2,253,982

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Special education:					
Cognitive-mild:					
Salaries of teachers	\$ 263,083	\$ 178,927	\$ 442,010	\$ 306,453	\$ 135,557
Other salaries for instruction	181,093	174,875	355,968	314,512	41,456
Purchased professional ed services	71,523	100,617	172,140	131,106	41,034
Other purchased services	2,500	800	3,300	1,155	2,145
General supplies	4,400	31,300	35,700	34,003	1,697
Textbooks	4,000		4,000	2,865	1,135
Total cognitive-mild:	526,599	486,519	1,013,118	790,094	223,024
Learning and/or language disabilities:					
Salaries of teachers	634,165	(18,992)	615,173	615,173	
Other salaries for instruction	291,604	(41,964)	249,640	249,640	
General supplies	3,450	1,000	4,450	4,018	432
Textbooks	1,350	(100)	1,250	414	836
Total learning and/or language disabilities	930,569	(60,056)	870,513	869,245	1,268
Behavioral disabilities:					
Salaries of teachers	332,208	79,692	411,900	411,400	500
Other salaries for instruction	63,518	(33,709)	29,809	29,808	1
Purchased professional ed services	49,449	38,978	88,427	83,144	5,283
Other purchased services	2,000	2,700	4,700	2,996	1,704
General supplies	6,000		6,000	5,922	78
Textbooks	1,200	1,900	3,100	3,000	100
Total behavioral disabilities	454,375	89,561	543,936	536,270	7,666
Multiple disabilities:					
Salaries of teachers	327,969	(49,485)	278,484	264,163	14,321
Other salaries for instruction	181,126	(8,513)	172,613	172,613	
Other purchased services	600	28,876	29,476	29,476	
General supplies	15,000	(14,400)	600		600
Textbooks	300	12,700	13,000	2,400	10,600
Total multiple disabilities	524,995	(30,822)	494,173	468,652	25,521
Resource room/center:					
Salaries of teachers	5,155,327	(651,203)	4,504,124	4,483,393	20,731
Other salaries for instruction	1,177,471	20,643	1,198,114	1,198,014	100
Purchased professional ed services	62,334	(59,435)	2,899		2,899
General supplies	13,082	(855)	12,227	8,697	3,530
Textbooks	4,950	(3,750)	1,200	1,119	81
Total resource room/center	6,413,164	(694,600)	5,718,564	5,691,223	27,341
Autism:					
Salaries of teachers	173,172	103,406	276,578	276,578	
Other salaries for instruction	169,743	(10,276)	159,467	159,467	
Purchased professional-educational services	29,718	118,667	148,385	148,385	
Other purchased services	4,000		4,000		4,000
General supplies	15,500	35,000	50,500	46,734	3,766
Textbooks	200		200	200	
Total autism	392,333	246,797	639,130	631,364	7,766
Preschool disabilities - part time:					
Salaries of teachers	357,111	(29,273)	327,838	327,715	123
Other salaries for instruction	219,361	(3,658)	215,703	215,703	
Purchased professional-educational services	24,100	(3,642)	20,458	5,477	14,981
Other purchased services	1,000		1,000		1,000
General supplies	2,000	1,100	3,100	3,058	42
Total preschool disabilities - part time	603,572	(35,473)	568,099	551,953	16,146
Total special education	9,845,607	1,926	9,847,533	9,538,801	308,732

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 990,348	\$ 145,388	\$ 1,135,736	\$ 1,135,736	
General supplies	5,610	(1,000)	4,610	2,286	\$ 2,324
Total basic skills/remedial - instruction	995,958	144,388	1,140,346	1,138,022	2,324
Bilingual education - instruction:					
Salaries of teachers	578,796	(53,758)	525,038	478,107	46,931
Other salaries for instruction	52,285	(30,785)	21,500	21,500	
General supplies	1,730		1,730	1,559	171
Total bilingual education - instruction	632,811	(84,543)	548,268	501,166	47,102
School - sponsored cocurricular activities:					
Salaries	233,540	18,245	251,785	240,586	11,199
Supplies and materials	90,643	54,765	145,408	121,846	23,562
Other objects	1,800	300	2,100	1,200	900
Total school spn. cocurricular activities	325,983	73,310	399,293	363,632	35,661
School - sponsored athletics - instruction:					
Salaries	675,676	130,813	806,489	737,139	69,350
Purchased services	136,294	(8,435)	127,859	120,073	7,786
Supplies and materials	62,798	13,790	76,588	72,043	4,545
Other objects	3,600	100	3,700	3,500	200
Total school - sponsored athletics - instruction	878,368	136,268	1,014,636	932,755	81,881
Other instructional programs:					
Salaries	113,500	(113,500)			
Total other instructional programs	113,500	(113,500)			
Other supplemental / At Risk programs:					
Salaries of tutors	111,000	53,094	164,094	155,541	8,553
Other Purchased services	15,000	(2,000)	13,000	2,565	10,435
Supplies and materials	23,500	(13,260)	10,240	10,200	40
Total Other supplemental / At Risk programs:	149,500	37,834	187,334	168,306	19,028
Total instruction	44,307,296	853,753	45,161,049	42,412,339	2,748,710
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - sp.	12,000	(12,000)			
Tuition to CSSD and regional day schools	186,000	(186,000)			
Tuition to private schools for the handicapped - within state	1,675,808	40,815	1,716,623	1,354,522	362,101
Tuition - state facilities	197,000	(49,488)	147,512	147,512	
Total instruction	2,070,808	(206,673)	1,864,135	1,502,034	362,101

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 232,726	\$ 23,666	\$ 256,392	\$ 255,247	\$ 1,145
Other purchased services	1,920	2,500	4,420	3,803	617
Supplies and materials	4,734	(2,500)	2,234		2,234
<b>Total attendance and social work service</b>	<b>239,380</b>	<b>23,666</b>	<b>263,046</b>	<b>259,050</b>	<b>3,996</b>
Health services:					
Salaries	833,617	(38,758)	794,859	793,183	1,676
Purchased professional and technical services	15,162	(2,000)	13,162	8,343	4,819
Other purchased services	800		800	289	511
Supplies and materials	20,729	(19)	20,710	20,431	279
<b>Total health services</b>	<b>870,308</b>	<b>(40,777)</b>	<b>829,531</b>	<b>822,246</b>	<b>7,285</b>
Other support services - students - related services:					
Salaries	762,744	(107,821)	654,923	653,636	1,287
Supplies and materials	8,899	(700)	8,199	7,017	1,182
<b>Total other support services - students - related services</b>	<b>771,643</b>	<b>(108,521)</b>	<b>663,122</b>	<b>660,653</b>	<b>2,469</b>
Other support services - students - extra services:					
Salaries	186,756	(11,586)	175,170	171,252	3,918
Purchased professional educational services	730,959	32,000	762,959	755,108	7,851
Supplies and materials	6,939	(300)	6,639	4,236	2,403
<b>Total other support services - students - extra services</b>	<b>924,654</b>	<b>20,114</b>	<b>944,768</b>	<b>930,596</b>	<b>14,172</b>
Guidance:					
Salaries of other professional staff	1,749,831	(284,349)	1,465,482	1,465,482	
Salaries of secretarial and clerical assistants	328,853	(3,237)	325,616	310,051	15,565
Other Salaries	40,500	5,231	45,731	45,731	
Purchased professional - educational services	228,000	(13,000)	215,000	205,085	9,915
Other purchased professional - technical services	3,000		3,000	25	2,975
Other purchased services	1,900	(100)	1,800	464	1,336
Supplies and materials	21,125	160	21,285	19,421	1,864
Other objects	710	(60)	650	526	124
<b>Total guidance</b>	<b>2,373,919</b>	<b>(295,355)</b>	<b>2,078,564</b>	<b>2,046,785</b>	<b>31,779</b>
Child Study Team:					
Salaries of other professional staff	2,402,555	118,842	2,521,397	2,521,397	
Salaries of secretarial and clerical assistants	249,899	(3,305)	246,594	246,594	
Other Salaries	97,000	(13,001)	83,999	69,151	14,848
Purchased professional - educational services	60,000	186,921	246,921	198,993	47,928
Miscellaneous purchased services	13,755	4,700	18,455	4,660	13,795
Supplies and materials	21,846	(5,100)	16,746	13,028	3,718
<b>Total child study team</b>	<b>2,845,055</b>	<b>289,057</b>	<b>3,134,112</b>	<b>3,053,823</b>	<b>80,289</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 397,304	\$ (1,563)	\$ 395,741	\$ 395,741	
Salaries of secretarial and clerical assistants	115,101	(525)	114,576	113,455	\$ 1,121
Other Salaries	130,250	(43,380)	86,870	75,592	11,278
Salaries of facilitators, math & literacy coaches	599,224	(75,177)	524,047	524,047	
Purchased professional - educational services	91,600	12,489	104,089	103,400	689
Other purchased services	12,700	(8,875)	3,825	2,473	1,352
Supplies and materials	230,970	239,983	470,953	470,812	141
Other objects	6,000	(3,340)	2,660	2,660	
<b>Total improvement of instructional services</b>	<b>1,583,149</b>	<b>119,612</b>	<b>1,702,761</b>	<b>1,688,180</b>	<b>14,581</b>
Educational media services/school library:					
Salaries	656,202	(61,232)	594,970	593,586	1,384
Other purchased services	5,000		5,000		5,000
Supplies and materials	42,705	756	43,461	41,346	2,115
<b>Total educational media services/school library</b>	<b>703,907</b>	<b>(60,476)</b>	<b>643,431</b>	<b>634,932</b>	<b>8,499</b>
Instructional staff training services:					
Salaries of other professional staff	2,970		2,970	2,010	960
Other purchased services	41,800	(1,502)	40,298	29,024	11,274
Supplies and materials	1,500	(500)	1,000	697	303
Other objects	2,000	(1,189)	811	764	47
<b>Total instructional staff training services</b>	<b>48,270</b>	<b>(3,191)</b>	<b>45,079</b>	<b>32,495</b>	<b>12,584</b>
Support services-general administration:					
Salaries	407,690	(6,662)	401,028	399,218	1,810
Salaries of attorneys	102,485	12,515	115,000	115,000	
Legal services	36,500	31,500	68,000	46,699	21,301
Audit fees	82,000	8,975	90,975	88,675	2,300
Architectural / engineering services	162,662	47,483	210,145	159,253	50,892
Other purchased professional services	14,000	5,000	19,000	17,181	1,819
Purchased technical services	50,000	5,000	55,000	34,144	20,856
Communications/telephone	550,000	(78,260)	471,740	356,740	115,000
BOE Other purchased services	12,500		12,500	10,438	2,062
Misc purchased services	559,905	(41,328)	518,577	505,424	13,153
General supplies	73,500	222,268	295,768	293,377	2,391
Judgments against the school district	75,000	(75,000)			
BOE membership dues and fees	57,000	(3,850)	53,150	35,707	17,443
Miscellaneous expenditures	9,000		9,000	8,500	500
<b>Total support services-general administration</b>	<b>2,192,242</b>	<b>127,641</b>	<b>2,319,883</b>	<b>2,070,356</b>	<b>249,527</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/ assistant principals	\$ 1,980,390	\$ 12,299	\$ 1,992,689	\$ 1,992,689	
Salaries of secretarial and clerical assistants	890,656	(27,295)	863,361	863,206	\$ 155
Other salaries	142,500	(70,773)	71,727	21,386	50,341
Purchased professional and technical services	43,150	(21,883)	21,267	20,755	512
Other purchased services	12,550	(5,800)	6,750	2,225	4,525
Supplies and materials	156,673	(31,474)	125,199	99,203	25,996
Other objects	12,800	(290)	12,510	10,763	1,747
Total support services-school administration	3,238,719	(145,216)	3,093,503	3,010,227	83,276
Central services:					
Salaries	822,825	(40,043)	782,782	745,599	37,183
Purchased technical services	35,000	(4,072)	30,928	30,928	
Misc. purchased services	71,050		71,050	49,623	21,427
Supplies and materials	27,500	12,000	39,500	37,306	2,194
Miscellaneous expenditures	4,500	2,204	6,704	6,368	336
Total central services	960,875	(29,911)	930,964	869,824	61,140
Administrative information technology:					
Salaries	743,177	(48,746)	694,431	689,028	5,403
Purchased technical services	27,500	3,327	30,827	30,727	100
Other purchased services	7,000		7,000	3,544	3,456
Supplies and Materials	71,500		71,500	56,567	14,933
Other objects	193,280		193,280	172,945	20,335
Total administrative information technology	1,042,457	(45,419)	997,038	952,811	44,227
Required maintenance for school facilities:					
Salaries	831,207	(113,307)	717,900	682,644	35,256
Cleaning, repair and maintenance services	367,456	114,851	482,307	445,768	36,539
General supplies	291,000	1,961	292,961	205,074	87,887
Total required maintenance for school facilities	1,489,663	3,505	1,493,168	1,333,486	159,682
Custodial Services:					
Salaries	3,231,406	(437,474)	2,793,932	2,738,647	55,285
Purchased professional and technical services	45,000	(23,564)	21,436	12,092	9,344
Cleaning, repair and maintenance services	254,323	150,408	404,731	336,666	68,065
Other purchased property services	196,946		196,946	194,867	2,079
Insurance	495,000	82,923	577,923	570,545	7,378
Miscellaneous purchased services	4,500		4,500	3,315	1,185
General supplies	489,258	(54,196)	435,062	346,676	88,386
Energy - Natural gas	1,024,340	(459,893)	564,447	325,683	238,764
Energy - Electricity	1,689,535	234,833	1,924,368	1,652,107	272,261
Total custodial services	7,430,308	(506,963)	6,923,345	6,180,598	742,747
Care & upkeep of grounds:					
Salaries	440,953	(10,599)	430,354	421,857	8,497
Cleaning, repair and maintenance services	94,500	(3,575)	90,925	71,953	18,972
General supplies	92,000	33,646	125,646	100,520	25,126
Total care & upkeep of grounds	627,453	19,472	646,925	594,330	52,595

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 373,294	\$ (10,268)	\$ 363,026	\$ 363,026	
Purchased professional and technical	51,400	7,500	58,900	57,526	\$ 1,374
Cleaning, repair and maintenance	5,000	(3,500)	1,500		1,500
General supplies	25,000	15,748	40,748	40,748	
Other objects	1,000	1,000	2,000	1,357	643
Total Security	455,694	10,480	466,174	462,657	3,517
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	3,427	(3,427)			
Between home and school - regular	179,212	9,621	188,833	183,994	4,839
Between home and school - special	781,415	(381,415)	400,000	399,807	193
Between home and school - other	38,718	(36,493)	2,225	2,225	
Between home and school - non public	511,275	(345,756)	165,519	165,519	
Other purchased professional services	202,000	198,000	400,000	385,788	14,212
Cleaning, rapair and maintenance	178,986	21,014	200,000	190,275	9,725
Management Fees - ESC	37,829	(37,829)			
Contracted services:					
Between home & school - regular	1,600,000	(45,148)	1,554,852	1,554,852	
Other between home & school - regular	300,225	(1,200)	299,025	298,636	389
Between home & school - jointures		654,140	654,140	284,957	369,183
Vendors - special ed	425,250	354,182	779,432	694,924	84,508
ESCs & CTSA's - regular ed	156,429	(17,129)	139,300	139,050	250
ESCs & CTSA's - special ed	494,075	(421,953)	72,122	71,691	431
Aid in lieu - nonpublic	300,000	(148,217)	151,783	151,783	
Aid in lieu - charter	9,000	(9,000)			
Miscellaneous purchased services	57,570	72,430	130,000	126,255	3,745
General Supplies	10,108	490,317	500,425	484,730	15,695
Transportation Supplies and materials	173,948	(173,948)			
Total student transportation services	5,459,467	178,189	5,637,656	5,134,486	503,170
Unallocated benefits:					
Social security contributions	1,359,646	(159,692)	1,199,954	1,199,954	
Other retirement contributions - regular	1,400,000	7,755	1,407,755	1,407,755	
Unemployment compensation	110,000		110,000	110,000	
Worker's compensation	475,000	25,000	500,000	500,000	
Health insurance	13,000,000	806,330	13,806,330	13,806,330	
Tuition reimbursement	145,000	(91,474)	53,526	53,526	
Other employee benefits	350,000	25,643	375,643	375,634	9
Total unallocated benefits	16,839,646	613,562	17,453,208	17,453,199	9
On-behalf TPAF pension					
contributions ( non-budgeted)				4,365,574	(4,365,574)
Reimbursed TPAF social security				3,337,133	(3,337,133)
contributions ( non-budgeted)					
Total personal services: benefits	16,839,646	613,562	17,453,208	25,155,906	(7,702,698)
Total undistributed expenditures	52,167,617	(37,204)	52,130,413	57,395,475	(5,265,062)
Total current expenditures	96,474,913	816,549	97,291,462	99,807,814	(2,516,352)

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 9-12	\$ 1,000	\$ (1,000)			
Operation and maintenance of plant services	56,000	6,000	\$ 62,000	\$ 29,400	\$ 32,600
Admin info technology	5,000	(5,000)			
Total equipment	62,000	-	62,000	29,400	32,600
Facilities acquisition and construction services:					
Other objects - assessment of debt service	109,296		109,296	109,296	
Total facilities acquisition and construction services	109,296		109,296	109,296	
Total expenditures - capital outlay	171,296		171,296	138,696	32,600
Transfer of funds to charter schools	130,720		130,720	66,686	64,034
Total expenditures	96,776,929	816,549	97,593,478	100,013,196	(2,419,718)
(Deficiency) excess of revenues (under) over expenditures	(3,149,897)	150,000	(2,999,897)	3,110,704	6,110,601
Other financing sources (uses):					
Transfers in				4,029	4,029
Transfers out		(150,000)	(150,000)	(2,150,000)	(2,000,000)
Total other financing sources (uses)		(150,000)	(150,000)	(2,145,971)	(1,995,971)
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(3,149,897)	-	(3,149,897)	964,733	4,114,630
Fund balances, July 1 (as restated)	4,620,331	-	4,620,331	4,620,331	-
Fund balances, June 30	\$ 1,470,434	\$ -	\$ 1,470,434	\$ 5,585,064	\$ 4,114,630
<b>Recapitulation of (deficiency) excess of revenues (under)   over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (3,000,000)		\$ (3,000,000)	\$ 1,114,630	\$ 4,114,630
Adjustment for prior year encumbrances	(149,897)		(149,897)	(149,897)	
Total	\$ (3,149,897)	\$ -	\$ (3,149,897)	\$ 964,733	\$ 4,114,630
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 174,372	
Capital reserve				14,914	
Assigned to:					
Year end encumbrances				323,382	
Subsequent years expenditures				2,650,000	
Unassigned fund balance				2,422,396	
				5,585,064	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(1,347,978)	
Fund balance per Government Funds (GAAP) (B-1)				\$ 4,237,086	

Piscataway Township School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
State sources	\$ 932,200	\$ (38,115)	\$ 894,085	\$ 823,913	\$ (70,172)
Federal sources	2,248,500	1,055,418	3,303,918	2,873,572	(430,346)
Other sources	134,000	144,545	278,545	237,588	(40,957)
<b>Total revenues</b>	<b>3,314,700</b>	<b>1,161,848</b>	<b>4,476,548</b>	<b>3,935,073</b>	<b>(541,475)</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
<b>Salaries:</b>					
Salaries of teachers	751,000	(168,998)	582,002	503,958	78,044
Other salaries for instruction		101,605	101,605	22,944	78,661
Purchased professional services		348,981	348,981	313,497	35,484
Tuition	1,497,500	47,067	1,544,567	1,472,309	72,258
Supplies and materials	134,000	169,429	303,429	228,797	74,632
<b>Total instruction</b>	<b>2,382,500</b>	<b>498,084</b>	<b>2,880,584</b>	<b>2,541,505</b>	<b>339,079</b>
<b>Support services:</b>					
Salaries of other professional staff		1,080	1,080	1,080	
Personal services—employee benefits		90,977	90,977	90,977	
Purchased professional educational services - contracted Pre-K	442,200		442,200	442,200	
Other purchased professional services	490,000	559,625	1,049,625	851,973	197,652
Supplies and materials		11,700	11,700	6,956	4,744
<b>Total support services</b>	<b>932,200</b>	<b>663,382</b>	<b>1,595,582</b>	<b>1,393,186</b>	<b>202,396</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		382	382	382	
<b>Total facilities acquisition and construction services</b>		<b>382</b>	<b>382</b>	<b>382</b>	
<b>Total expenditures</b>	<b>3,314,700</b>	<b>1,161,848</b>	<b>4,476,548</b>	<b>3,935,073</b>	<b>541,475</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Piscataway Township School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2012

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 103,123,900	\$ 3,935,073
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		60,303
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,144,406	44,220
Current year	(1,347,978)	(44,220)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 102,920,328	\$ 3,995,376
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 100,013,196	\$ 3,935,073
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		60,303
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 100,013,196	\$ 3,995,376

## Supplementary Information

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2012

	Title I	I.D.E.A. - Part B		I.D.E.A. - Preschool		Title II		Title III	Title III	Title IV Drug Free
	Regular Part A	Regular	Part B ARRA	Preschool	Preschool ARRA	Part A Regular	Part D Carryover	Regular	Immigrant	Regular
Revenues:										
State sources										
Federal sources	\$ 584,559	\$ 1,635,892	\$ 15,721	\$ 49,180	\$ 4,420	\$ 159,307	\$ 1,060	\$ 69,686	\$ 33,795	\$ 758
Other sources										
Total revenues	\$ 584,559	\$ 1,635,892	\$ 15,721	\$ 49,180	\$ 4,420	\$ 159,307	\$ 1,060	\$ 69,686	\$ 33,795	\$ 758
Expenditures:										
Current expenditures:										
Instruction:										
Salaries:										
Salaries of teachers	\$ 369,737					\$ 58,398		\$ 54,092		
Other Salaries for instruction										\$ 758
Tuition		\$ 1,423,129		\$ 49,180						
Purchased professional services	19,611									
Supplies and materials	7,495							4,776		
Total instruction	396,843	1,423,129		49,180		58,398		58,868		758
Support services:										
Salaries of other professional staff	1,080									
Personal services-employee benefits	68,479					11,680		10,818		
Purchased professional educational services - contracted Pre-K										
Other purchased professional services	111,996	212,763	\$ 15,721		\$ 4,420	89,229	\$ 265		\$ 33,795	
Supplies and materials	6,161							795		
Total support services	187,716	212,763	15,721		4,420	100,909	1,060	10,818	33,795	
Capital outlay:										
Facilities acquisition and construction services:										
Instructional equipment										
Total facilities acquisition and construction services										
Total expenditures	\$ 584,559	\$ 1,635,892	\$ 15,721	\$ 49,180	\$ 4,420	\$ 159,307	\$ 1,060	\$ 69,686	\$ 33,795	\$ 758

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2012

New Jersey Non-Public Aid									
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Subple - mentary Instruction	Nursing	Home Instruction	Text - books
	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program				
Revenues:									
State sources	\$ 56,637	\$ 3,448	\$ 29,281	\$ 63,607	\$ 56,869	\$ 32,972	\$ 79,954	\$ 465	\$ 58,480
Federal sources									
Other sources									
Total revenues	\$ 56,637	\$ 3,448	\$ 29,281	\$ 63,607	\$ 56,869	\$ 32,972	\$ 79,954	\$ 465	\$ 58,480
Expenditures:									
Current expenditures:									
Instruction:									
Salaries:									
Salaries of teachers									
Other Salaries for instruction									
Tuition									
Purchased professional services									
Supplies and materials									
Total instruction									
Support services:									
Salaries of other professional staff									
Personal services—employee benefits									
Purchased professional educational services - contracted Pre-K									
Other purchased professional services	\$ 56,637	\$ 3,448	\$ 29,281	\$ 63,607	\$ 56,869	\$ 32,972	\$ 79,954	\$ 465	\$ 58,480
Supplies and materials									
Total support services	56,637	3,448	29,281	63,607	56,869	32,972	79,954	465	58,480
Capital outlay:									
Facilities acquisition and construction services:									
Instructional equipment									
Total facilities acquisition and construction services									
Total expenditures	\$ 56,637	\$ 3,448	\$ 29,281	\$ 63,607	\$ 56,869	\$ 32,972	\$ 79,954	\$ 465	\$ 58,480

Piscataway Township School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2012

	Teaching American History	Carl Perkins	Preschool Education Aid	Local Programs	Totals
<b>Revenues:</b>					
State sources			\$ 442,200		\$ 823,913
Federal sources	\$ 278,335	\$ 40,859			2,873,572
Other sources				\$ 237,588	237,588
<b>Total revenues</b>	<b>\$ 278,335</b>	<b>\$ 40,859</b>	<b>\$ 442,200</b>	<b>\$ 237,588</b>	<b>\$ 3,935,073</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
<b>Salaries:</b>					
Salaries of teachers	\$ 19,731			\$ 2,000	\$ 503,958
Other Salaries for instruction	22,186				22,944
Tuition					1,472,309
Purchased professional services	204,772	\$ 264		88,850	313,497
Supplies and materials	31,646	38,524		146,356	228,797
<b>Total instruction</b>	<b>278,335</b>	<b>38,788</b>		<b>237,206</b>	<b>2,541,505</b>
<b>Support services:</b>					
Salaries of other professional staff					1,080
Personal services—employee benefits					90,977
Purchased professional educational services - contracted Pre-K			\$ 442,200		442,200
Other purchased professional services		2,071			851,973
Supplies and materials					6,956
<b>Total support services</b>		<b>2,071</b>	<b>442,200</b>		<b>1,393,186</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment				382	382
<b>Total facilities acquisition and construction services</b>				<b>382</b>	<b>382</b>
<b>Total expenditures</b>	<b>\$ 278,335</b>	<b>\$ 40,859</b>	<b>\$ 442,200</b>	<b>\$ 237,588</b>	<b>\$ 3,935,073</b>

Piscataway Township School District  
Special Revenue Fund

Schedule of Preschool Education Aid Expenditures  
Preschool - All Programs  
Budgetary Basis

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>					
<b>Support services:</b>					
Purchased Professional Educational Services -					
Contracted Pre-K	\$442,200		\$442,200	\$442,200	
<b>Total support services</b>	<u>442,200</u>		<u>442,200</u>	<u>442,200</u>	
<b>Total Expenditures</b>	<u>\$442,200</u>	\$ -	<u>\$442,200</u>	<u>\$442,200</u>	\$ -

Calculation of Budget and Carryover

Total revised 2011-12 Preschool Education Aid Allocation	\$442,200
Add: Actual ECPA/Preschool Education Aid Carryover June 30, 2011	<u>-</u>
Total Preschool Education Aid Funds Available for 2011-12 Budget	442,200
Less: 2011-12 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>442,200</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	-
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>-</u>
2011-12 Carryover - Preschool Education Aid/Preschool	<u>\$ -</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	<u>\$ -</u>

Piscataway Township School District  
Capital Projects Fund  
Summary Schedule of Project Revenues, Expenditures,  
Project Balance and Project Status  
(Budgetary Basis)  
Year ended June 30, 2012

<b>Revenues and other financing sources</b>	
State Sources - SDAGrant	\$ (160,026)
Capital lease	8,185,000
Contribution from Private sources	104,254
Transfer from capital reserve	2,000,000
Interest	4,029
Miscellaneous (canceled prior year invoices)	13,873
Total revenues	<u>10,147,130</u>
<b>Expenditures</b>	
Purchased professional and technical services	639,702
Construction services	2,256,383
Total expenditures	<u>2,896,085</u>
Excess of revenues over expenditures	<u>7,251,045</u>
<b>Other financing uses</b>	
Transfers out	(4,029)
Total other financing uses	<u>(4,029)</u>
Excess of revenues over expenditures and other financing uses	7,247,016
Fund Balance, July 1	5,331,036
Fund Balance, June 30	<u>\$ 12,578,052</u>
Fund balance, budgetary-basis	\$ 12,578,052
Less difference in grant revenue recognized	(460,171)
Fund balance, GAAP-basis	<u>\$ 12,117,881</u>

Piscataway Township School District  
Capital Projects Fund

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

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 2,520,347	\$ (160,026)	\$ 2,360,321	\$ 2,360,321
Capital lease		8,185,000	8,185,000	8,185,000
Contribution from Private sources		104,254	104,254	104,254
Transfer from capital reserve and capital outlay	6,862,122	2,000,000	8,862,122	8,862,122
Miscellaneous		13,873	13,873	
Total revenues	<u>9,382,469</u>	<u>10,143,101</u>	<u>19,525,570</u>	<u>\$ 19,511,697</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	493,658	639,702	1,133,360	
Construction services	3,557,775	2,256,383	5,814,158	
Total expenditures	<u>4,051,433</u>	<u>2,896,085</u>	<u>6,947,518</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,331,036</u>	<u>\$ 7,247,016</u>	<u>\$ 12,578,052</u>	

Piscataway Township School District  
Capital Projects Fund

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

Piscataway High School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	\$ 250,000		\$ 250,000	\$ 250,000
Total revenues	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u><u>\$ 250,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Construction services				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	
<b>Additional project information</b>				
Project number	4130-050-02-0516			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 250,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 250,000			
Percentage Increase over Original Authorized Cost				
Percentage completion				
Original target completion date	N/A			
Revised target completion date	N/A			

Piscataway Township School District  
Capital Projects Fund

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

High School Auditorium #1003

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 488,562	\$ (6,926)	\$ 481,636	\$ 481,636
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	732,841	59,324	792,165	792,165
Total revenues	<u>1,221,403</u>	<u>52,398</u>	<u>1,273,801</u>	<u>\$ 1,273,801</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	130,436		130,436	
Construction services	1,090,967	52,398	1,143,365	
Total expenditures	<u>1,221,403</u>	<u>52,398</u>	<u>1,273,801</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-09-1003			
Grant date	Pending			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,221,403			
Additional Authorized Cost	52,398			
Revised Authorized Cost	\$ 1,273,801			
Percentage Increase over Original Authorized Cost	4.29%			
Percentage completion	100.00%			
Original target completion date	Fall 2010			
Revised target completion date	Complete			

Piscataway Township School District  
Capital Projects Fund

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

High School Auditorium #1004

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 141,125		\$ 141,125	\$ 141,125
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	664,576	\$ (68,812)	595,764	595,764
Total revenues	<u>805,701</u>	<u>(68,812)</u>	<u>736,889</u>	<u>\$ 736,889</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	33,154		33,154	
Construction services	772,547	(68,812)	703,735	
Total expenditures	<u>805,701</u>	<u>(68,812)</u>	<u>736,889</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-09-1004			
Grant date	Pending			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 805,701			
Additional Authorized Cost	(68,812)			
Revised Authorized Cost	\$ 736,889			
Percentage Increase over Original Authorized Cost	-8.54%			
Percentage completion	100.00%			
Original target completion date	Fall 2010			
Revised target completion date	Complete			

Piscataway Township School District  
Capital Projects Fund

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

High School Auditorium #1005

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 152,717	\$ (2,893)	\$ 149,824	\$ 149,824
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	229,075	(27,274)	201,801	201,801
Total revenues	<u>381,792</u>	<u>(30,167)</u>	<u>351,625</u>	<u>\$ 351,625</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	35,160		35,160	
Construction services	346,632	(30,167)	316,465	
Total expenditures	<u>381,792</u>	<u>(30,167)</u>	<u>351,625</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-09-1005			
Grant date	Pending			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 381,792			
Additional Authorized Cost	(30,167)			
Revised Authorized Cost	\$ 351,625			
Percentage Increase over Original Authorized Cost	-7.90%			
Percentage completion	100.00%			
Original target completion date	Fall 2010			
Revised target completion date	Complete			

Piscataway Township School District  
Capital Projects Fund

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

High School Auditorium #1006

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 171,430	\$ (2,252)	\$ 169,178	\$ 169,178
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	633,685	(360,055)	273,630	273,630
Total revenues	<u>805,115</u>	<u>(362,307)</u>	<u>442,808</u>	<u>\$ 442,808</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	120,523		120,523	
Construction services	308,048	14,237	322,285	
Total expenditures	<u>428,571</u>	<u>14,237</u>	<u>442,808</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 376,544</u>	<u>\$ (376,544)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-09-1006			
Grant date	Pending			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 805,115			
Additional Authorized Cost	(362,307)			
Revised Authorized Cost	\$ 442,808			
Percentage Increase over Original Authorized Cost	-45.00%			
Percentage completion	100.00%			
Original target completion date	Fall 2010			
Revised target completion date	Complete			

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: High School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 701,085	\$ (193,248)	\$ 507,837	\$ 507,837
Capital lease				
Contribution from Private sources		35,802	35,802	35,802
Transfer from capital reserve	1,055,813	(267,933)	787,880	787,880
Total revenues	<u>1,756,898</u>	<u>(425,379)</u>	<u>1,331,519</u>	<u>\$ 1,331,519</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	148,256		148,256	
Construction services	504,928	616,410	1,121,338	
Total expenditures	<u>653,184</u>	<u>616,410</u>	<u>1,269,594</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,103,714</u>	<u>\$ (1,041,789)</u>	<u>\$ 61,925</u>	
	59%			
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 1,756,898			
Additional Authorized Cost	(425,379)			
Revised Authorized Cost	\$ 1,331,519			
Percentage Increase over Original Authorized Cost		-24.21%		
Percentage completion		95.35%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: T Schor Middle School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 458,590	\$ (259,943)	\$ 198,647	\$ 198,647
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	687,885	(377,421)	310,464	310,464
Total revenues	<u>1,146,475</u>	<u>(637,364)</u>	<u>509,111</u>	<u>\$ 509,111</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	14,064		14,064	
Construction services	302,212	180,342	482,554	
Total expenditures	<u>316,276</u>	<u>180,342</u>	<u>496,618</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 830,199</u>	<u>\$ (817,706)</u>	<u>\$ 12,493</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 1,146,475			
Additional Authorized Cost	(637,364)			
Revised Authorized Cost	\$ 509,111			
Percentage Increase over Original Authorized Cost		-55.59%		
Percentage completion		97.55%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Knollwood Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 162,454	\$ (104,883)	\$ 57,571	\$ 57,571
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	243,681	(151,151)	92,530	92,530
Total revenues	<u>406,135</u>	<u>(256,034)</u>	<u>150,101</u>	<u>\$ 150,101</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	4,831		4,831	
Construction services	86,583	52,514	139,097	
Total expenditures	<u>91,414</u>	<u>52,514</u>	<u>143,928</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 314,721</u>	<u>\$ (308,548)</u>	<u>\$ 6,173</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 406,135			
Additional Authorized Cost	(256,034)			
Revised Authorized Cost	\$ 150,101			
Percentage Increase over Original Authorized Cost		-63.04%		
Percentage completion		95.89%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Randolphville Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 161,569	\$ (104,406)	\$ 57,163	\$ 57,163
Capital lease				
Contribution from Private sources		13,417	13,417	13,417
Transfer from capital reserve	242,354	(163,852)	78,502	78,502
Total revenues	403,923	(254,841)	149,082	\$ 149,082
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	4,792		4,792	
Construction services	86,909	51,207	138,116	
Total expenditures	91,701	51,207	142,908	
Excess (deficiency) of revenues over (under) expenditures	\$ 312,222	\$ (306,048)	\$ 6,174	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 403,923			
Additional Authorized Cost	(254,841)			
Revised Authorized Cost	\$ 149,082			
Percentage Increase over Original Authorized Cost		-63.09%		
Percentage completion		95.86%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Conackamack Middle School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 12,698	\$ (10,128)	\$ 2,570	\$ 2,570
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	19,034	(15,179)	3,855	3,855
Total revenues	<u>31,732</u>	<u>(25,307)</u>	<u>6,425</u>	<u>\$ 6,425</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	192		192	
Construction services	6,119	114	6,233	
Total expenditures	<u>6,311</u>	<u>114</u>	<u>6,425</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 25,421</u>	<u>\$ (25,421)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 31,732			
Additional Authorized Cost	(25,307)			
Revised Authorized Cost	\$ 6,425			
Percentage Increase over Original Authorized Cost	-79.75%			
Percentage completion	100.00%			
Original target completion date	Fall 2012			
Revised target completion date	Fall 2012			

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Quibbletown Middle School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 12,889	\$ (10,496)	\$ 2,393	\$ 2,393
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	19,334	(15,743)	3,591	3,591
Total revenues	<u>32,223</u>	<u>(26,239)</u>	<u>5,984</u>	<u>\$ 5,984</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	192		192	
Construction services	5,418	374	5,792	
Total expenditures	<u>5,610</u>	<u>374</u>	<u>5,984</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,613</u>	<u>\$ (26,613)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 32,223			
Additional Authorized Cost	(26,239)			
Revised Authorized Cost	\$ 5,984			
Percentage Increase over Original Authorized Cost		-81.43%		
Percentage completion		100.00%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Arbor Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 25,465	\$ (9,243)	\$ 16,222	\$ 16,222
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	36,198	(11,865)	24,333	24,333
Total revenues	<u>61,663</u>	<u>(21,108)</u>	<u>40,555</u>	<u>\$ 40,555</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	652		652	
Construction services	24,886	15,017	39,903	
Total expenditures	<u>25,538</u>	<u>15,017</u>	<u>40,555</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 36,125</u>	<u>\$ (36,125)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 61,663			
Additional Authorized Cost	(21,108)			
Revised Authorized Cost	\$ 40,555			
Percentage Increase over Original Authorized Cost	-34.23%			
Percentage completion	100.00%			
Original target completion date	Fall 2012			
Revised target completion date	Fall 2012			

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Eisenhower Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 10,601	\$ (8,273)	\$ 2,328	\$ 2,328
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	15,902	(12,408)	3,494	3,494
Total revenues	<u>26,503</u>	<u>(20,681)</u>	<u>5,822</u>	<u>\$ 5,822</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	192		192	
Construction services	5,516	114	5,630	
Total expenditures	<u>5,708</u>	<u>114</u>	<u>5,822</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,795</u>	<u>\$ (20,795)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 26,503			
Additional Authorized Cost	(20,681)			
Revised Authorized Cost	\$ 5,822			
Percentage Increase over Original Authorized Cost	-78.03%			
Percentage completion	100.00%			
Original target completion date	Fall 2012			
Revised target completion date	Fall 2012			

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Grandview Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 10,601	\$ (6,714)	\$ 3,887	\$ 3,887
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	15,902	(10,070)	5,832	5,832
Total revenues	<u>26,503</u>	<u>(16,784)</u>	<u>9,719</u>	<u>\$ 9,719</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	192		192	
Construction services	9,414	113	9,527	
Total expenditures	<u>9,606</u>	<u>113</u>	<u>9,719</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,897</u>	<u>\$ (16,897)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 26,503			
Additional Authorized Cost	(16,784)			
Revised Authorized Cost	\$ 9,719			
Percentage Increase over Original Authorized Cost		-63.33%		
Percentage completion		100.00%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Plumbing: Martin Luther King Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 10,561	\$ (7,069)	\$ 3,492	\$ 3,492
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	15,842	(10,603)	5,239	5,239
Total revenues	<u>26,403</u>	<u>(17,672)</u>	<u>8,731</u>	<u>\$ 8,731</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	1,022		1,022	
Construction services	7,596	113	7,709	
Total expenditures	<u>8,618</u>	<u>113</u>	<u>8,731</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,785</u>	<u>\$ (17,785)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 26,403			
Additional Authorized Cost	(17,672)			
Revised Authorized Cost	\$ 8,731			
Percentage Increase over Original Authorized Cost		-66.93%		
Percentage completion		100.00%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Piscataway High School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	\$ 800,000	\$ (800,000)	\$ -	\$ -
Total revenues	<u>800,000</u>	<u>(800,000)</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Construction services				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 800,000</u>	<u>\$ (800,000)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 800,000			
Additional Authorized Cost	(800,000)			
Revised Authorized Cost	\$ -			
Percentage Increase over Original Authorized Cost		0.0%		
Percentage completion		0.0%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Conackamack Middle School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 48,540	\$ 48,540	\$ 48,540
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	\$ 120,000	(28,540)	91,460	91,460
Total revenues	<u>120,000</u>	<u>20,000</u>	<u>140,000</u>	<u>\$ 140,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		13,500	13,500	
Construction services		26,777	26,777	
Total expenditures	<u>-</u>	<u>40,277</u>	<u>40,277</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ (20,277)</u>	<u>\$ 99,723</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost		20,000		
Revised Authorized Cost	\$ 140,000			
Percentage Increase over Original Authorized Cost		16.67%		
Percentage completion		28.77%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Quibbletown Middle School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 76,200	\$ 76,200	\$ 76,200
Capital lease				
Contribution from Private sources		6,825	6,825	6,825
Transfer from capital reserve	\$ 200,000	(73,025)	126,975	126,975
Total revenues	<u>200,000</u>	<u>10,000</u>	<u>210,000</u>	<u>\$ 210,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		13,500	13,500	
Construction services		15,518	15,518	
Total expenditures	<u>-</u>	<u>29,018</u>	<u>29,018</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 200,000</u>	<u>\$ (19,018)</u>	<u>\$ 180,982</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 200,000			
Additional Authorized Cost	10,000			
Revised Authorized Cost	\$ 210,000			
Percentage Increase over Original Authorized Cost		5.00%		
Percentage completion		13.82%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: T Schor Middle School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 97,280	\$ 97,280	\$ 97,280
Capital lease				
Contribution from Private sources		11,475	11,475	11,475
Transfer from capital reserve	\$ 160,000	1,245	161,245	161,245
Total revenues	<u>160,000</u>	<u>110,000</u>	<u>270,000</u>	<u>\$ 270,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		19,000	19,000	
Construction services		34,463	34,463	
Total expenditures	<u>-</u>	<u>53,463</u>	<u>53,463</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 160,000</u>	<u>\$ 56,537</u>	<u>\$ 216,537</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 160,000			
Additional Authorized Cost	110,000			
Revised Authorized Cost	\$ 270,000			
Percentage Increase over Original				
Authorized Cost		68.75%		
Percentage completion		19.80%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Grandview Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 62,400	\$ 62,400	\$ 62,400
Capital lease				
Contribution from Private sources		10,820	10,820	10,820
Transfer from capital reserve	\$ 120,000	(18,220)	101,780	101,780
Total revenues	<u>120,000</u>	<u>55,000</u>	<u>175,000</u>	<u>\$ 175,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		10,000	10,000	
Construction services		21,246	21,246	
Total expenditures	<u>-</u>	<u>31,246</u>	<u>31,246</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ 23,754</u>	<u>\$ 143,754</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	55,000			
Revised Authorized Cost	\$ 175,000			
Percentage Increase over Original Authorized Cost		45.83%		
Percentage completion		17.85%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Martin Luther King Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 49,576	\$ 49,576	\$ 49,576
Capital lease				
Contribution from Private sources		7,950	7,950	7,950
Transfer from capital reserve	\$ 120,000	(37,526)	82,474	82,474
Total revenues	<u>120,000</u>	<u>20,000</u>	<u>140,000</u>	<u>\$ 140,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		20,000	20,000	
Construction services		15,391	15,391	
Total expenditures	<u>-</u>	<u>35,391</u>	<u>35,391</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ (15,391)</u>	<u>\$ 104,609</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	20,000			
Revised Authorized Cost	\$ 140,000			
Percentage Increase over Original Authorized Cost		16.67%		
Percentage completion		25.28%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Knollwood Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 43,185	\$ 43,185	\$ 43,185
Capital lease				
Contribution from Private sources		6,095	6,095	6,095
Transfer from capital reserve	\$ 120,000	(49,280)	70,720	70,720
Total revenues	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u><u>\$ 120,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		10,000	10,000	
Construction services		15,273	15,273	
Total expenditures	<u>-</u>	<u>25,273</u>	<u>25,273</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ (25,273)</u>	<u>\$ 94,727</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 120,000			
Percentage Increase over Original Authorized Cost				
Percentage completion		21.06%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Randolphville Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 57,089	\$ 57,089	\$ 57,089
Capital lease				
Contribution from Private sources		5,975	5,975	5,975
Transfer from capital reserve	\$ 120,000	(23,064)	96,936	96,936
Total revenues	<u>120,000</u>	<u>40,000</u>	<u>160,000</u>	<u>\$ 160,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		8,000	8,000	
Construction services		19,381	19,381	
Total expenditures	<u>-</u>	<u>27,381</u>	<u>27,381</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ 12,619</u>	<u>\$ 132,619</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	40,000			
Revised Authorized Cost	\$ 160,000			
Percentage Increase over Original Authorized Cost		33.33%		
Percentage completion		17.11%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Eisenhower Elementary School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 62,698	\$ 62,698	\$ 62,698
Capital lease				
Contribution from Private sources		5,895	5,895	5,895
Transfer from capital reserve	\$ 120,000	(18,593)	101,407	101,407
Total revenues	<u>120,000</u>	<u>50,000</u>	<u>170,000</u>	<u>\$ 170,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		12,500	12,500	
Construction services		21,192	21,192	
Total expenditures	<u>-</u>	<u>33,692</u>	<u>33,692</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ 16,308</u>	<u>\$ 136,308</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	50,000			
Revised Authorized Cost	\$ 170,000			
Percentage Increase over Original Authorized Cost		41.67%		
Percentage completion		19.82%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Arbor Elementary School

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 69,480	\$ 69,480	\$ 69,480
Capital lease				
Contribution from Private sources				
Transfer from capital reserve	\$ 120,000	10,520	130,520	130,520
Total revenues	<u>120,000</u>	<u>80,000</u>	<u>200,000</u>	<u>\$ 200,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		25,000	25,000	
Construction services		23,204	23,204	
Total expenditures	<u>-</u>	<u>48,204</u>	<u>48,204</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,000</u>	<u>\$ 31,796</u>	<u>\$ 151,796</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 120,000			
Additional Authorized Cost	80,000			
Revised Authorized Cost	\$ 200,000			
Percentage Increase over Original Authorized Cost		66.67%		
Percentage completion		24.10%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Energy Efficient Lighting: Arbor Elementary School

From Inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Capital lease				
Contribution from Private sources				
Transfer from capital reserve		\$ 39,735	\$ 39,735	\$ 39,735
<b>Total revenues</b>	-	<u>39,735</u>	<u>39,735</u>	<u><u>\$ 39,735</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Construction services		39,735	39,735	
<b>Total expenditures</b>	-	<u>39,735</u>	<u>39,735</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	39,735		
Additional Authorized Cost				
Revised Authorized Cost	\$	39,735		
Percentage Increase over Original Authorized Cost		100.00%		
Percentage completion		100.00%		
Original target completion date		Fall 2012		
Revised target completion date		Fall 2012		

Piscataway Township School District  
Capital Projects Fund

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

Roofing Renovations and Solar

From Inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Capital lease		\$ 8,185,000	\$ 8,185,000	\$ 8,185,000
Contribution from Private sources				
Transfer from capital reserve		4,429,790	4,429,790	4,429,790
<b>Total revenues</b>	<u>-</u>	<u>12,614,790</u>	<u>12,614,790</u>	<u>\$ 12,614,790</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		508,202	508,202	
Construction services		1,140,229	1,140,229	
<b>Total expenditures</b>	<u>-</u>	<u>1,648,431</u>	<u>1,648,431</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 10,966,359</u>	<u>\$ 10,966,359</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	12,614,790		
Additional Authorized Cost				
Revised Authorized Cost	\$	12,614,790		
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		13.07%		
Original target completion date		Fall 2015		
Revised target completion date		Fall 2015		

Piscataway Township School District  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

From Inception and for the year ended June 30, 2012

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years	Current Year	
Piscataway High School	\$ 250,000			\$ 250,000
High School Auditorium #1003	1,273,801	\$ 1,221,403	\$ 52,398	
High School Auditorium #1004	736,889	805,701	(68,812)	
High School Auditorium #1005	351,625	381,792	(30,167)	
High School Auditorium #1006	442,808	428,571	14,237	
Energy Efficient Plumbing: High School	1,331,519	653,184	616,410	61,925
Energy Efficient Plumbing: T Schor	509,111	316,276	180,342	12,493
Energy Efficient Plumbing: Knollwood	150,101	91,414	52,514	6,173
Energy Efficient Plumbing: Randolphville	149,082	91,701	51,207	6,174
Energy Efficient Plumbing: Conackamack	6,425	6,311	114	
Energy Efficient Plumbing: Quibbletown	5,984	5,610	374	
Energy Efficient Plumbing: Arbor	40,555	25,538	15,017	
Energy Efficient Plumbing: Eisenhower	5,822	5,708	114	
Energy Efficient Plumbing: Grandview	9,719	9,606	113	
Energy Efficient Plumbing: MLK	8,731	8,618	113	
Energy Efficient Lighting: Conachamack	140,000		40,277	99,723
Energy Efficient Lighting: Quibbletown	210,000		29,018	180,982
Energy Efficient Lighting: T Schor	270,000		53,463	216,537
Energy Efficient Lighting: Grandview	175,000		31,246	143,754
Energy Efficient Lighting: MLK	140,000		35,391	104,609
Energy Efficient Lighting: Knollwood	120,000		25,273	94,727
Energy Efficient Lighting: Randolphville	160,000		27,381	132,619
Energy Efficient Lighting: Eisenhower	170,000		33,692	136,308
Energy Efficient Lighting: Arbor	200,000		48,204	151,796
Energy Efficient Lighting: Arbor #2	39,735		39,735	
Roof Renovations and Solar project	12,614,790		1,648,431	10,966,359
	<u>\$ 19,511,697</u>	<u>\$ 4,051,433</u>	<u>\$ 2,896,085</u>	<u>\$ 12,564,179</u>

Components of appropriations

Capital lease	\$ 8,185,000
Transfers from capital reserve and capital outlay	8,862,122
Local sources	104,254
State grants (SDA)	2,360,321
	<u>\$ 19,511,697</u>

Cancelled prior year invoices

13,873
<u>\$ 12,578,052</u>

Piscataway Township School District  
Internal Service Funds

Combining Statement of Net Assets

June 30, 2012

	Self- Insurance	Transportation	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 8,117,397	\$ 981,505	\$ 9,098,902
Accounts receivable - other		27,132	27,132
Total current assets	8,117,397	1,008,637	9,126,034
Total assets	8,117,397	1,008,637	9,126,034
<b>Liabilities</b>			
Current liabilities:			
Accrued liability for insurance claims	4,937,709		4,937,709
Accounts payable		55,369	55,369
Total current liabilities	4,937,709	55,369	4,993,078
<b>Net Assets</b>			
Restricted for self insurance claims	3,179,688		3,179,688
Restricted for transportation		953,268	953,268
Total net assets	\$ 3,179,688	\$ 953,268	\$ 4,132,956

Piscataway Township School District  
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2012

	Self- Insurance	Transportation	Totals
Operating revenues:			
Charges for services	\$ 15,817,437	\$ 845,453	\$ 16,662,890
Total operating revenues	<u>15,817,437</u>	<u>845,453</u>	<u>16,662,890</u>
Operating expenses:			
Insurance claims	17,465,157		17,465,157
Transportation		554,759	554,759
Total operating expenses	<u>17,465,157</u>	<u>554,759</u>	<u>18,019,916</u>
Operating income	<u>(1,647,720)</u>	<u>290,694</u>	<u>(1,357,026)</u>
Non-operating revenues:			
Interest income	<u>7,734</u>		<u>7,734</u>
Operating (loss) income and Change in net assets	<u>(1,639,986)</u>	<u>290,694</u>	<u>(1,349,292)</u>
Total net assets—beginning (as restated)	4,819,674	662,574	5,482,248
Total net assets—ending	<u>\$ 3,179,688</u>	<u>\$ 953,268</u>	<u>\$ 4,132,956</u>

Piscataway Township School District  
Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2012

	<b>Self- Insurance</b>	<b>Transportation</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from services provided to other funds and other districts	\$ 15,817,437	\$ 818,321	\$ 16,635,758
Payments for insurance	(14,039,701)		(14,039,701)
Payments for transportation		(499,390)	(499,390)
Net cash provided by operating activities	1,777,736	318,931	2,096,667
<b>Cash Flows from Investing Activities</b>			
Interest received	7,734		7,734
Net cash provided by investing activities	7,734		7,734
Net increase in cash and cash equivalents	1,785,470	318,931	2,104,401
Cash and cash equivalents, beginning of year (as restated)	6,331,927	662,574	6,994,501
Cash and cash equivalents, end of year	\$ 8,117,397	\$ 981,505	\$ 9,098,902
<b>Reconciliation of operating (loss) income to net cash provided by operating activities:</b>			
Operating (loss) income	\$ (1,647,720)	\$ 290,694	\$ (1,357,026)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
(Increase) in accounts receivable		(27,132)	(27,132)
(Decrease) increase in accounts payable	(121,623)	55,369	(66,254)
Increase in accrued liabilities for insurance claims	3,547,079		3,547,079
Total adjustments	3,425,456	28,237	3,453,693
Net cash provided by operating activities	\$ 1,777,736	\$ 318,931	\$ 2,096,667

Piscataway Township School District  
Trust and Agency Funds

Combining Statement of Fiduciary Net Assets

Year ended June 30, 2012

	Trust			Agency			
	Private- Purpose Scholarship Funds	Unemployment Compensation	Total Trust	Student Activity	Bond and Interest	Payroll	Total Agency
<b>Assets</b>							
Cash and cash equivalents	\$ 24,775	\$ 1,702,115	\$ 1,726,890	\$ 311,713	\$ 51,360	\$ 31,092	\$ 394,165
Total assets	<u>24,775</u>	<u>1,702,115</u>	<u>1,726,890</u>	<u>\$ 311,713</u>	<u>\$ 51,360</u>	<u>\$ 31,092</u>	<u>\$ 394,165</u>
<b>Liabilities</b>							
Payroll deductions payable						\$ 31,092	\$ 31,092
Accounts payable					\$ 51,360		51,360
Due to student groups				\$ 311,713			311,713
Total liabilities				<u>\$ 311,713</u>	<u>\$ 51,360</u>	<u>\$ 31,092</u>	<u>\$ 394,165</u>
<b>Net assets</b>							
Held in trust for unemployment claims		1,702,115	1,702,115				
Held in trust for scholarships	24,775		24,775				
Total net assets	<u>\$ 24,775</u>	<u>\$ 1,702,115</u>	<u>\$ 1,726,890</u>				

Piscataway Township School District  
Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2012

	<b>Private- Purpose Scholarship Funds</b>	<b>Unemployment Compensation</b>	<b>Totals</b>
<b>Additions:</b>			
Interest income	\$ 40	\$ 1,930	\$ 1,970
Contributions	600	243,275	243,875
Total additions	<u>640</u>	<u>245,205</u>	<u>245,845</u>
<b>Deductions:</b>			
Scholarship payments	5,300		5,300
Unemployment claims paid		224,022	224,022
Total deductions	<u>5,300</u>	<u>224,022</u>	<u>229,322</u>
Change in net assets	(4,660)	21,183	16,523
Net assets, beginning	29,435	1,680,932	1,710,367
Net assets, ending	<u>\$ 24,775</u>	<u>\$ 1,702,115</u>	<u>\$ 1,726,890</u>

Piscataway Township School District  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
<b>Assets:</b>				
Cash and cash equivalents				
Student Activity Fund	\$ 258,331	\$ 546,692	\$ 497,177	\$ 307,846
Athletic Fund	18,467	101,515	116,115	3,867
Total assets	<u>\$ 276,798</u>	<u>\$ 648,207</u>	<u>\$ 613,292</u>	<u>\$ 311,713</u>
<b>Liabilities:</b>				
Due to student groups				
Student Activity Fund	\$ 258,331	\$ 546,692	\$ 497,177	\$ 307,846
Athletic Fund	18,467	101,515	116,115	3,867
Total liabilities	<u>\$ 276,798</u>	<u>\$ 648,207</u>	<u>\$ 613,292</u>	<u>\$ 311,713</u>

Piscataway Township School District  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
<b>Assets</b>				
Cash and cash equivalents	\$ 94,334	\$ 66,656,683	\$ 66,719,925	\$ 31,092
Total assets	<u>\$ 94,334</u>	<u>\$ 66,656,683</u>	<u>\$ 66,719,925</u>	<u>\$ 31,092</u>
<b>Liabilities</b>				
Payroll deductions payable	\$ 94,334	\$ 66,656,683	\$ 66,719,925	\$ 31,092
Total liabilities	<u>\$ 94,334</u>	<u>\$ 66,656,683</u>	<u>\$ 66,719,925</u>	<u>\$ 31,092</u>

Piscataway Township School District  
Bond and Interest Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
<b>Assets</b>				
Cash and cash equivalents	\$ 51,360	\$ 57	\$ 57	\$ 51,360
Total assets	\$ 51,360	\$ 57	\$ 57	\$ 51,360
<b>Liabilities</b>				
Accounts payable	\$ 51,360	\$ 57	\$ 57	\$ 51,360
Total liabilities	\$ 51,360	\$ 57	\$ 57	\$ 51,360

Piscataway Township School District  
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
Additions/alterations to various schools	8/15/2002	\$ 35,507,000	8/15/12	\$ 2,270,000	4.13%	\$ 33,247,000		\$ 28,597,000	\$ 4,650,000
			8/15/13	2,380,000	4.13				
Refunding Bonds	8/15/2011	27,280,000	8/15/2014	2,540,000	3.00		\$ 27,280,000		27,280,000
			8/15/2015	2,635,000	3.00				
			8/15/2016	2,740,000	4.00				
			8/15/2017	2,875,000	4.00				
			8/15/2018	3,005,000	3.00 - 4.00				
			8/15/2019	3,145,000	3.00 - 5.00				
			8/15/2020	3,315,000	2.50 - 5.00				
			8/15/2021	3,450,000	2.75 - 5.00				
			8/15/2022	3,575,000	3.00 - 5.00				
						<u>\$ 33,247,000</u>	<u>\$ 27,280,000</u>	<u>\$ 28,597,000</u>	<u>\$ 31,930,000</u>

Piscataway Township School District  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2012

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2011	Issued	Balance June 30, 2012
Roof renovation and solar initiative	1.23%	\$ 8,185,000	\$ -	\$ 8,185,000	\$ 8,185,000
			\$ -	\$ 8,185,000	\$ 8,185,000

Piscataway Township School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 2,682,684		\$ 2,682,684	\$ 2,682,684	
Total revenues	<u>2,682,684</u>		<u>2,682,684</u>	<u>2,682,684</u>	
Expenditures:					
Principal on bonds	1,290,000		1,290,000	1,290,000	
Interest on bonds	1,392,684		1,392,684	1,260,385	\$ 132,299
Bond issuance costs				253,257	(253,257)
Total expenditures	<u>2,682,684</u>		<u>2,682,684</u>	<u>2,803,642</u>	<u>(120,958)</u>
Deficiency of revenues under expenditures	-		-	(120,958)	(120,958)
Other financing (uses) sources:					
Payment to Escrow Agent				(29,568,542)	(29,568,542)
Refunding Bonds Issued				27,280,000	27,280,000
Premium on Bond Refunding				2,441,798	2,441,798
Total other financing (uses) sources				<u>153,256</u>	<u>153,256</u>
Excess of revenues over expenditures and other financing (uses) sources	-		-	32,298	32,298
Fund balance, July 1	822		822	822	-
Fund balance, June 30	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ 822</u>	<u>\$ 33,120</u>	<u>\$ 32,298</u>

**Statistical Section  
Unaudited**

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

Piscataway Township School District  
Net Assets by Component  
Last Ten Fiscal Years

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,824,289	\$ 4,867,851	\$ 12,184,722	\$ 25,311,463	\$ 26,327,461	\$ 25,354,321	\$ 28,228,426	\$ 28,198,700	\$ 31,456,738	\$ 32,762,787
Restricted	1,029,426	1,191,828	452,896	311,620	709,752	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243
Unrestricted	2,141,471	3,326,920	6,737,873	5,308,506	4,978,055	2,912,403	254,420	367,286	1,425,411	1,697,656
<b>Total governmental activities net assets</b>	<b>\$ 4,995,186</b>	<b>\$ 9,386,599</b>	<b>\$ 19,375,491</b>	<b>\$ 30,931,589</b>	<b>\$ 32,015,268</b>	<b>\$ 35,021,370</b>	<b>\$ 35,191,436</b>	<b>\$ 35,887,067</b>	<b>\$ 42,061,574</b>	<b>\$ 42,748,686</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 39,407	\$ 4,867,851	\$ 15,809	\$ 4,010	\$ 82,729	\$ 292,998	\$ 547,443	\$ 442,029	\$ 291,576	\$ 161,558
Unrestricted	890,645	917,410	1,137,163	1,294,893	1,286,990	1,422,198	1,029,583	886,660	898,181	1,450,891
<b>Total business-type activities net assets</b>	<b>\$ 930,052</b>	<b>\$ 5,785,261</b>	<b>\$ 1,152,972</b>	<b>\$ 1,298,903</b>	<b>\$ 1,369,719</b>	<b>\$ 1,715,196</b>	<b>\$ 1,577,026</b>	<b>\$ 1,328,689</b>	<b>\$ 1,189,757</b>	<b>\$ 1,612,449</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,863,696	\$ 9,735,702	\$ 12,200,531	\$ 25,315,473	\$ 26,410,190	\$ 25,647,319	\$ 28,775,869	\$ 28,640,729	\$ 31,748,314	\$ 32,924,345
Restricted	1,029,426	1,191,828	452,896	311,620	709,752	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243
Unrestricted	3,032,116	4,244,330	7,875,036	6,603,399	6,265,045	4,334,601	1,284,003	1,253,946	2,323,592	3,148,547
<b>Total district net assets</b>	<b>\$ 5,925,238</b>	<b>\$ 15,171,860</b>	<b>\$ 20,528,463</b>	<b>\$ 32,230,492</b>	<b>\$ 33,384,987</b>	<b>\$ 36,736,566</b>	<b>\$ 36,768,462</b>	<b>\$ 37,215,756</b>	<b>\$ 43,251,331</b>	<b>\$ 44,361,135</b>

Source: CAFR Schedule A-1 and District records.

Note: The significant increases in 2006 in governmental activities net assets invested in capital assets, net of related debt is the result of the increase in construction in progress for ongoing capital projects.

Piscataway Township School District  
Changes in Net Assets  
Last Ten Fiscal Years

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 38,729,464	\$ 49,245,059	\$ 50,229,497	\$ 55,459,117	\$ 59,400,182	\$ 61,894,769	\$ 63,489,998	\$ 64,923,571	\$ 62,003,904	\$ 66,804,688
Support services:										
Attendance/social work	194,810	336,746	274,006	300,961	306,879	315,266	319,532	324,692	297,537	389,436
Health services	591,322	776,186	833,972	917,422	1,067,890	1,074,657	1,013,238	1,054,626	1,115,912	1,228,077
Other support services	6,124,348	7,548,511	7,703,680	8,403,480	10,873,493	9,250,602	9,660,503	10,362,999	9,878,738	11,044,283
Improvement of instruction	1,050,825	2,033,188	2,577,299	2,901,440	1,952,031	2,526,889	2,390,790	2,233,277	1,975,003	2,028,453
Instructional staff training	189,889	153,946	105,931	123,928	61,077	60,300	65,927	8,157	19,428	34,678
School library	939,702	1,256,251	1,382,883	1,515,928	1,434,389	1,526,548	1,594,549	1,612,180	920,202	939,383
General administration	1,631,841	1,864,318	1,961,208	2,355,258	2,619,870	2,407,772	2,586,218	2,038,025	2,083,907	2,391,805
School administration	3,111,158	3,917,840	4,237,085	4,367,042	4,678,616	4,951,455	4,899,527	4,650,168	4,082,524	4,483,429
Central Services			1,239,670	1,353,965	1,360,990	1,429,887	1,345,970	1,463,236	1,127,166	1,254,987
Administrative Information Technology			1,521,935	1,246,541	1,190,770	1,247,813	1,209,759	1,267,336	1,287,976	1,314,406
Required maintenance	1,197,544	1,210,171	1,480,638	1,239,845	2,089,089	1,699,535	2,451,571	1,808,401	1,589,585	1,706,514
Operation of plant	5,908,250	7,338,743	7,533,687	8,587,775	8,409,401	9,782,554	9,313,674	9,574,611	9,359,065	9,176,467
Student transportation	3,484,854	3,699,960	3,745,773	4,075,990	4,454,825	4,425,988	5,107,523	5,669,244	5,420,574	5,340,628
Business and other support services and benefits	16,685,846	2,746,657	30,581	40,692						
Capital outlay	975,399	42,021		289,104						
Charter schools		85,683	78,008	81,751	56,951	24,638	12,818	13,240	62,234	66,686
Interest on debt	1,654,615	1,888,071	1,756,227	1,702,440	1,646,986	1,604,338	1,554,363	1,495,832	1,427,261	1,220,708
Total governmental activities	<u>82,469,867</u>	<u>84,143,351</u>	<u>86,692,080</u>	<u>94,962,679</u>	<u>101,603,439</u>	<u>104,223,011</u>	<u>107,015,960</u>	<u>108,499,595</u>	<u>102,651,016</u>	<u>109,424,628</u>
<b>Business-type activities:</b>										
Food service	1,795,313	1,959,850	1,930,332	2,095,516	1,876,866	2,148,461	2,300,060	2,912,286	2,983,876	3,056,902
Adult and Community Education	1,452,511	1,688,330	1,493,522	1,734,096	1,795,231	1,815,906	2,055,785	2,700,793	3,104,067	3,236,349
Total business-type activities expense	<u>3,247,824</u>	<u>3,648,180</u>	<u>3,423,854</u>	<u>3,829,612</u>	<u>3,672,097</u>	<u>3,964,367</u>	<u>4,355,845</u>	<u>5,613,079</u>	<u>6,087,943</u>	<u>6,293,251</u>
Total district expenses	<u>\$ 85,717,691</u>	<u>\$ 87,791,531</u>	<u>\$ 90,115,934</u>	<u>\$ 98,792,291</u>	<u>\$ 105,275,536</u>	<u>\$ 108,187,378</u>	<u>\$ 111,371,805</u>	<u>\$ 114,112,674</u>	<u>\$ 108,738,959</u>	<u>\$ 115,717,879</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services - tuition and transportation	\$ 302,022	\$ 303,263	\$ 253,101	\$ 233,369	\$ 270,250	\$ 288,655	\$ 645,087	\$ 953,713	\$ 880,416	\$ 944,938
Operating grants and contributions	3,552,166	3,509,498	3,573,336	3,711,035	3,998,011	4,052,102	3,968,871	4,781,715	4,902,770	3,995,376
Capital grants and contributions			3,641,784	10,124,242	894,511	582,467	505,816	380,160	1,480,037	659,323
Total governmental activities program revenues	<u>3,854,188</u>	<u>3,812,761</u>	<u>7,468,221</u>	<u>14,068,646</u>	<u>5,162,772</u>	<u>4,923,224</u>	<u>5,119,774</u>	<u>6,115,588</u>	<u>7,263,223</u>	<u>5,599,637</u>
<b>Business-type activities:</b>										
Charges for services										
Food service	1,358,031	1,320,825	1,974,625	1,477,780	1,357,080	1,267,469	1,473,155	1,688,316	1,778,428	1,745,828
Adult and Community Education	1,557,001	1,737,745	1,604,878	1,782,290	2,155,088	2,341,553	2,286,935	2,678,152	2,963,287	3,551,369
Operating grants and contributions	539,088	575,415		663,811	638,274	711,134	889,050	1,120,706	1,170,997	1,266,860
Capital grants and contributions					103,163					
Total business type activities program revenues	<u>3,454,120</u>	<u>3,633,985</u>	<u>3,579,503</u>	<u>3,923,881</u>	<u>4,251,605</u>	<u>4,320,156</u>	<u>4,649,140</u>	<u>5,487,174</u>	<u>5,912,712</u>	<u>6,564,057</u>
Total district program revenues	<u>\$ 7,308,308</u>	<u>\$ 7,446,746</u>	<u>\$ 11,047,724</u>	<u>\$ 17,992,527</u>	<u>\$ 9,414,377</u>	<u>\$ 9,243,380</u>	<u>\$ 9,768,914</u>	<u>\$ 11,602,762</u>	<u>\$ 13,175,935</u>	<u>\$ 12,163,694</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (78,615,679)	\$ (80,330,590)	\$ (79,223,859)	\$ (80,894,033)	\$ (96,440,667)	\$ (99,299,787)	\$ (101,896,186)	\$ (102,384,007)	\$ (95,387,793)	\$ (103,824,991)
Business-type activities	206,296	(14,195)	155,649	94,269	579,508	355,789	293,295	(125,905)	(175,231)	270,806
Total district-wide net expense	<u>\$ (78,409,383)</u>	<u>\$ (80,344,785)</u>	<u>\$ (79,068,210)</u>	<u>\$ (80,799,764)</u>	<u>\$ (95,861,159)</u>	<u>\$ (98,943,998)</u>	<u>\$ (101,602,891)</u>	<u>\$ (102,509,912)</u>	<u>\$ (95,563,024)</u>	<u>\$ (103,554,185)</u>

Piscataway Township School District  
Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 57,804,466	\$ 62,081,301	\$ 66,843,446	\$ 67,951,106	\$ 69,658,719	\$ 74,286,825	\$ 75,955,122	\$ 75,955,122	\$ 77,398,270	\$ 78,946,236
Taxes levied for debt service	2,686,254	1,933,067	2,923,982	2,942,936	3,380,230	3,085,764	3,107,584	3,073,095	3,165,921	2,682,684
Unrestricted grants and contributions	16,611,440	19,733,908	18,370,140	20,382,909	22,630,305	23,895,800	22,172,029	23,292,650	20,283,429	22,402,736
Investment earnings	270,818	518,893	908,470	882,451	908,953	593,604	230,349	116,259	48,820	12,753
Miscellaneous income	509,046	454,834	166,713	290,729	346,139	343,896	129,318	492,512	697,370	617,694
Transfers					600,000	100,000	471,850	150,000	(31,510)	(150,000)
Premiums on bond issuances	491,092									
<b>Total governmental activities</b>	<b>78,373,116</b>	<b>84,722,003</b>	<b>89,212,751</b>	<b>92,450,131</b>	<b>97,524,346</b>	<b>102,305,889</b>	<b>102,066,252</b>	<b>103,079,638</b>	<b>101,562,300</b>	<b>104,512,103</b>
<b>Business-type activities:</b>										
Investment earnings		29,161	52,311	51,656	89,800	76,188	21,880	18,655	4,789	1,886
Miscellaneous income					1,508	13,500	18,505	8,913		
Transfers					(600,000)	(100,000)	(471,850)	(150,000)	31,510	150,000
<b>Total business-type activities</b>	<b>-</b>	<b>29,161</b>	<b>52,311</b>	<b>51,656</b>	<b>(508,692)</b>	<b>(10,312)</b>	<b>(431,465)</b>	<b>(122,432)</b>	<b>36,299</b>	<b>151,886</b>
<b>Total district-wide</b>	<b>\$ 78,373,116</b>	<b>\$ 84,751,164</b>	<b>\$ 89,265,062</b>	<b>\$ 92,501,787</b>	<b>\$ 97,015,654</b>	<b>\$ 102,295,577</b>	<b>\$ 101,634,787</b>	<b>\$ 102,957,206</b>	<b>\$ 101,598,599</b>	<b>\$ 104,663,989</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ (242,563)	\$ 4,391,413	\$ 9,988,892	\$ 11,556,098	\$ 1,083,679	\$ 3,006,102	\$ 170,066	\$ 695,631	\$ 6,174,507	\$ 687,112
Business-type activities	206,296	14,966	207,960	145,925	70,816	345,477	(138,170)	(248,337)	(138,932)	422,692
<b>Total district</b>	<b>\$ (36,267)</b>	<b>\$ 4,406,379</b>	<b>\$ 10,196,852</b>	<b>\$ 11,702,023</b>	<b>\$ 1,154,495</b>	<b>\$ 3,351,579</b>	<b>\$ 31,896</b>	<b>\$ 447,294</b>	<b>\$ 6,035,575</b>	<b>\$ 1,109,804</b>

Source: CAFR Schedule A-2 and District records.

Piscataway Township School District  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years

(modified accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved	\$ 634,117	\$ 4,091,468	\$ 4,361,207	\$ 447,677	\$ 219,612	\$ 3,214,999	\$ 1,647,221	\$ 758,931		
Restricted									\$ 189,286	\$ 189,286
Assigned									3,149,897	2,973,382
Unreserved	3,287,259	2,120,313	5,093,492	7,435,934	7,402,393	3,587,616	2,835,976	2,587,914		
Unassigned									496,763	1,074,418
<b>Total general fund</b>	<u>\$ 3,921,376</u>	<u>\$ 6,211,781</u>	<u>\$ 9,454,699</u>	<u>\$ 7,883,611</u>	<u>\$ 7,622,005</u>	<u>\$ 6,802,615</u>	<u>\$ 4,483,197</u>	<u>\$ 3,346,845</u>	<u>\$ 3,835,946</u>	<u>\$ 4,237,086</u>
<b>All Other Governmental Funds</b>										
Reserved reported in:										
Capital projects fund								\$ 2,360,045		
Restricted reported in:										
Capital projects fund									\$ 4,169,643	\$ 12,117,881
Debt service fund									822	33,120
Unreserved (deficit), reported in:										
Special revenue fund	\$ (37,400)	\$ (22,144)	\$ (22,144)	\$ (22,144)	\$ (22,144)	\$ (22,144)	\$ (44,220)	(44,220)		
Capital projects fund	1,961,547	19,605,281	22,275,974	2,491,248	2,853,342	3,220,044	3,984,655	2,128,496		
Debt service fund	1,035,426	977,039	452,896	311,620	315,177	17,958	18,854	821		
Unassigned (deficit), reported in:										
Special revenue fund									(44,220)	(44,220)
<b>Total all other governmental funds</b>	<u>\$ 2,959,573</u>	<u>\$ 20,560,176</u>	<u>\$ 22,706,726</u>	<u>\$ 2,780,724</u>	<u>\$ 3,146,375</u>	<u>\$ 3,215,858</u>	<u>\$ 3,959,289</u>	<u>\$ 4,445,142</u>	<u>\$ 4,126,245</u>	<u>\$ 12,106,781</u>

Source: CAFR Schedule B-1 and District records.

Note 1: GASB #54 was implemented in the 2011 fiscal year, which required the presentations of fund balances to be reported in different classifications from those presented in prior years. (See footnote 1.M in the basic financial statements) Prior years have not been restated above and are not required to be.

Note 2: The deficits in the general fund and special revenue fund are the result of the last state aid payments being deferred until the subsequent fiscal year. See notes to the basic financial statements for additional information.

Piscataway Township School District  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years

(modified accrual basis of accounting)  
 Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Local sources:										
Local tax levy	\$ 60,490,720	\$ 64,014,368	\$ 69,767,428	\$ 70,894,042	\$ 73,038,949	\$ 77,372,589	\$ 79,062,706	\$ 79,028,217	\$ 80,564,191	\$ 81,628,920
Transportation	187,055	264,970	253,101	233,369	270,250	279,707	445,668	549,957	543,042	275,071
Tuition charges	114,967	38,293				8,948	199,419	403,756	337,374	669,867
Investment income	270,818	518,893	908,470	882,451	890,223	569,943	213,309	116,259	48,820	12,753
Miscellaneous	513,676	461,092	193,167	321,029	413,031	378,956	702,036	701,614	825,031	973,400
Total local sources	61,577,236	65,297,616	71,122,166	72,330,891	74,612,453	78,610,143	80,623,138	80,799,803	82,318,458	83,560,011
State sources	17,954,818	20,937,583	23,522,884	32,025,252	25,141,723	26,223,264	23,319,746	22,846,261	22,072,190	23,670,800
Federal sources	2,204,158	2,299,566	2,035,922	2,162,634	2,314,212	2,272,045	2,754,252	5,399,162	4,466,385	3,030,929
Other										
Total revenue	81,736,212	88,534,765	96,680,972	106,518,777	102,068,388	107,105,452	106,697,136	109,045,226	108,857,033	110,261,740
<b>Expenditures</b>										
Current										
Instruction	35,184,155	36,179,020	36,905,499	39,416,298	39,990,632	41,780,275	43,797,786	44,836,130	44,231,144	44,953,844
Undistributed - current										
Instruction	2,842,620	2,515,774	2,533,376	2,749,121	2,941,038	3,020,221	3,119,400	1,975,680	1,625,882	1,502,034
Attendance/social work	192,332	186,285	207,342	220,782	211,273	216,115	226,959	226,171	212,657	259,050
Health services	583,800	617,995	639,969	673,225	738,186	742,017	719,726	743,831	802,596	822,246
Other support services	6,047,625	6,259,429	6,159,769	6,533,952	6,750,905	6,879,780	7,599,697	7,923,643	7,675,185	8,145,728
Undistributed										
Improvement of instruction	1,037,458	1,563,810	2,160,205	2,335,357	1,405,313	1,925,996	1,799,976	1,677,111	1,518,930	1,688,180
Education media library	927,749	945,078	1,068,850	1,118,877	996,536	1,067,120	1,140,168	1,136,118	664,947	634,932
Other support: instructional staff	187,474	151,238	105,145	116,355	58,022	57,851	62,685	7,677	18,049	32,495
General administration	1,611,084	1,686,987	1,765,138	2,099,288	2,274,157	2,064,300	2,270,059	1,811,507	1,836,994	2,070,356
School administration	3,071,583	3,126,235	3,242,484	3,205,094	3,243,060	3,445,413	3,524,132	3,265,925	2,951,953	3,010,227
Central services			988,444	1,031,328	967,882	1,017,628	964,820	1,041,708	817,520	869,824
Administrative information technology			1,287,820	971,816	878,921	943,677	913,780	955,640	1,006,570	952,811
Required maintenance of plant services	1,197,544	1,044,346	1,247,217	980,381	1,736,689	1,347,982	1,945,438	1,450,059	1,297,575	1,333,486
Operation of plant	5,833,096	6,197,889	6,470,345	7,245,788	6,759,705	8,025,537	7,634,655	7,715,179	7,780,772	7,376,281
Student transportation	3,440,526	3,490,340	3,664,519	3,941,755	4,232,277	4,200,302	4,599,036	5,414,707	5,209,381	5,134,486
Unallocated benefits	11,960,180	10,690,403	10,201,261	11,236,136	12,186,918	12,926,118	14,390,785	18,028,030	16,998,903	17,453,199
On-behalf TPAF social security and pension contributions	4,526,161	5,589,484	5,628,717	7,522,370	9,824,803	10,167,913	6,174,521	6,414,494	6,393,770	7,702,707
Charter schools	60,124	85,683	78,008	81,751	56,951	24,638	12,818	13,240	62,234	66,686
Community services										
Capital outlay	3,775,751	6,868,459	14,005,190	33,038,049	3,507,707	3,110,865	4,655,188	2,050,730	4,702,774	2,896,085
Debt Service:										
Principal	1,285,000	780,000	1,705,000	1,760,000	1,800,000	1,855,000	1,615,000	1,630,000	1,750,000	1,290,000
Interest	1,088,784	1,720,340	1,779,795	1,738,144	1,683,370	1,633,451	1,578,344	1,528,145	1,457,504	1,260,385
Bond issuance costs										253,257
Total expenditures	84,853,046	89,698,795	101,844,093	128,015,867	102,244,345	106,452,199	108,744,973	109,845,725	109,015,340	109,708,299
Excess (Deficiency) of revenues over (under) expenditures	(3,116,834)	(1,164,030)	(5,163,121)	(21,497,090)	(175,957)	653,253	(2,047,837)	(800,499)	(158,307)	553,441
<b>Other Financing sources (uses)</b>										
Bonds Issued	35,507,000									27,280,000
Premium on issuances	491,092									2,441,798
Payment to escrow agent										(29,568,542)
Refunding of capital lease obligations	(1,195,521)									
Capital lease										8,185,000
Transfers in	609,257	514,271	649,344	1,666,091	2,584,021	2,447,914	3,371,956	2,149,772	2,130,879	2,012,389
Transfers out	(609,257)	(514,271)	(649,344)	(1,666,091)	(2,304,019)	(3,851,074)	(2,900,106)	(1,999,772)	(2,162,389)	(2,162,389)
Total other financing sources (uses)	34,802,571	-	-	-	280,002	(1,403,160)	471,850	150,000	(31,510)	8,188,256
Net change in fund balances	31,685,737	(1,164,030)	(5,163,121)	(21,497,090)	104,045	(749,907)	(1,575,987)	(650,499)	(189,817)	8,741,697
Fund balance, July 1 (as restated)	6,802,839	38,488,576	37,324,546	32,161,425	10,664,335	10,768,380	10,108,473	8,442,486	7,791,987	7,602,170
Fund balance, June 30	\$ 38,488,576	\$ 37,324,546	\$ 32,161,425	\$ 10,664,335	\$ 10,768,380	\$ 10,018,473	\$ 8,442,486	\$ 7,791,987	\$ 7,602,170	\$ 16,343,867
Debt service as a percentage of noncapital expenditures	2.93%	3.02%	3.97%	3.68%	3.53%	3.38%	3.07%	2.93%	3.07%	2.39%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Note2: The July 1, 2011 fund balance was restated to account for the establishment of the District's Transportation Internal Service Fund.

Piscataway Township School District  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years

(modified accrual basis of accounting)  
Unaudited

Year Ended June 30,	Insurance Proceeds	Tuition	Interest on Investments	Rentals	Prior Year Refunds	Rebates	Miscellaneous	Transportation Fees	Annual Totals
2003		\$ 114,967	\$ 215,458	\$ 16,155	\$ 39,650	\$ 114,967	\$ 276,476	\$ 187,055	\$ 964,728
2004	\$ 25,410	38,293	111,478		33,925	331,332	64,168	264,970	869,576
2005			257,838		31,725	71,706	63,282	253,101	677,652
2006			264,075	24,759	44,971		220,999	233,369	788,173
2007	2,411		659,115	5,500	132,221	103,429	99,021	270,250	1,271,947
2008		8,948	522,029	200	148,939		10,824	279,707	970,647
2009		199,419	175,802		129,318			445,668	950,207
2010		403,756	92,621				492,512	549,957	1,538,846
2011		337,374	36,431		77,416		619,954	543,042	1,614,217
2012		669,867	8,724		187,355		430,339	275,071	1,571,356

Source: District records

Piscataway Township School District  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>
2003	\$ 40,170,200	\$ 1,361,822,900	\$ 4,588,500	\$ 293,700	\$ 158,416,200	\$ 582,154,100	\$ 110,431,000	\$ 2,257,876,600	\$ 835,969,500	\$ 11,932,888	\$ 2,269,809,488	\$ 2.750
2004	39,986,900	1,373,672,400	4,427,800	275,100	170,458,400	553,372,300	110,431,000	2,252,623,900	839,244,900	11,482,061	2,264,105,961	2.950
2005	36,287,000	1,386,888,200	3,916,100	222,800	171,504,500	543,852,300	110,431,000	2,253,101,900	837,877,400	10,002,581	2,263,104,481	3.100
2006	33,209,800	1,410,123,900	3,792,900	216,900	169,827,900	520,566,300	110,431,000	2,248,168,700	807,878,100	7,916,010	2,256,084,710	3.190
2007	30,884,600	1,422,113,800	3,781,600	216,900	165,210,800	509,869,700	96,492,600	2,228,570,000	839,216,100	7,446,835	2,236,016,835	3.365
2008	31,227,300	1,441,450,200	3,575,200	202,600	165,284,100	488,495,900	96,492,600	2,226,727,900	839,736,400	7,652,141	2,234,380,041	3.460
2009	34,668,700	1,447,655,600	3,273,800	160,200	161,932,300	449,835,500	93,946,900	2,191,473,000	840,942,900	7,361,671	2,198,834,671	3.595
2010	33,990,800	1,449,086,300	2,140,000	191,500	159,999,200	482,765,600	93,897,600	2,222,071,000	826,325,500	7,355,267	2,229,034,487	3.579
2011	32,197,500	1,451,405,950	1,609,000	150,900	149,871,900	458,436,700	99,063,300	2,192,735,250	827,893,100	7,362,448	2,198,116,829	3.690
2012	32,052,300	1,452,762,350	1,609,000	143,600	144,429,300	505,954,300	102,411,800	2,239,362,650	831,641,000	5,420,232	2,244,782,882	3.679

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

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100

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

Unaudited

Year Ended June 30,	Piscataway Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Piscataway Township	Middlesex County	
2003	\$ 2.63	\$ 0.12	\$ 2.75	\$ 0.91	\$ 0.67	\$ 4.33
2004	2.83	0.12	2.95	0.96	0.70	4.61
2005	3.01	0.09	3.10	1.03	0.70	4.83
2006	3.06	0.13	3.19	1.07	0.76	5.02
2007	3.23	0.14	3.37	1.34	0.83	5.54
2008	3.32	0.14	3.46	1.41	0.78	5.65
2009	3.45	0.14	3.59	1.49	0.82	5.90
2010	3.43	0.15	3.58	1.50	0.91	5.98
2011	3.54	0.15	3.69	1.53	0.90	6.31
2012	3.52	0.16	3.68	1.67	0.96	6.31

Source: District Records and Municipal Tax Collector.

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.

Piscataway Township School District  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Unaudited

	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Corporate Park Associates	\$ 55,056,200	2.50%		
Knightsbridge Realty	42,741,500	1.94%		
TELCO NJ	29,624,000	1.35%		
Digital Piscataway	26,938,500	1.23%		
Centennial Square	26,307,000	1.20%		
Home Properties	25,181,100	1.15%		
Colegate Palmolive 2004-Land	16,628,200	0.76%		
2004 Land	12,134,200	0.55%		
Carlton Club Apartments	11,600,300	0.53%		
Mariner One Commercial	10,350,000	0.47%		
Taxpayer 1			\$ 94,761,100	4.19%
Taxpayer 2			54,724,400	2.42%
Taxpayer 3			30,802,800	1.36%
Taxpayer 4			21,174,700	0.94%
Taxpayer 5			15,592,200	0.69%
Taxpayer 6			14,971,000	0.66%
Taxpayer 7			14,714,900	0.65%
Taxpayer 8			10,832,700	0.48%
Taxpayer 9			9,844,000	0.43%
Taxpayer 10			9,723,400	0.43%
Total	<u>\$ 256,561,000</u>	<u>11.67%</u>	<u>\$ 277,141,200</u>	<u>12.24%</u>

Source: District CAFR & Piscataway Municipal Tax Assessor.

Piscataway Township School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 60,490,720	\$ 60,490,720	100.00%		\$ 60,490,720	100.00%
2004	64,014,368	64,014,368	100.00%		64,014,368	100.00%
2005	69,767,428	69,767,428	100.00%		69,767,428	100.00%
2006	70,894,042	64,986,205	91.67%	\$ 5,907,837	70,894,042	100.00%
2007	73,038,949	73,038,949	100.00%		73,038,949	100.00%
2008	77,372,589	77,372,589	100.00%		77,372,589	100.00%
2009	79,062,706	79,062,706	100.00%		79,062,706	100.00%
2010	79,028,217	79,028,217	100.00%		79,028,217	100.00%
2011	80,564,191	80,564,191	100.00%		80,564,191	100.00%
2012	81,628,919	81,628,919	100.00%		81,628,919	100.00%

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

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. The Township did not turn over the last payment to the school district in 2006 until July of 2006.

Piscataway Township School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases				
2003	\$ 35,507,000	\$ 10,635,000	\$ 3,343,451	\$ 49,485,451	1.36%	\$ 954	
2004	35,507,000	9,855,000	2,782,378	48,144,378	1.30%	920	
2005	35,352,000	8,305,000	2,187,323	45,844,323	1.79%	870	
2006	35,187,000	6,710,000	889,597	42,786,597	1.66%	813	
2007	35,022,000	5,075,000	179,597	40,276,597	1.55%	764	
2008	34,847,000	3,395,000		38,242,000	0.99%	728	
2009	34,662,000	1,965,000		36,627,000	0.94%	699	
2010	34,152,000	845,000		34,997,000	0.89%	667	
2011	33,247,000			33,247,000	0.70%	593	
2012	31,930,000		8,185,000	40,115,000	0.83%	716	

Source: District CAFR Schedules I-1, I-2 and District records.

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

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

Piscataway Township School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2003	\$ 35,507,000	\$ 35,507,000	1.57%	\$ 684
2004	35,507,000	35,507,000	1.58%	679
2005	35,352,000	35,352,000	1.57%	671
2006	35,187,000	35,187,000	1.57%	668
2007	35,022,000	35,022,000	1.57%	665
2008	34,847,000	34,847,000	1.56%	663
2009	34,662,000	34,662,000	1.58%	661
2010	34,152,000	34,152,000	1.54%	651
2011	33,247,000	33,247,000	1.52%	593
2012	31,930,000	31,930,000	1.46%	570

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

\* Not available at time of audit

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

Piscataway Township School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2012

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Piscataway Middlesex County General Obligation Debt - Township's share *	\$ 55,653,000	100.000%	\$ 55,653,000 <hr style="width: 100%;"/>
Subtotal, overlapping debt			55,653,000
Piscataway School District Direct Debt			<hr style="width: 100%;"/> 31,930,000
<b>Total direct and overlapping debt</b>			<b><hr style="width: 100%;"/><hr style="width: 100%;"/></b> \$ 87,583,000

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

\* Information was not available at the time of the audit.

Piscataway Township School District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Unaudited

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized valuation basis	
	2010	\$ 6,605,442,925
	2011	6,150,730,015
	2012	<u>6,325,985,629</u>
	[A]	<u>\$ 19,082,158,569</u>
Average equalized valuation of taxable property	[A/3]	\$ 6,360,719,523
Debt limit (4 % of average equalization value)	[B]	254,428,781 <sup>a</sup>
Total Net Debt Applicable to Limit	[C]	<u>31,930,000</u>
Legal debt margin	[B-C]	<u>\$ 222,498,781</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 139,407,038	\$ 158,076,594	\$ 176,381,811	\$ 201,530,820	\$ 230,862,953	\$ 252,439,052	\$ 266,913,133	\$ 273,165,650	\$ 270,285,462	\$ 254,428,781
Total net debt applicable to limit	<u>46,142,000</u>	<u>45,362,000</u>	<u>43,657,000</u>	<u>41,897,000</u>	<u>40,097,000</u>	<u>38,242,000</u>	<u>34,662,000</u>	<u>34,152,000</u>	<u>33,247,000</u>	<u>31,930,000</u>
Legal debt margin	<u>\$ 93,265,038</u>	<u>\$ 112,714,594</u>	<u>\$ 132,724,811</u>	<u>\$ 159,633,820</u>	<u>\$ 190,765,953</u>	<u>\$ 214,197,052</u>	<u>\$ 232,251,133</u>	<u>\$ 239,013,650</u>	<u>\$ 237,038,462</u>	<u>\$ 222,498,781</u>
Total net debt applicable to the limit as a percentage of debt limit	33.10%	28.70%	24.75%	20.79%	17.37%	15.15%	12.99%	12.50%	12.30%	12.55%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Piscataway Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Unaudited

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2003	51,874	\$ 3,636,486,300	\$ 70,102	4.80%
2004	52,321	3,704,500,245	70,803	4.00%
2005	52,694	2,555,975,164	71,511	3.90%
2006	52,658	2,577,187,836	72,226	4.20%
2007	52,694	2,602,082,414	72,949	3.70%
2008	52,565	3,872,895,294	73,678	4.90%
2009	52,408	3,899,941,093	74,415	8.40%
2010	52,455	3,942,472,984	75,159	8.30%
2011	56,044	4,772,538,908	85,157	8.30%
2012	56,044	4,812,529,215	85,871	9.10%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

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

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

Piscataway Township School District  
Principal Employers  
Current Year and Nine Years Ago

Unaudited

Employer	2012			2003		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Rutgers University	8,000		N/A	8,000		N/A
University of Medicine and Dentistry	3,000			3,000		
Telcordia	2,000			2,000		
Piscataway Township Schools	1,350			1,350		
Chanel, Inc.	800			800		
Cosmair, Inc.	750			750		
Amersham Pharmacia Biotech, Inc.	600			600		
Anthem Health & Life Insurance Co.	550			550		
AT&T	500			500		
IEEE	500			500		
Shop-Rite	500			500		
Western Union International Inc.	500			500		
Johnson & Johnson Health Care	500			500		
Pepsi Cola Bottling Co.	460			460		
Siemens Hearing Instruments	350			350		
	<u>20,360</u>		<u>0.00%</u>	<u>20,360</u>		<u>0.00%</u>

Source: Middlesex County Business Guide

N/A: This information was not available for the Township of Piscataway.

Piscataway Township School District  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years

Unaudited

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Instruction	554.6	579.3	597.0	587.5	595.5	581.8	601.5	613.0	620.0	626.0
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Health services	12.0	12.0	12.0	12.0	12.0	14.0	13.0	13.0	13.0	13.0
Other support services	33.5	33.5	45.0	39.0	39.0	39.0	39.0	35.0	35.0	35.0
Child study team	26.0	26.0	30.0	30.0	30.0	32.0	34.0	37.0	37.0	37.0
Improvement of instruction	10.5	10.5	16.0	16.0	16.0	14.6	14.6	14.6	14.6	14.6
School library	14.0	14.0	24.0	24.0	24.0	24.7	24.7	18.7	18.7	18.7
General administration	3.0	3.0	4.0	4.0	4.0	6.0	5.0	5.0	5.0	5.0
School administration	103.8	103.8	41.0	41.0	41.0	41.0	41.0	40.0	40.0	40.0
Operations and maintenance	5.0	5.0	77.0	77.0	77.0	73.0	73.0	61.0	61.0	61.0
Student transportation	8.0	8.0	3.0	3.0	2.0	2.0	47.0	53.0	32.0	34.0
Other support services - administrative and professional	13.0	13.0	30.0	29.0	29.0	29.0	29.0	25.0	25.0	25.0
Total	<u>787.4</u>	<u>812.1</u>	<u>883.0</u>	<u>866.5</u>	<u>873.5</u>	<u>861.1</u>	<u>925.8</u>	<u>919.3</u>	<u>905.3</u>	<u>913.3</u>

Source: District Personnel Records

Piscataway Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
2003	6,666	\$ 78,703,511	\$ 11,807	12.56%	580	1:15	1:15	1:11	1:12	6,760	6,458	0.25%	95.53%
2004	6,722	80,329,996	11,950	1.22%	626	1:14	1:11	1:11	1:13	6,722	6,452	-0.56%	95.98%
2005	6,813	84,354,108	12,381	3.61%	632	1:13	1:11	1:10	1:12	6,813	6,508	1.35%	95.52%
2006	6,877	91,479,674	13,302	7.44%	574	1:13	1:12	1:11	1:13	6,884	6,566	1.04%	95.38%
2007	6,904	96,475,645	13,973	5.04%	579	1:13	1:12	1:11	1:13	6,904	6,507	0.29%	94.25%
2008	6,975	99,852,883	14,316	2.45%	583	1:13	1:12	1:11	1:13	7,164	6,785	3.77%	94.71%
2009	7,049	100,896,441	14,314	-0.02%	613	1:13	1:12	1:11	1:13	7,199	6,893	0.49%	95.75%
2010	7,269	104,276,829	14,345	0.22%	620	1:15	1:13	1:13	1:14	7,263	7,103	0.89%	97.80%
2011	7,363	100,802,509	13,690	-4.57%	626	1:15	1:13	1:13	1:14	7,298	7,219	0.48%	98.92%
2012	7,394	104,008,572	14,067	2.75%	626	1:15	1:13	1:13	1:14	7,394	7,249	1.32%	98.04%

Sources: District records and ASSA

Note: Enrollment based on 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).

Piscataway Township School District  
 School Building Information  
 Last Ten Fiscal Years

Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>District Building</b>										
<b>Elementary</b>										
Arbor Elementary School (1960)										
Square Feet	54,116	64,282	64,282	64,282	64,282	64,282	64,282	64,282	64,282	64,282
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	498	485	490	466	508	492	481	522	556	556
Eisenhower Elementary School (1968)										
Square Feet	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment*	502	461	485	508	486	490	497	507	530	530
Grandview Elementary School (1953)										
Square Feet	40,664	40,664	40,664	40,664	40,664	40,664	40,664	40,664	40,664	40,664
Capacity (students)	451	451	451	451	451	451	451	451	451	451
Enrollment	474	434	485	479	532	571	599	593	610	610
M.L. King Elementary School (1968)										
Square Feet	62,320	72,541	72,541	72,541	72,541	72,541	72,541	72,541	72,541	72,541
Capacity (students)	504	504	504	504	504	504	504	504	504	504
Enrollment	531	467	471	464	500	516	500	484	552	552
Knollwood Elementary School (1960)										
Square Feet	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	473	441	468	507	515	511	521	499	500	500
Randolphville Elementary School (1960)										
Square Feet	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	497	455	455	450	460	478	518	543	558	558
<b>Middle Schools</b>										
Conackamack Middle School (1963)										
Square Feet	73,884	77,258	77,258	77,258	77,258	77,258	77,258	77,258	77,258	77,258
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	540	565	552	545	458	478	461	461	433	433
Quibbletown Middle School (1960)										
Square Feet	98,000	107,733	107,733	107,733	107,733	107,733	107,733	107,733	107,733	107,733
Capacity (students)	631	631	631	631	631	631	631	631	631	631
Enrollment	575	547	543	527	552	539	575	568	578	578
T. Schor Middle School (1969)										
Square Feet	87,956	96,301	96,301	96,301	96,301	96,301	96,301	96,301	96,301	96,301
Capacity (students)	616	616	616	616	616	616	616	616	616	616
Enrollment	543	514	506	531	546	546	512	550	606	606
<b>High School</b>										
Piscataway High School (1956 & 1972)										
Square Feet	370,024	370,024	370,024	370,024	430,024	430,024	430,024	430,024	430,024	430,024
Capacity (students)	2,041	2,041	2,041	2,041	4,341	4,341	4,341	4,341	4,341	4,341
Enrollment	2,122	2,487	2,370	2,509	2,607	2,578	2,599	2,571	2,465	2,465
<b>Other</b>										
Maintenance Building (unknown)										
Square Feet	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035
Central Administration (1949)										
Square Feet	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440
Number of Schools at June 30, 2012										
Elementary = 6										
Middle School = 3										
Senior High School = 1										
Other = 2										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

Piscataway Township School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities*	Year ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Arbor	\$ 120,452	\$ 117,208	\$ 130,982	\$ 175,729	\$ 121,730	\$ 65,147	\$ 55,936	\$ 31,203	\$ 54,806	\$ 95,178
Conackamack	95,922	93,339	104,308	139,942	96,940	180,091	79,186	128,726	77,960	97,146
Eisenhower	190,211	185,088	206,839	277,501	192,229	76,761	61,604	31,204	69,966	96,192
Grandview	64,911	63,163	70,586	94,700	65,600	71,070	43,744	75,611	46,877	96,192
High School	333,135	324,164	362,258	486,015	336,670	811,334	335,453	632,906	388,647	208,449
King	37,412	36,405	40,683	54,582	37,810	60,548	62,197	48,983	63,084	93,405
Knollwood	97,531	94,904	106,057	142,289	98,566	60,302	56,743	91,538	60,782	93,795
Quibbletown	63,100	61,401	68,616	92,057	63,769	131,616	98,497	96,231	110,013	93,989
Randolphville	58,707	57,126	63,839	88,331	61,188	57,796	56,743	59,842	58,117	94,549
Schor	159,740	155,438	173,704	235,729	163,293	185,369	92,781	31,203	90,419	97,107
<b>Total School Facilities</b>	<b>1,221,122</b>	<b>1,188,237</b>	<b>1,327,872</b>	<b>1,786,875</b>	<b>1,237,795</b>	<b>1,700,034</b>	<b>942,884</b>	<b>1,227,447</b>	<b>1,020,671</b>	<b>1,066,002</b>
Other Facilities-Fellowship Farms	112,364	109,338	122,187	158,563	110,187	36,655	37,497	19,770	23,675	131,542
<b>Grand Total</b>	<b>\$ 1,333,486</b>	<b>\$ 1,297,575</b>	<b>\$ 1,450,059</b>	<b>\$ 1,945,438</b>	<b>\$ 1,347,982</b>	<b>\$ 1,736,689</b>	<b>\$ 980,381</b>	<b>\$ 1,247,217</b>	<b>\$ 1,044,346</b>	<b>\$ 1,197,544</b>

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

Source: District records of required maintenance.

Piscataway Township School District  
Insurance Schedule  
Year ended June 30, 2012

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Property</b>		
Blanket, building and contents	\$ 147,126,346	
Extra expense	1,000,000	
Demolition/Increased cost of construction	500,000	
Deductible	25,000	
Flood	5,000,000	
Musical instruments	Included	
Miscellaneous equipment	Included	
Computer equipment	7,625,000	
<b>School Board Legal</b>		
Limit of liability	6,000,000	\$ 15,000
<b>Primary Umbrella</b>		
Limit of liability	10,000,000	
Self-insured retention	none	
<b>Catastrophe Access</b>		
Limit of liability - Group Limit	50,000,000	
<b>Environmental Impairment Liability</b>		
Limit of liability - Each Loss	1,000,000	10,000
Limit of liability - Aggregate	3,000,000	
<b>Energy Systems</b>		
Spoilage	500,000	5,000
Extra Expense	10,000,000	

Source: District Records and Insurance Company.

Piscataway Township School District  
Insurance Schedule  
Year ended June 30, 2012

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Liability</b>		
Bodily Injury & Property Damage - Each Occurrence	\$ 6,000,000	
Personal Injury/Advertising	6,000,000	
Medical Expense	10,000	
Employee Benefits Liability	1,000,000	
<b>Business Auto</b>		
Bodily Injury & Property Damage	1,000,000	
Personal Injury Protection	Statutory	
Medical Payments (PIP)	10,000	
Uninsured/Underinsured	1,000,000	
Comprehensive Deductible		\$ 1,000
Collision Deductible		1,000
<b>Student Accident</b>		
Limit of Liability	100,000	
Athletics	10,000,000	
Disability Option	500,000	
<b>Bonds</b>		
Board Secretary/Business Administrator	405,000	
Assistant Business Administrator	405,000	
Treasurer of School Monies	405,000	
<b>Excess Workers Comp</b>		
Limit of Liability- Section "B" Employers Liability Limit	1,000,000	
Section "A"	Statutory	
<b>Crime</b>		
Money & Securities-inside	50,000	500
Money & Securities-outside	50,000	500
Employee Dishonesty	1,000,000	1,000
Depositories Forgery	1,000,000	1,000

Source: District Records and Insurance Company.



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

Honorable President and Members  
of the Board of Education  
Piscataway Township School District  
Piscataway, New Jersey  
County of Middlesex

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Piscataway Township School District, County of Middlesex, State of New Jersey (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

We noted certain matters involving internal control over financial reporting that we have reported to the District in a separate *Auditors' Management Report on Administrative Findings* dated December 4, 2012.

#### Compliance and Other Matters

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

We noted certain matters that we have reported to the District in a separate *Auditors' Management Report on Administrative Findings* dated December 4, 2012.

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



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 4, 2012  
Iselin, New Jersey

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

Honorable President and Members  
of the Board of Education  
Piscataway Township School District  
Piscataway, New Jersey  
County of Middlesex

Compliance

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

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

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

#### Internal Control Over Compliance

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

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

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

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



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 4, 2012  
Iselin, New Jersey

Piscataway Township School District  
 Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2011			Adjustments	Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012		
				Deferred Revenue	(Accounts Receivable)	Due to Grantor						Deferred Revenue	(Accounts Receivable)	Due to Grantor
<b>U.S. Department of Health and Human Services</b>														
<b>Passed Through State Department of Education</b>														
General Fund:														
Medical Assistance Program	93.778	7/1/11-6/30/12	\$ 97,054					\$ 97,054	\$ (97,054)					
Total General Fund and U.S. Department of Health and Human Services Passed Through State Department of Education								97,054	(97,054)					
<b>U.S. Department of Education-Passed-Through State Department of Education</b>														
Special Revenue Fund:														
Title I, Part A	84.010A	9/1/09-8/31/10	327,747	\$	(40,535)			40,535						
Title I, Part A	84.010A	9/1/10-8/31/11	567,957		(14,633)			86,370	(71,737)					
Title I, Part A	84.010A	9/1/11-8/31/12	575,098					224,161	(512,822)		\$	(288,661)		
ARRA - IDEA Preschool	84.392	9/1/09-8/31/11	68,989	\$	4,420				(4,420)					
IDEA Preschool	84.173A	9/1/10-8/31/11	56,546		4,206		\$ (4,206)							
IDEA Preschool	84.173A	9/1/11-8/31/12	57,669				4,206	15,660	(49,180)			(29,314)		
IDEA Part B Basic	84.027A	9/1/11-8/31/12	1,747,421					647,582	(1,635,892)			(988,310)		
IDEA Part B Basic	84.027A	9/1/10-8/31/11	1,748,170		(33,805)			33,805						
ARRA - IDEA Part B Basic	84.391	9/1/09-8/31/11	1,910,881	15,721					(15,721)					
Title II, Part A	84.367	9/1/09-8/31/10	177,439		(44,562)			44,562						
Title II, Part A	84.367	9/1/10-8/31/11	180,661		(6,038)			6,038						
Title II, Part A	84.367	9/1/11-8/31/12	162,671					57,785	(159,307)			(101,522)		
Title II, Part D	84.318	9/1/10-8/31/11	1,232		(9)			1,232	(1,060)		\$	163		
Title III	84.365	9/1/09-8/31/10	66,840		(356)			356						
Title III	84.365	9/1/10-8/31/11	81,831		(275)			275						
Title III	84.365	9/1/11-8/31/12	74,043					52,075	(69,686)			(17,611)		
Title III - Immigrant	84.365	9/1/11-8/31/12	33,795						(33,795)			(33,795)		
Title IV, Regular	84.186A	9/1/11-8/31/12	15,320					758	(758)					
Title IV, Regular	84.186A	9/1/08-8/31/09	19,215		(463)							(463)		
Teaching American History	84.215X	7/1/08-6/30/13	1,305,849		(33,074)			264,408	(278,335)			(47,001)		
Carl D. Perkins Vocational Education	84.048	9/1/11-8/31/12	42,969					40,859	(40,859)					
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education				24,347	(173,750)			-	1,516,461	(2,873,572)		163	(1,506,677)	
<b>U.S. Department of Agriculture-Passed-Through State Department of Education</b>														
Enterprise Fund:														
Food Donation Program - NC	10.555	7/1/11-6/30/12	147,248					147,248	(147,248)					
Food Donation Program - NC	10.555	7/1/10-6/30/12	136,634	4,962					(4,962)					
National School Breakfast Program	10.553	7/1/11-6/30/12	150,001					137,212	(150,001)			(12,789)		
National School Breakfast Program	10.553	7/1/10-6/30/11	109,930		(7,582)			7,582						
National School Lunch Program	10.555	7/1/11-6/30/12	566,910					845,396	(934,030)			(88,634)		
National School Lunch Program	10.555	7/1/10-6/30/11	857,992		(49,773)			49,773						
Total Enterprise Fund and Total U.S. Department of Agriculture-Passed-Through State Department of Education				4,962	(57,355)			1,187,211	(1,236,241)			(101,423)		
Total Federal Awards				\$ 29,309	\$ (231,105)	\$ -	\$ -	\$ -	\$ 2,800,726	\$ (4,206,867)	\$ -	\$ 163	\$ (1,608,100)	\$ -

NC - non-cash expenditures

Piscataway Township School District  
 Schedule of Expenditures of State Financial Assistance  
 Year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2011			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2012			Memo		
				Deferred Revenue	(Accounts Receivable)	Due to Grantor				Adjustment	Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<i>General Fund:</i>															
Special Education Categorical Aid	495-034-5120-089	7/1/10 - 6/30/11	\$ 4,043,223	\$ (351,256)		\$ 351,256									
Equalization Aid	495-034-5120-078	7/1/10 - 6/30/11	7,931,474	(793,150)		793,150									
Security Aid	495-034-5120-084	7/1/11-6/30/12	379,134			341,208	\$ (379,134)					\$ (37,926)	\$ (379,134)		
Special Education Aid	495-034-5120-089	7/1/11-6/30/12	4,043,223			3,650,854	(4,043,223)					(392,369)	(4,043,223)		
Equalization Aid	495-034-5120-078	7/1/11-6/30/12	9,485,838			8,568,155	(9,485,838)					(917,683)	(9,485,838)		
Extraordinary Aid	100-034-5120-044	7/1/10 - 6/30/11	628,928	(628,928)		628,928									
Extraordinary Aid	100-034-5120-044	7/1/11- 6/30/12	831,979				(831,979)				\$ (831,979)			(831,979)	
Additional NP Transportation Aid	Not Available	7/1/10 - 6/30/11	95,526	(95,526)		95,526									
Additional NP Transportation Aid	Not Available	7/1/11- 6/30/12	65,522				(65,522)				(65,522)			(65,522)	
Other State Aid	Not Available	7/1/11- 6/30/12	851			851	(851)							(851)	
Reimbursed TPAF - Social Security	495-034-5095-002	7/1/10 - 6/30/11	3,307,997	(164,671)		164,671									
Reimbursed TPAF - Social Security	495-034-5095-002	7/1/11- 6/30/12	3,337,133			3,167,412	(3,337,133)				(169,721)			(3,337,133)	
<b>Total General Fund</b>				(2,033,531)		17,762,011	(18,143,680)				(1,067,222)		(1,347,978)	(18,143,680)	
<i>Special Revenue Fund:</i>															
<i>New Jersey Non-Public Aid:</i>															
Home Instruction	100-034-5120-XXX	7/1/11 - 6/30/12	465				(465)				(465)			(465)	
Nursing Aid	100-034-5120-070	7/1/11 - 6/30/12	83,505			83,505	(79,954)				\$ 3,551			(79,954)	
Textbook Aid	100-034-5120-064	7/1/11 - 6/30/12	58,950			58,950	(58,480)				470			(58,480)	
<i>Non Public Auxiliary Services (Ch. 192):</i>															
English as a Second Language	100-034-5120-067	7/1/11 - 6/30/12	3,448			3,448	(3,448)							(3,448)	
Transportation		7/1/11 - 6/30/12	29,281			29,281	(29,281)							(29,281)	
Compensatory Education		7/1/11 - 6/30/12	98,058			98,058	(56,637)					41,421		(56,637)	
<i>Non Public Handicapped Services (Ch. 193):</i>															
Supplemental Instruction	100-034-5120-066	7/1/11 - 6/30/12	37,181			37,181	(32,972)					4,209		(32,972)	
Examination and Classification		7/1/11 - 6/30/12	63,607			63,607	(63,607)							(63,607)	
Corrective Speech		7/1/11 - 6/30/12	76,615			76,615	(56,869)					19,746		(56,869)	
Supplemental Instruction		7/1/10 - 6/30/11	57,671		\$ 12,193					\$ (12,193)					
Examination and Classification		7/1/10 - 6/30/11	106,344		30,445					(30,445)					
Preschool Education Aid	495-034-5120-086	7/1/10 - 6/30/11	442,200	(44,220)		44,220								(44,220)	
Preschool Education Aid	495-034-5120-086	7/1/11 - 6/30/12	442,200			397,980	(442,200)						(44,220)	(442,200)	
<b>Total Special Revenue Fund</b>				(44,220)	42,638	892,845	(823,913)	(42,638)			(465)	69,397	(44,220)	(823,913)	
<i>Capital Projects Fund:</i>															
NJ Schools Development Authority	2940-045-02-0798/0496	7/1/02-completion	11,911,334	(1,332,996)		868,706	(541,205)				(1,005,495)			(11,911,334)	
<b>Total Capital Projects Fund</b>				(1,332,996)		868,706	(541,205)				(1,005,495)			(11,911,334)	
<b>State Department of Agriculture</b>															
<i>Enterprise Fund:</i>															
State School Lunch Program (State share)	100-010-3360-067	7/1/10 - 6/30/11	30,077	(3,216)		3,216								(3,216)	
State School Lunch Program (State share)	100-010-3350-023	7/1/11 - 6/30/12	30,619			28,351	(30,619)				(2,268)			(30,619)	
<b>Total Enterprise Fund</b>				(3,216)		31,567	(30,619)				(2,268)			(30,619)	
<b>Total State Awards</b>			\$ -	\$ (3,413,963)	\$ 42,638	\$ -	\$ 19,555,129	\$ (19,539,417)	\$ (42,638)	\$ -	\$ (2,075,450)	\$ 69,397	\$ (1,392,198)	\$ (30,909,546)	

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

Piscataway Township School District

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

Year ended June 30, 2012

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance programs of the District. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

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

**3. Relationship to Basic Financial Statements**

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

Piscataway Township School District

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

Year ended June 30, 2012

**3. Relationship to Basic Financial Statements (Continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$203,572 for the general fund and \$60,303 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 97,054	\$ 22,305,682	\$ 22,402,736
Special Revenue Fund	2,933,875	823,913	3,757,788
Capital Projects Fund		541,205	541,205
Food Service Enterprise Fund	1,236,241	30,619	1,266,860
Total financial award revenues	<u>\$ 4,267,170</u>	<u>\$ 23,701,419</u>	<u>\$ 27,968,589</u>

**4. Relationship to Federal and State Financial Reports**

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

Piscataway Township School District

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

Year ended June 30, 2012

**5. Other**

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

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2012 amounted to \$4,365,574. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 04-04 and are not reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

Piscataway Township School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

**Part I – Summary of Auditors’ Results**

**Financial Statement Section**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?            Yes   X   No

Significant deficiency(ies) identified ?            Yes   X   None Reported

Noncompliance material to financial statements noted?            Yes   X   No

**Federal Awards Section**

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes            No

Type of auditors’ report issued on compliance for major programs: Unqualified

Internal control over major programs:

Material weakness(es) identified?            Yes   X   No

Significant deficiency(ies) identified?            Yes   X   None Reported

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))?            Yes   X   No

Identification of major programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027A, 84.173A, 84.391, 84.392 84.010A	IDEA Part B and Preschool Cluster, Regular and ARRA Title I, Part A

Piscataway Township School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

**Part I – Summary of Auditors Results**

**State Awards Section**

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

\$586,183

Auditee qualified as low-risk auditee?

X  Yes   No

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

Unqualified

Internal control over major programs:

Material weakness(es) identified?

Yes  X  No

Significant deficiency(ies) identified?

Yes  X  None Reported

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

Yes  X  No

Identification of major programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5095-002	Reimbursed TPAF Social Security Aid
100-034-5120-044	Extraordinary Aid

Piscataway Township School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

**Part II – Schedule of Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Piscataway Township School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2012

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

No compliance or internal control over compliance findings noted that are required to be reported under Federal OMB A-133 or State OMB Circular 04-04.

Piscataway Township School District  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2012

Not applicable.