



# PISCATAWAY TOWNSHIP SCHOOLS

*Piscataway Township Board of Education  
Middlesex County, New Jersey  
Comprehensive Annual Financial Report*



*Year Ended June 30, 2016*

# **Piscataway Township School District**

**Piscataway, New Jersey**

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2016

Prepared by  
Business Office

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# Introductory Section



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Piscataway, NJ 08854  
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**Teresa M. Rafferty**  
Superintendent of Schools

**David Oliveira**  
Business Administrator/Board Secretary

December 2, 2016

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) for the year ended June 30, 2016 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, 2016 and the respective changes in financial position and cash flows, where applicable, for the year 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, and the list of independent auditors and advisors. 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, the Federal Uniform Guidance and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the 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.

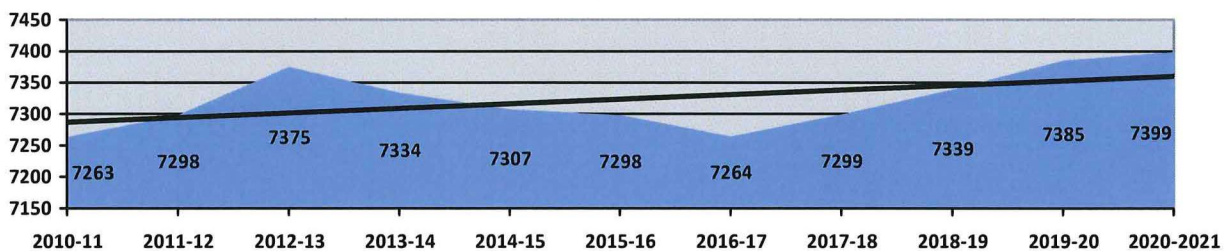


The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular programs as well as special education for students with disabilities. The Township and School District are coterminous. The School District is an independent legal entity operating under Title 18A Education of the New Jersey Statutes. The schools are organized on a PreK, K-3, 4-5, 6-8 and 9-12 system and include one high school, three middle schools, and six elementary schools, all operating on a full-day schedule including kindergarten, along with an integrated preschool program located in two rented buildings. Refer to Schedule J-18 for additional information about the District's school buildings. Located within Piscataway Township are several private/parochial schools, Educational Services Commission of New Jersey schools, and a County vocational and technical high school.

**Enrollment**

The exhibit below illustrates enrollment projections updated based on the annual October 15<sup>th</sup> count required by the New Jersey Department of Education. Starting with a base year of 2010-2011 to the 2015-2016 school year the enrollment grew from 7,263 to 7,298 an increase of 35 students or approximately 0.5%. The projection shows that enrollment growth is expected to increase to 7,399 during the 2020-2021 school year. That is a projected increase of 101 students over the 2015-2016 audit year or approximately 1.4%.

**Piscataway Schools Enrollment**



The K-3 enrollment has grown from 2,243 students in 2010-2011 to 2,303 students in 2015-2016. This is an increase of 60 students. The intermediate schools grew from 1,039 students in 2010-2011 to 1,057 students in 2015-2016. This is an increase of 18 students, or approximately 1.7%. The middle schools experienced enrollment growth from 1,599 in 2010-2011 to 1,641 in 2015-2016. This is an increase of 42 students, or approximately 2.6%.

The enrollment at Piscataway High School decreased from 2,382 in 2010-2011 to 2,297 in 2015-2016. This is a decrease of 85 students and it can be attributed to cyclical enrollment fluctuations. The High School enrollment has decreased from its high water mark in 2011-2012, but based on the increases in the intermediate school and middle school populations, high school enrollment is projected to increase over the next five years.

**Projections:**

One of the issues that has arisen in providing enrollment projections during the past several years has been the instability of the economy especially with regard to the housing market. Although there has been construction of residential units during the past five years, it has had a low to moderate impact on the schools. Several new housing developments have received approval and are beginning to move forward with construction after years of inactivity.

The 422-unit Lackland housing development has begun initial site work to prepare the lot for construction. The management company of the new development predicts the new additions will yield 83 students; however, a demographer retained by the Piscataway School District, predicts 127 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 0.30 students per unit. In other words, every 100 rental units in Piscataway includes an average of 30 students. The proposed 422 rental units would therefore be expected to yield 127 students which will significantly impact enrollment projections.

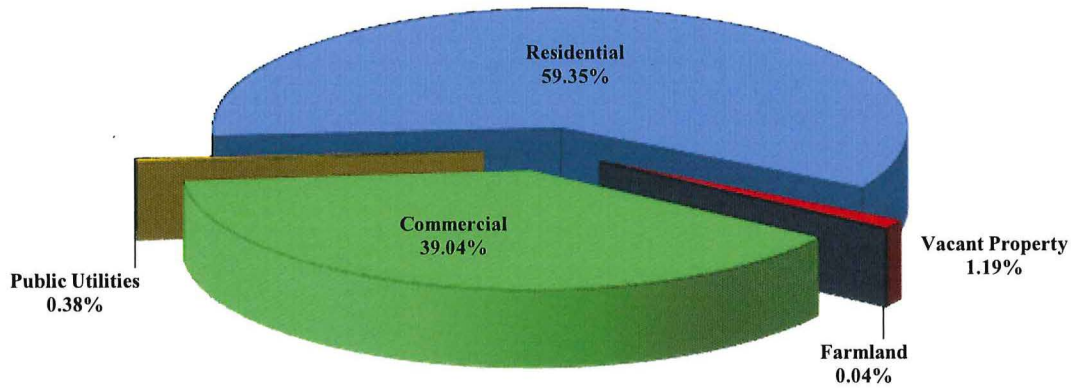
The Planning Board of the Township of Piscataway approved a mixed use development project that will include 495 market-rate apartments and 100 age-restricted apartments at a formerly vacant site (Karczynski Redevelopment Tract). Site work has already been completed and construction is expected to begin in the near future. The Township has also listed several other possible developments in their affordable housing plan which include the Ericsson Redevelopment, Rivendell Redevelopment, Timothy Christian School site, and the Intervenor site.

The District has retained Dr. Ross Haber to assess the impact of all of the potential housing redevelopment projects listed above as well as to monitor potential enrollment from other projects in the Township. Our most recent enrollment projections for the District project an increase of 101 students from current enrollment of 7,298 students in 2015-2016 to 7,399 students in 2020-2021. Based on the above housing developments, the next demographic study may reflect an increase in projected enrollment over the next few years. Depending on the pace of future enrollment, budgets may have to bear the cost of building expansions and additional teachers within the confines of significant budget limitations.

**2) ECONOMIC CONDITION AND OUTLOOK:** Piscataway is the home of many well-known industrial concerns, research centers and computer/data warehouses comfortably spaced in attractively designed modern buildings on broad beautifully landscaped sites including the major employers listed in Schedule J-15. Piscataway is also the home of numerous facilities for Rutgers, the State University of New Jersey, including Livingston College, the College of Engineering, the School of Pharmacy, the Rutgers Athletic Center Complex and Rutgers Stadium. Rutgers University properties cover approximately one-eighth of the Township, but produce zero tax revenue for the District.

The assessed value of ratables in the Township increased \$137,209,000 or 2.2% from \$6,154,647,288 in 2015 to \$6,291,856,288 in 2016. The majority of the increase was in commercial properties. Piscataway’s ratables are classified in the 2016 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 75,018,800
Residential	3,734,441,600
Farmland	2,386,400
Commercial	2,456,409,600
Public Utilities	23,599,886
Total Ratables	<u>\$ 6,291,856,286</u>



**3) LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES:** As a public school district we are faced with never ending challenges resulting from an ever changing educational landscape. The State of New Jersey has not fully funded the School Funding Reform Act, which has resulted in the Piscataway Township Schools being short changed over the past several years and local taxpayers having to cover a disproportionate share of the cost of education compared to more affluent communities. Moreover, the State imposed 2% cap on the local tax levy, flat State Aid payments, limited federal funding for the Individuals with Disabilities Education Act and No Child Left Behind mandates, and per pupil allocation payments to charter schools have strained our allocation of resources in the local budget.

In addition to the above, the New Jersey Department of Education has adopted the national Common Core Standards and implemented a new teacher and principal evaluation system without providing financial support to the local level. These mandates have impacted the District's need to redesign curriculum, make major investments in upgrading technology in an accelerated manner, and invest in comprehensive professional development, all financed with local tax dollars.

The Piscataway Township Schools remain committed to assisting all students achieve college and career readiness. Along with a rigorous instructional program being implemented at all grade levels the district continues to offer supplemental programs to students in need by providing support specialists, Saturday and Summer Academies, a partnership with Rutgers University, and tutoring and mental health counseling. Funding for these supplemental programs has come from a combination of implementing efficiencies in non-instructional areas of the operation as well as utilizing professionally approved funding alternatives to support health benefits costs, participating in shared services agreements, and instituting cost containment measures.

The District has completed numerous additions, renovations and upgrades to its buildings through a combination of efficient budgeting, voter approved referendums and New Jersey Schools Development Authority (SDA) Regular Operating District (ROD) grants. SDA ROD grants are funds provided by the State of New Jersey to school districts to pay for 40% of eligible school project costs. These grants have allowed the district to undertake important renovations and upgrades with the taxpayers only paying 60% of the project cost.

The most recent round of ROD grants have allowed the District to implement a multi-year facilities improvement plan that has included security and communications upgrades at 11 buildings, roof replacements on 4 buildings, HVAC upgrades at 8 buildings, and building improvement projects at Piscataway High School. These collective improvements have propelled the District forward in

providing learning environments that will greatly enhance student achievement. All of the improvements are designed to support the instructional program and help Piscataway keep pace with educational requirements and facilities in surrounding communities.

The District is currently reviewing a plan to upgrade its stadium complex which is used by physical education classes, athletic teams, the marching band and numerous township recreational and community groups. The upgrades being considered include a new turf field, track and field facilities, ADA compliant home bleachers and visitor bleachers, a field house with team rooms, a visitor's team room building, concession stand, bathroom facilities, tennis court repaving, and interior gymnasium renovations. Financing for the project would require a referendum vote to secure long-term debt obligations. Finalization of the project details and the timing of the referendum vote is under consideration by District administration and the Board of Education.

Going forward, the District's administration will continue to implement a budget process that presents to the Board of Education and the community a balanced approach to providing financial support to instructional programs while seeking efficiencies on the operations side. The major challenge facing all New Jersey school districts is the continued uncertainty with respect to the amount of State Aid to be allocated each year, particularly in light of the decrease in state operating budget revenues that will result from the agreement to increase the gas tax and replenish the Transportation Trust Fund.

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, our costs, many of which are beyond our control need be kept below the levy cap.
- Assumption Two – Personnel – School districts are human resource dependent organizations therefore the largest impact on the budget going forward is in the area of salaries and related benefits.
- Assumption Three – Energy – Energy costs have been relatively stable and will be budgeted accordingly, but the District has moderated the impact of energy costs through efficiencies and the installation of solar panels on many of the District's buildings. The solar panels will accrue the benefit of a reduction in kilowatts purchased as well as a revenue stream from the sale of kilowatts back into the electric grid.
- Assumption Four – All other expenditures, including supplies and new equipment, will be held to a 2% inflationary growth.
- Assumption Five – Despite the 2% tax levy cap and projected flat state aid, the District will work to maintain a capital reserve account in order to address any building expansion needs that may arise from new housing developments in the township and to improve our existing facilities.

If neither the New Jersey Supreme Court nor the Legislature addresses the underfunding of school districts, the Piscataway Township Schools will face some budgetary challenges in the next few years.

**4) INTERNAL CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls 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 controls are 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 controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget submitted to the Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year and those amounts are reported as fund balance at June 30, 2016.

**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, 2016, the District's outstanding debt issues included serial bonds in the amount of \$22,105,000 and capital leases in the amount of \$1,676,145.

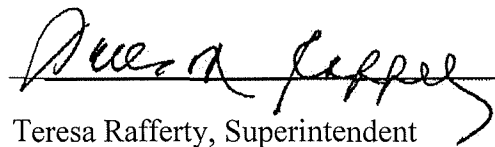
## **8) OTHER INFORMATION:**

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 Federal Uniform Guidance and New Jersey OMB Circular 15-08, 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.

**9) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Piscataway Township Schools Board of Education 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,

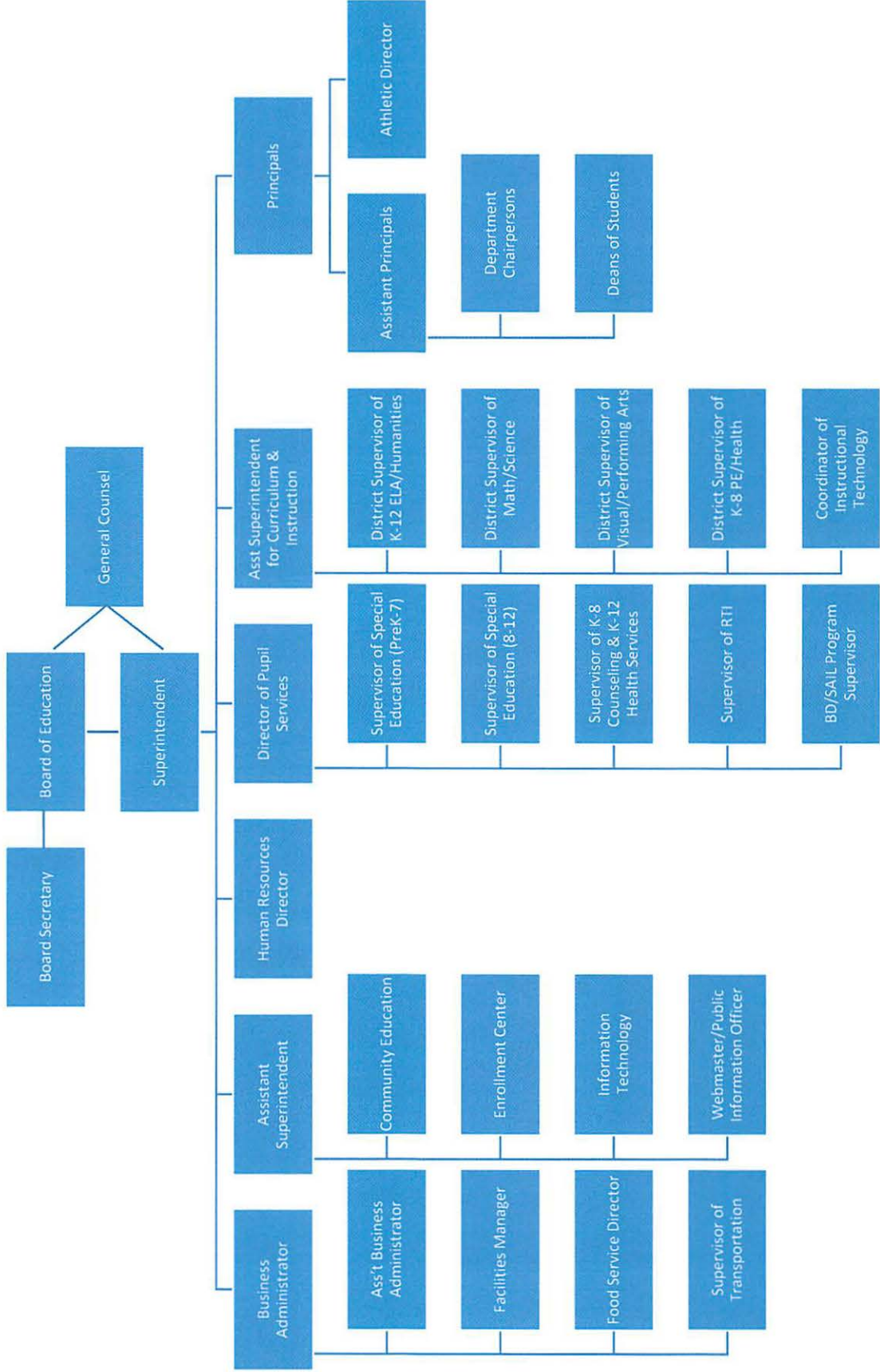
  
\_\_\_\_\_

Teresa Rafferty, Superintendent

  
\_\_\_\_\_

David Oliveira, Business Administrator

# Piscataway Township Schools Organization Chart June 30, 2016



Piscataway Township School District  
Piscataway, New Jersey

Roster of Officials

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William J. Irwin, President	2016
Alexandra Lopez, Vice President	2017
Shantell Cherry	2017
Tom Connors	2017
Adelita Deepan	2016
Ralph E. Johnson	2016
Atif Nazir	2018
Isaac Peng	2018
Ira Stern	2018

Other Officials

Teresa M. Rafferty, Superintendent of Schools

David Oliveira, School Business Administrator/ Board Secretary

David Rubin, Esq., Solicitor



Piscataway Township School District  
Piscataway, New Jersey

Independent Auditors and Advisors

**Architects**

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

**Independent Auditors**

Wiss & Company, LLP  
354 Eisenhower Parkway  
Suite 1850  
Livingston, NJ 07039

**Attorney**

David B. Rubin  
(Staff Counsel)

**Official Depository**

TD Bank  
2473 Plainfield Avenue  
South Plainfield, NJ 07080

# Financial Section

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Piscataway Township School District, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1.T. and Note 20 to the financial statements, during the fiscal year ended June 30, 2016, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (“GASB 72”), which represents a change in accounting principle. As discussed in Note 21 to the financial statements, as of July 1, 2015, the District’s general fund balance, was restated to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, schedule of the District’s proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State’s proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting compliance.



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 2, 2016  
Livingston, 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, 2016

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, 2016. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2015-2016) and the prior fiscal year (2014-2015) is presented in the 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 position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements can be found on pages 24 - 25 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 26 - 28 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 community education 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 one internal service fund to account for services provided to all the other funds. The District operates an internal service fund for its self-insurance activities. The self insurance internal service fund is considered to be a major fund of the District. The internal service fund has 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 29 - 31 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 32 - 33 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 34 - 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 - 113 of this report.



## Financial Highlights

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2016 and 2015:

Piscataway Board of Education Piscataway, New Jersey						
Net Position						
	2016			2015		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 31,683,294	\$ 5,601,561	\$ 37,284,855	\$ 25,929,512	\$ 5,432,933	\$ 31,362,445
Capital assets, net	71,250,404	277,806	71,528,210	71,767,595	349,293	72,116,888
Total assets	102,933,698	5,879,367	108,813,065	97,697,107	5,782,226	103,479,333
Deferred outflows	8,572,020		8,572,020	4,756,029		4,756,029
Liabilities						
Current liabilities	13,423,678	1,784,614	15,208,292	13,565,788	1,594,561	15,160,349
Net pension liability	38,337,367		38,337,367	32,105,624		32,105,624
Long Term Liabilities	23,118,120		23,118,120	27,404,770		27,404,770
Total liabilities	74,879,165	1,784,614	76,663,779	73,076,182	1,594,561	74,670,743
Deferred inflows	726,998		726,998	1,913,321		1,913,321
Net position						
Invested in capital assets, net of related debt	47,368,890	277,806	47,646,696	43,578,893	349,293	43,928,186
Restricted	18,401,404		18,401,404	13,624,731		13,624,731
Unrestricted (deficit)	(29,870,739)	3,816,947	(26,053,792)	(29,739,991)	3,838,372	(25,901,619)
Total net position	\$ 35,899,555	\$ 4,094,753	\$ 39,994,308	\$ 27,463,633	\$ 4,187,665	\$ 31,651,298

Key financial highlights for the 2015-2016 fiscal year include the following:

- Net position increased \$8,343,010 due to increases in revenue in the school district's fiscal 2015-2016 year.
- Consistent with the prior year, the State withheld the school district's fiscal 2015-2016 last two state aid payments until July 2016.

During 2015, the District implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The implementation of these GASB Statements resulted in, the recording of the District's proportionate share of its net pension liability, including related deferred outflows and inflows, in the State's Public Employer's Retirement System, which is a multiple employer's cost sharing plan. In 2016, the net pension liability associated with the District's governmental activities amounted to \$38,337,367, which is an increase of \$6,231,743 over the 2014-2015 amount.

The largest portion of the District's net position 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 position (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, and capital projects. Restricted net position increased by \$4,776,673 during the year ended June 30, 2016 as a result of the District generating excess surplus during the 2016 fiscal year and depositing \$3,000,000 into the capital reserve fund.

The remaining deficit balance of unrestricted net position is mainly the result of liabilities for compensated absences and the net pension liability without an offsetting asset. Unrestricted net position decreased mainly due to increases in those liabilities.

**District activities.** The key elements of the District's changes in net position for the years ended June 30, 2016 and 2015 are as follows:

Piscataway Board of Education  
Piscataway, New Jersey  
Changes in Net Position  
Year ended June 30,

	2016			2015		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 839,569	\$ 6,837,342	\$ 7,676,911	\$ 643,757	\$ 6,592,568	\$ 7,236,325
Operating grants and contributions	4,132,846	1,302,126	5,434,972	3,764,771	1,340,201	5,104,972
Capital grants and contributions	827,637		827,637	986,815		986,815
General revenues:						
Property taxes	89,676,482		89,676,482	87,332,244		87,332,244
State and federal aid not restricted to a specific purpose	42,310,229		42,310,229	37,613,620		37,613,620
Investment Income	296,015		296,015			
Miscellaneous	416,278	594,291	1,010,569	931,991	472,055	1,404,046
Total revenue	138,499,056	8,733,759	147,232,815	131,273,198	8,404,824	139,678,022
<b>Expenses:</b>						
Instructional services	79,833,314		79,833,314	77,321,991		77,321,991
Support services	49,111,577		49,111,577	47,263,550		47,263,550
Charter school	243,654		243,654	197,860		197,860
Interest on long term debt	874,589		874,589	950,025		950,025
Business Type Activities		8,826,671	8,826,671		7,538,708	7,538,708
Total expenses	130,063,134	8,826,671	138,889,805	125,733,426	7,538,708	133,272,134
Increase (decrease) in net position before transfers	8,435,922	(92,912)	8,343,010	5,539,772	866,116	6,405,888
Net position--beginning	27,463,633	4,187,665	31,651,298	21,923,861	3,321,549	25,245,410
Net position--ending	\$35,899,555	\$ 4,094,753	\$39,994,308	\$27,463,633	\$ 4,187,665	\$31,651,298

Operating and capital grants and contributions increased as a result of the District obtaining capital related grants from the New Jersey Schools Development Authority. During the 2016 fiscal year, the District recognized revenue of \$827,637 related to those grants.

Property tax revenue increased \$2,344,238 as a result of continued flat funding of unrestricted aid from the State.

Included in the State Aid number is the TPAF, Pension and Social Security Employer Share. The increase from 2014/15 to 2015/16 can be attributed to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. Under the new GASB Statements, the District records the on-behalf pension expense and revenue for contributions incurred by the State as calculated by an actuary. The increase in state aid was \$4,696,609, all of which was directly related to on-behalf payments made by the State for pension, retiree medical expenses and employer share of social security.

The increase in business type revenues as well as the increase in the related expenses is mainly attributable to an expansion of the adult and community education programs as well as an increase in the daily sales revenue for the food service program.

#### 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, 2016, and the increases in relation to the prior year:

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2015</b>	<b>Percent of Increase</b>
Local sources	\$ 91,392,111	73.5%	\$ 2,934,442	3.3%
State sources	29,688,618	23.9	2,368,705	8.7
Federal sources	3,181,211	2.6	307,815	10.7
<b>Total</b>	<b>\$ 124,261,940</b>	<b>100.0%</b>	<b>\$ 5,610,962</b>	<b>4.7%</b>

The increase in local sources is mostly due to an increase in the tax levy. The increase in state sources is largely a result of the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF Pension and Social Security Contributions by \$2,018,886.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2015</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 48,811,527	41.7%	\$ 395,014	0.8%
Support services	64,517,866	55.1	384,934	0.6
Charter Schools	243,654	0.2	45,794	23.1
Debt service:				
Principal	2,635,000	2.2	95,000	3.7
Interest and Other Charges	924,000	0.8	(77,625)	(7.7)
<b>Total</b>	<u>\$ 117,132,047</u>	<u>100.0%</u>	<u>\$ 843,117</u>	<u>0.7%</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 net increase in debt service expenditures is due to an increase in principal bond payments

#### General Fund

Fund balance in the General Fund increased by \$3,150,803 mostly due to an increase in the tax levy. Of the \$18,288,587 fund balance in the General Fund, \$4,698,414 is restricted for current year excess surplus, \$2,933,605 is restricted for the prior year excess surplus, \$5,342,098 is restricted in the capital reserve account, \$2,000,000 is restricted in the maintenance reserve account, \$174,372 is restricted in the emergency reserve account, \$13,521 is assigned by the board of education for subsequent years' expenditures - SEMI, \$1,222,461 of encumbrances is assigned to other purposes, and \$1,904,116 is unassigned.

#### Special Revenue Fund

Expenditures in the Special Revenue Fund increased as a result of an increase in funding for the Title I and IDEA Basic and Preschool programs. The District has an unassigned deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2016 as a result of the State deferring the payment of the final two state aid payments until July 2016.

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 \$3,252,915 is the result of the unspent proceeds from transfers from capital reserve and state grant money that is being used for ongoing capital projects throughout the District.

Internal Service Funds

The District operates a self-insurance program for workers compensation, health, prescription and dental benefits. The Internal Service Fund net position remained the same at \$2,700,255.

**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, 2016, and the increases and (decreases) in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 7,431,633	85.1%	\$ 367,010	5.2%
State sources	26,670	0.3	(1,742)	(6.1)
Federal sources	1,275,456	14.6	(36,333)	(2.8)
<b>Total</b>	<b>\$ 8,733,759</b>	<b>100.0%</b>	<b>\$ 328,935</b>	<b>3.9%</b>

The increase in local sources is mainly attributable to an increase in the participation in the adult and community education programs as well as an increase in daily sales revenue for the food service program. The decreases in state and federal sources is mainly attributable to the decreases in the state and federal school lunch program reimbursements.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2016, and the increases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase From 2015</u>	<u>Percent of Increase</u>
Salaries	\$ 4,595,763	52.0%	\$ 520,193	12.8%
Employee benefits	946,917	10.7	266,711	39.2
Other purchased services	799,387	9.1	96,110	13.7
Supplies and materials	720,820	8.2	322,678	81.0
Cost of sales program	1,334,692	15.1	58,728	4.6
Other	429,092	4.9	23,543	5.8
<b>Total</b>	<b>\$ 8,826,671</b>	<b>100.0%</b>	<b>\$ 1,287,963</b>	<b>17.1%</b>

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 cost of sales is due to an increase in volume of daily sales. The increase in supplies and materials is attributable to the District’s increase in rental expense for the after-care program and having to purchase additional supplies and materials for adult and community education programs.

### Food Service Fund

The food service enterprise fund operated at a \$44,613 deficit this year. Total revenues from daily food sales increased from the prior year by \$52,539 or 4.1% as a result of a increase in volume of daily sales. Total operating expenses increased from the prior year by \$148,775 or 4.7% due to an increase in employee benefits (insurance) and supplies.

The net position of the food service fund, \$38,172, is comprised of net position - investment in capital assets of \$112,538 and unrestricted net position (deficit) of \$(74,366).

### Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$5,492,311 for the year ended June 30, 2016. Current year tuition revenues increased from the prior year by \$192,235 or 3.6% 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 \$1,139,188 or 25.9% as a result an increase in salaries and benefits due to an increase in enrollment as well as the District making significant investment in program materials for the expanded programs. As a result, the fund generated net operating loss of \$48,299.

The net position of the adult and community education fund, \$4,056,581, is comprised of net position-net investment in capital assets of \$165,268 and unrestricted net position of \$3,891,313. The unrestricted net position is the result of the District running a successful adult and community education program.

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

*Capital Assets.* At June 30, 2016, the District's governmental activities had capital assets of \$71,250,404 (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, 2016 and 2015:

	June 30,	
	2016	2015
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	1,487,287	1,471,014
Buildings and building improvements, net	67,058,968	67,342,500
Machinery, equipment, and vehicles, net	1,161,182	1,411,114
Total capital assets, net	<u>\$ 71,250,404</u>	<u>\$ 71,767,595</u>

*Debt Administration.* During the 2016 fiscal year, the District had outstanding long-term liabilities of \$32,889,482 of which \$9,771,362 was classified as the current portion.

At June 30, 2016 and 2015, the District's long-term liabilities consisted of:

	June 30	
	2016	2015
Bonds payable	\$ 22,105,000	\$ 24,740,000
Unamortized premium on bonds	1,359,636	1,581,618
Capital leases payable	1,676,145	3,331,946
Compensated absences payable	1,962,940	1,932,438
Accrued liability for insurance claims	5,785,761	5,695,090
<b>Total long-term liabilities</b>	<b>\$ 32,889,482</b>	<b>\$ 37,281,092</b>

Long-term liabilities decreased mainly due to the principal payments made on the bonds outstanding and capital leases in addition to the annual amortization of premiums on bonds. The increase in the District's accrued liability for insurance claims is mainly attributable to an increase in the IBNR liability based on actuary assessment. In addition, the increase in compensated absences payable is due to employees of the district accruing more days at year end than in the previous year. More detailed information about the District's long-term liabilities and outstanding debt can be found in Notes 5 and 12 to the basic financial statements.

### 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 category 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.

#### Revenues:

- There were no significant revenue fluctuations between the original and modified budget.

#### Expenditures:

- The final budget for undistributed instruction – regular programs, general supplies was more than the original budget by approximately \$544,000 or 66.0% due to additional educational supplies needed to support educational needs of the district.
- The final budget for other financing sources, transfers out was more than the original budget by approximately \$4,700,000 or 100% due to the capital projects ongoing within the district during the 2016 fiscal year.

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, general supplies exceeded the actual expenditures by approximately \$586,000 or 42.9% as a result of supplies having been ordered but not received (an increase in encumbrances).
- The final budget for undistributed expenditures, instruction, tuition to private schools for the handicapped – within the state exceeded the actual expenditures by approximately \$528,000 or 37.0% as a result of more students remaining in district.
- The final budget for unallocated benefits, health insurance exceeded the actual expenditures by approximately \$2,490,000 or 18.0% as a result of lower claims costs in the current year.

### **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, 2016.

## Piscataway Township School District

## Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 19,043,633	\$ 5,269,683	\$ 24,313,316
Accounts receivable	4,212,842	334,499	4,547,341
Internal balances	17,739	(17,739)	-
Inventories		118	118
Investments	892,610		892,610
Other assets		15,000	15,000
Restricted:			
Cash and cash equivalents	7,516,470		7,516,470
Capital assets, non-depreciable	3,030,254		3,030,254
Capital assets, depreciable, net	68,220,150	277,806	68,497,956
Total assets	<u>102,933,698</u>	<u>5,879,367</u>	<u>108,813,065</u>
<b>Deferred Outflows Of Resources</b>			
Deferred loss on advanced refunding	1,259,267		1,259,267
Pension deferrals	7,312,753		7,312,753
	<u>8,572,020</u>		<u>8,572,020</u>
<b>Liabilities</b>			
Accounts payable	2,972,448	579,691	3,552,139
Accrued interest payable	335,100		335,100
Intergovernmental payables - State	17,049		17,049
Unearned revenue	327,719	1,204,923	1,532,642
Net pension liability	38,337,367		38,337,367
Current portion of long-term obligations	9,771,362		9,771,362
Noncurrent portion of long-term obligations	23,118,120		23,118,120
Total liabilities	<u>74,879,165</u>	<u>1,784,614</u>	<u>76,663,779</u>
<b>Deferred Inflow Of Resources</b>			
Pension deferrals	<u>726,998</u>		<u>726,998</u>
<b>Net Position</b>			
Net investment in capital assets	47,368,890	277,806	47,646,696
Restricted for:			
Capital projects	3,252,915		3,252,915
Excess surplus	7,632,019		7,632,019
Capital reserve	5,342,098		5,342,098
Maintenance reserve	2,000,000		2,000,000
Emergency reserve	174,372		174,372
Unrestricted (deficit)	(29,870,739)	3,816,947	(26,053,792)
Total net position	<u>\$ 35,899,555</u>	<u>\$ 4,094,753</u>	<u>\$ 39,994,308</u>

See accompanying notes to the basic financial statements.

## Piscataway Township School District

## Statement of Activities

Year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental activities</b>						
Instruction	\$ 79,833,314	\$ 343,202	\$ 2,477,410		\$ (77,012,702)	\$ (77,012,702)
Support services:						
Attendance/social work	349,747				(349,747)	(349,747)
Health services	1,305,701				(1,305,701)	(1,305,701)
Other support services	13,014,264		1,530,365		(11,483,899)	(11,483,899)
Improvement of instruction	3,242,545				(3,242,545)	(3,242,545)
Other support: instructional staff	24,087				(24,087)	(24,087)
School library	894,189				(894,189)	(894,189)
General administration	2,162,703				(2,162,703)	(2,162,703)
School administration	5,377,268				(5,377,268)	(5,377,268)
Central services	1,652,159				(1,652,159)	(1,652,159)
Administrative information technology	1,578,090				(1,578,090)	(1,578,090)
Plant operation and maintenance	12,615,450		125,071	\$ 827,637	(11,662,742)	(11,662,742)
Student transportation	6,895,374	496,367			(6,399,007)	(6,399,007)
Charter schools	243,654				(243,654)	(243,654)
Interest on long-term debt	874,589				(874,589)	(874,589)
Total governmental activities	<u>130,063,134</u>	<u>839,569</u>	<u>4,132,846</u>	<u>827,637</u>	<u>(124,263,082)</u>	<u>(124,263,082)</u>
<b>Business-type activities</b>						
Food Service	3,286,061	1,346,214	1,302,126		\$ (637,721)	(637,721)
Adult and Community Education	5,540,610	5,491,128			(49,482)	(49,482)
Total business-type activities	<u>8,826,671</u>	<u>6,837,342</u>	<u>1,302,126</u>	<u>-</u>	<u>(687,203)</u>	<u>(687,203)</u>
Total primary government	<u>\$ 138,889,805</u>	<u>\$ 7,676,911</u>	<u>\$ 5,434,972</u>	<u>\$ 827,637</u>	<u>(124,263,082)</u>	<u>(124,950,285)</u>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					86,150,602	86,150,602
Property taxes, levied for debt service					3,525,880	3,525,880
State and federal sources—unrestricted					42,310,229	42,310,229
Investment income					296,015	296,015
Miscellaneous					416,278	416,278
Total general revenues					<u>132,699,004</u>	<u>132,699,004</u>
Change in net position					8,435,922	8,435,922
Net Position—beginning					27,463,633	27,463,633
Net Position—ending					<u>\$ 35,899,555</u>	<u>\$ 35,899,555</u>
					<u>\$ 4,094,753</u>	<u>\$ 4,094,753</u>
						<u>\$ 39,994,308</u>

See accompanying notes to the basic financial statements.

## Fund Financial Statements

## Governmental Funds

Piscataway Township School District  
Governmental Funds

## Balance Sheet

June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 5,849,624		\$ 4,357,587		\$ 10,207,211
Investments	892,610				892,610
Accounts receivable:					
State	1,516,011	\$ 2,115	1,781,320		3,299,446
Federal	47,131	658,116			705,247
Other	186,760	21,389			208,149
Interfund	3,316,518				3,316,518
Restricted assets:					
Cash and cash equivalents	7,516,470				7,516,470
Total assets	<u>\$ 19,325,124</u>	<u>\$ 681,620</u>	<u>\$ 6,138,907</u>	<u>\$ -</u>	<u>\$ 26,145,651</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 770,633	\$ 212,741	\$ 371,854		\$ 1,355,228
Intergovernmental payables:					
State		17,049			17,049
Interfunds payable		434,235	2,514,138		2,948,373
Unearned revenue	265,904	61,815			327,719
Total liabilities	<u>1,036,537</u>	<u>725,840</u>	<u>2,885,992</u>		<u>4,648,369</u>
<b>Fund balances:</b>					
Restricted for:					
Excess surplus-current year	4,698,414				4,698,414
Excess surplus-prior year	2,933,605				2,933,605
Capital reserve account	5,342,098				5,342,098
Maintenance reserve account	2,000,000				2,000,000
Emergency reserve account	174,372				174,372
Capital projects			3,252,915		3,252,915
Assigned to:					
Other purposes	1,222,461				1,222,461
Designated for subsequent year's expenditures - SEMI	13,521				13,521
Unassigned (deficit)	1,904,116	(44,220)			1,859,896
Total fund balances	<u>18,288,587</u>	<u>(44,220)</u>	<u>3,252,915</u>	<u>-</u>	<u>21,497,282</u>
Total liabilities and fund balances	<u>\$ 19,325,124</u>	<u>\$ 681,620</u>	<u>\$ 6,138,907</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$128,675,632 and the accumulated depreciation is \$57,425,228.	71,250,404
Internal service funds are used by the District to charge the costs of the District's self-insurance fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	2,700,255
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.	(335,100)
Accounting loss on advanced refunding of debt	1,259,267
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.	(27,103,721)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	6,585,755
Accrued pension contributions for the June 30, 2016 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(1,617,220)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(38,337,367)</u>
Net position of governmental activities	<u>\$ 35,899,555</u>

Piscataway Township School District  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 86,150,602			\$ 3,525,880	\$ 89,676,482
Tuition	343,202				343,202
Transportation	496,367				496,367
Investment Income	296,015				296,015
Miscellaneous	416,278	\$ 163,767			580,045
Total local sources	87,702,464	163,767		3,525,880	91,392,111
State sources	28,749,982	938,636	\$ 827,637		30,516,255
Federal sources	150,768	3,030,443			3,181,211
Total revenues	116,603,214	4,132,846	827,637	3,525,880	125,089,577
<b>Expenditures</b>					
Current:					
Instruction	46,334,117	2,477,410			48,811,527
Undistributed-current:					
Instruction	1,243,140				1,243,140
Attendance/social work	207,483				207,483
Health services	788,452				788,452
Other support services	6,978,897	1,530,365			8,509,262
Improvement of instruction	1,982,236				1,982,236
Education media library	546,424				546,424
Other support: instructional staff	23,173				23,173
General administration	1,723,752				1,723,752
School administration	3,224,026				3,224,026
Central services	1,062,601				1,062,601
Administrative information technology	1,057,088				1,057,088
Required maintenance of plant services	1,649,530	9,694			1,659,224
Operation of plant	9,935,967				9,935,967
Student transportation	5,943,880				5,943,880
Unallocated benefits	14,817,771				14,817,771
On-behalf TPAF social security and pension contributions	11,678,010				11,678,010
Charter schools - current	243,654				243,654
Capital outlay		115,377	2,141,349		2,256,726
Debt Service:					
Principal				2,635,000	2,635,000
Interest				924,000	924,000
Total expenditures	109,440,201	4,132,846	2,141,349	3,559,000	119,273,396
Excess (deficiency) of revenues over (under) expenditures	7,163,013	-	(1,313,712)	(33,120)	5,816,181
Other financing sources (uses)					
Transfers in			4,012,210		4,012,210
Transfers out	(4,012,210)				(4,012,210)
Total other financing sources (uses)	(4,012,210)	-	4,012,210	-	-
Net change in fund balances	3,150,803	-	2,698,498	(33,120)	5,816,181
Fund balances (deficit), July 1, as restated	15,137,784	(44,220)	554,417	33,120	15,681,101
Fund balances (deficit), June 30	\$ 18,288,587	\$ (44,220)	\$ 3,252,915	\$ -	\$ 21,497,282

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the statement of net position 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, 2016

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$ 5,816,181</b>
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	\$ (3,153,686)
	Capital outlays	<u>2,636,495</u>
		(517,191)
The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets.		
		4,290,801
Governmental funds report the effect of 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.		
	Amortization of Premium on Bonds	221,982
	Amortization of Deferred Accounting Loss	<u>(205,595)</u>
		16,387
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.		
		33,024
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).		
		(30,502)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
	Pension expense	<u>(1,172,778)</u>
<b>Change in net position of governmental activities (A-2)</b>		<u><u>\$ 8,435,922</u></u>

## Proprietary Funds

Piscataway Township School District  
Proprietary Funds

Statement of Net Position

June 30, 2016

	Major Funds			Internal Service Fund
	Business Type Activities - Enterprise Funds			
	Food Service	Adult and Community Education	Totals	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents		\$ 5,269,683	\$ 5,269,683	\$ 8,836,422
Accounts receivable:				
State	\$ 3,457		3,457	
Federal	72,883		72,883	
Other	107,545	150,614	258,159	
Other assets		15,000	15,000	
Inventories	118		118	
Total current assets	184,003	5,435,297	5,619,300	8,836,422
Capital assets:				
Equipment	984,083	660,786	1,644,869	
Accumulated depreciation	(871,545)	(495,518)	(1,367,063)	
Total capital assets, net	112,538	165,268	277,806	
Total assets	296,541	5,600,565	5,897,106	8,836,422
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	201,449	378,242	579,691	
Interfund payable	17,739		17,739	350,406
Accrued liability for insurance claims				5,785,761
Unearned revenue	39,181	1,165,742	1,204,923	
Total current liabilities	258,369	1,543,984	1,802,353	6,136,167
<b>Net Position</b>				
Net investment in capital assets	112,538	165,268	277,806	
Unrestricted (deficit)	(74,366)	3,891,313	3,816,947	2,700,255
Total net position	\$ 38,172	\$ 4,056,581	\$ 4,094,753	\$ 2,700,255

Piscataway Township School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2016

	Major Funds			Internal Service Fund Self Insurance Fund
	Business Type Activities - Enterprise Funds			
	Food Service	Adult and Community Education	Totals	
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	\$ 812,693		\$ 812,693	
Daily food sales non-reimbursable	533,521		533,521	
Tuition		\$ 5,491,128	5,491,128	
Charges for services				\$ 16,087,979
Miscellaneous	593,108	1,183	594,291	
Total operating revenues	<u>1,939,322</u>	<u>5,492,311</u>	<u>7,431,633</u>	<u>16,087,979</u>
Operating expenses:				
Salaries	1,142,122	3,453,641	4,595,763	
Employee benefits	247,568	699,349	946,917	16,087,979
Purchased property services	65,801	299,504	365,305	
Other purchased services	42,515	391,567	434,082	
Supplies and materials	135,459	585,361	720,820	
Cost of sales program	920,875		920,875	
Cost of sales non-program	413,817		413,817	
Management Fee	285,170		285,170	
Depreciation	25,334	48,643	73,977	
Miscellaneous	7,400	62,545	69,945	
Total operating expenses	<u>3,286,061</u>	<u>5,540,610</u>	<u>8,826,671</u>	<u>16,087,979</u>
Operating (loss) income	(1,346,739)	(48,299)	(1,395,038)	-
Nonoperating revenues:				
State sources:				
State school lunch program	26,670		26,670	
Federal sources:				
School breakfast program	167,013		167,013	
National school lunch program	908,045		908,045	
Food donation program	200,398		200,398	
Total nonoperating revenues	<u>1,302,126</u>	<u>-</u>	<u>1,302,126</u>	<u>-</u>
Change in net position	(44,613)	(48,299)	(92,912)	-
Total net position-beginning	82,785	4,104,880	4,187,665	2,700,255
Total net position-ending	<u>\$ 38,172</u>	<u>\$ 4,056,581</u>	<u>\$ 4,094,753</u>	<u>\$ 2,700,255</u>

Piscataway Township School District  
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2016

	Major Funds			
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 1,991,708	\$ 5,555,850	\$ 7,547,558	
Payments to employees	(1,142,122)	(3,453,641)	(4,595,763)	
Payments for employee benefits	(247,568)	(699,349)	(946,917)	
Payments to suppliers	(2,083,325)	(966,352)	(3,049,677)	
Receipts from services provided				\$ 16,113,142
Payments for insurance				(15,651,902)
Net cash (used in) provided by operating activities	(1,481,307)	436,508	(1,044,799)	461,240
<b>Cash flows from noncapital financing activities</b>				
Transfers (to) other funds		(135,285)	(135,285)	
Cash received from state and federal reimbursements	1,305,222		1,305,222	
Net cash provided by (used in) noncapital financing activities	1,305,222	(135,285)	1,169,937	-
<b>Cash flows from investing activities</b>				
Acquisition of capital assets	(2,490)		(2,490)	
Net cash used in investing activities	(2,490)	-	(2,490)	-
Net (decrease) increase in cash and cash equivalents	(178,575)	301,223	122,648	461,240
Cash and cash equivalents, beginning of year	178,575	4,968,460	5,147,035	8,375,182
Cash and cash equivalents, end of year	\$ -	\$ 5,269,683	\$ 5,269,683	\$ 8,836,422
<b>Reconciliation of operating (loss) to net cash (used in) operating activities:</b>				
Operating (loss)	\$ (1,346,739)	\$ (48,299)	\$ (1,395,038)	\$ -
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:				
Depreciation	25,334	48,643	73,977	
Change in assets and liabilities:				
Decrease in accounts receivable	3,901	50,246	54,147	25,163
Decrease in interfund receivable	4,521		4,521	
Decrease in inventory	4,901		4,901	
(Decrease) increase in accounts payable	(230,027)	372,625	142,598	(5,000)
Increase in interfund payable	17,739		17,739	350,406
Increase in unearned revenue	39,063	13,293	52,356	
Increase in accrued liability for insurance claims				90,671
Net cash (used in) provided by operating activities	\$ (1,481,307)	\$ 436,508	\$ (1,044,799)	\$ 461,240

**Noncash noncapital financing activities:**

The District received \$195,497 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2016.

## Fiduciary Funds

Piscataway Township School District  
Fiduciary Funds

Statement of Fiduciary Net Position

Year Ended June 30, 2016

	<u>Private-Purpose Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,341	\$ 1,752,038	\$ 423,303
Total assets	<u>\$ 17,341</u>	<u>\$ 1,752,038</u>	<u>\$ 423,303</u>
<b>Liabilities</b>			
Payroll deductions payable			\$ 8,041
Accounts payable		\$ 3,232	51,360
Due to student groups			363,902
Total liabilities		<u>\$ 3,232</u>	<u>\$ 423,303</u>
<b>Net position</b>			
Held in trust for unemployment claims		<u>\$ 1,748,806</u>	
Held in trust for scholarships	<u>\$ 17,341</u>		

Piscataway Township School District  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2016

	<b>Private-Purpose Scholarship Funds</b>	<b>Unemployment Compensation Trust</b>
<b>Additions</b>		
Contributions:		
Employee		\$ 146,375
Other	\$ 500	
Interest income	7	
Total additions	507	146,375
<b>Deductions</b>		
Unemployment claims paid		145,579
Scholarship payments	2,500	
Total deductions	2,500	145,579
Change in net position	(1,993)	796
Net position-beginning of the year	19,334	1,748,010
Net position-end of the year	\$ 17,341	\$ 1,748,806



# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### **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.

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. 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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### **B. Government-wide and Fund Financial Statements (continued)**

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 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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations.

*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.

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):* 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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 cannot 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 unemployment compensation claims; laws and regulations do not require that the activity's exceed employee contributions and those employee contributions costs be recovered with fees and charges, in fact, employer contributions greatly 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.

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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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.

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

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

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

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Middlesex County office of the DOE for approval. 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.

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, 2016, the District had inventories in the Food Service Enterprise Fund of \$118 which represent unused Food Donation Program commodities, which are also reported as unearned revenue.

Piscataway Township School District  
Notes to the Basic Financial Statements

Year ended June 30, 2016

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

**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 2015-16 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### **I. Compensated Absences (continued)**

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, 2016, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,962,940 and no liability existed for compensated absences in the enterprise funds.

#### **J. Unearned Revenue**

Unearned revenue in the general and 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. Deferred Outflows/Inflows of Resources**

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

#### **L. 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 position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.



# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### L. Long-Term Obligations (continued)

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.

#### M. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2016, the District has recorded an unamortized balance of \$1,259,267 as a deferred outflow of resources and amortization expense for the year was \$205,595.

#### N. Fund Balances

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

- 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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### N. Fund Balances (continued)

- 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.

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 \$18,288,587 of fund balance in the General Fund, \$5,342,098 has been restricted in the capital reserve account, \$2,000,000 has been restricted in the maintenance reserve account, \$174,372 has been restricted in the emergency reserve account, \$4,698,414 is restricted for excess surplus – current year, \$2,933,605 is restricted for excess surplus – prior year, \$13,521 has been assigned to designated for subsequent year expenditures – SEMI, \$1,222,461 of encumbrances are assigned to other purposes and \$1,904,116 is unassigned.

#### O. Net Position and Fund Balance / Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term “net assets” is changed to “net position” throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is 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.

#### P. 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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### **Q. 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. Additionally, revenue and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$13,409,480 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

#### **R. 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's excess fund balance at June 30, 2016 was \$7,632,019. Of this amount, \$2,933,605 has been appropriated in the 2016-2017 budget and the remaining \$4,698,414 is required to be appropriated in the 2017-2018 budget.

#### **S. 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* and GASB 72, *Fair Value Measurement and Application*. 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.

#### **T. GASB Pronouncements**

##### **GASBs Implemented in the 2016 Fiscal Year**

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### **T. GASB Pronouncements (continued)**

##### **GASBs Implemented in the 2016 Fiscal Year (continued)**

by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has adopted GASB No. 72 during the year ended June 30, 2016. See Note 20 for impact on beginning fund balance.

##### Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB No. 75”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the District in the 2018 fiscal year. Management has not yet determined the impact of this Statement on the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB No. 77”). This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the District in the 2017 fiscal year. Management has not yet determined the impact of this Statement on financial statement note disclosures.

#### **U. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2016 through December 2, 2016, 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$27,103,721 difference are as follows:

Bonds payable	\$ 22,105,000
Capital leases payable	1,676,145
Unamortized premium on bonds	1,359,636
Compensated absences	<u>1,962,940</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 27,103,721</u>

**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.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### 3. Deposits and Investments (continued)

#### Deposits

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2016, the District's carrying amount of deposits was \$34,022,468 and the bank balance was \$36,964,164. Of the bank balance, \$498,230 was secured by federal depository insurance and \$35,773,146 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$692,788 held in the District's agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the 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.

Piscataway Township School District  
Notes to the Basic Financial Statements  
Year ended June 30, 2016

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

**Deposits (continued)**

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.

**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) and New Jersey Asset and Rebate Management Fund (NJARM).
- d. Bonds or other obligations of the School District.

*Custodial Credit Risk:* 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.

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

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

As of June 30, 2016, the District's investment balances of \$892,610 were in Solar Renewable Energy Certificates. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2016:

Solar Renewable Energy Credits in the amount of \$892,610 are valued using quoted market prices (Level 1 inputs)

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2016:

	Beginning Balance	Increases	Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,542,967			\$ 1,542,967
Construction in progress	1,471,014	\$ 2,141,349	\$ (2,125,076)	1,487,287
Total capital assets, not being depreciated	3,013,981	2,141,349	(2,125,076)	3,030,254
Capital assets, being depreciated:				
Buildings and building improvements	115,115,687	360,257	2,125,076	117,601,020
Machinery, equipment and vehicles	7,909,470	134,889		8,044,359
Total capital assets being depreciated	123,025,157	495,146	2,125,076	125,645,379
Less accumulated depreciation for:				
Buildings and building improvements	47,773,187	2,768,865		50,542,052
Machinery, equipment and vehicles	6,498,356	384,821		6,883,177
Total accumulated depreciation	54,271,543	3,153,686		57,425,229
Total capital assets, being depreciated, net	68,753,614	(2,658,540)	2,125,076	68,220,150
Governmental activities capital assets, net	\$ 71,767,595	\$ (517,191)	\$ -	\$ 71,250,404

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2016 as follows:

Instruction	\$ 1,833,698
Attendance/social work	7,601
Health services	28,884
Other support services	311,728
Improvement of instruction	72,617
Education media library	20,018
Other support: Instruction staff	849
General administration	63,148
School administration	118,109
Central Services	38,927
Administrative information technology	38,725
Plant operation and maintenance	401,634
Student transportation	217,748
Total depreciation expense – governmental activities	<u>\$3,153,686</u>



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**4. Capital Assets (continued)**

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2016:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$ 1,642,379	\$ 2,490	\$ 1,644,869
Less accumulated depreciation for:			
Equipment	1,293,086	73,977	1,367,063
Total business-type activities capital assets, net	<u>\$ 349,293</u>	<u>\$ (71,487)</u>	<u>\$ 277,806</u>

**5. Long-Term Liabilities**

During the year ended June 30, 2016, the following changes occurred in governmental activities long-term liabilities:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Governmental activities:					
Compensated absences payable	\$ 1,932,438	\$ 147,866	\$ 117,364	\$ 1,962,940	\$ 166,850
Bonds payable	24,740,000		2,635,000	22,105,000	2,740,000
Unamortized premium on bonds	1,581,618		221,982	1,359,636	221,982
Capital lease payable	3,331,946		1,655,801	1,676,145	1,676,145
Accrued liability for insurance claims	5,695,090	15,633,238	15,542,567	5,785,761	4,966,385
Subtotal	<u>37,281,092</u>	<u>15,781,104</u>	<u>20,172,714</u>	<u>32,889,482</u>	<u>9,771,362</u>
Net pension liability	32,105,624	6,231,743		38,337,367	
Governmental activity long-term liabilities	<u>\$ 69,386,716</u>	<u>\$ 22,012,847</u>	<u>\$ 20,172,714</u>	<u>\$ 71,226,849</u>	<u>\$ 9,771,362</u>

Refer to Note 12 - Risk Management for further discussion of the District's accrued liability for insurance claims.

The District expects to liquidate the compensated absences and capital leases payable 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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

**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, 2016:

	<u>Amount</u>
Year:	
2017	\$ 1,691,558
Total minimum lease payments	1,691,558
Less amounts representing interest	<u>(15,413)</u>
Present value of net minimum lease payments	<u>\$ 1,676,145</u>

**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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 2,740,000	\$ 829,675	\$ 3,569,675
2018	2,875,000	717,375	3,592,375
2019	3,005,000	602,275	3,607,275
2020	3,145,000	468,300	3,613,300
2021	3,315,000	317,550	3,632,550
2022-2023	7,025,000	255,038	7,280,038
	<u>\$ 22,105,000</u>	<u>\$ 3,190,213</u>	<u>\$ 25,295,213</u>

In August 2011, the District issued \$27,280,000 of Refunding School Bonds to provide resources to refund a portion of the District's outstanding debt. The bonds are due to mature annually through the 2023 fiscal year at annual interest rates ranging from 2.50% to 5.00%.

See page 111 for additional information regarding the District's bonds payable, including original amount of debt, interest rates and remaining maturities.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

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

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

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

#### **Public Employee's Retirement System (continued)**

benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in annually through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the 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, 2016, the State of New Jersey contributed \$8,123,424 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 \$3,554,586 during the year ended June 30, 2016 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Funding Policy (continued)**

The Board’s actuarially determined contributions to PERS for each of the years ended June 30, 2016, 2015 and 2014 were \$1,468,276, \$1,413,651, and \$1,241,996 respectively, equal to the required contributions for each year.

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

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

*Public Employee’s Retirement System (PERS)*

At June 30, 2016, the District reported a liability of \$38,337,637 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District’s proportion was 0.1707830271 percent, which was a decrease of 0.0006963194 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$2,641,054 in the government-wide financial statements. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 4,117,127	
Differences between expected and actual experience	914,595	
Changes in proportion	663,811	\$ 110,607
Difference between projected and actual earnings on pension plan investments		616,391
District contributions subsequent to the measurement date	1,617,220	
	<u>\$7,312,753</u>	<u>\$726,998</u>

Piscataway Township School District  
Notes to the Basic Financial Statements  
Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

\$1,617,220 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2017	\$ 1,049,027
2018	1,049,027
2019	1,049,027
2020	1,049,028
2021	772,426
	<u>\$ 4,968,535</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is unlikely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Mortality Rates*

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Discount rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
District's proportionate share of the net pension liability	\$ 47,648,656	\$ 38,337,367	\$ 30,530,849

*Pension Plan Fiduciary Net Position*

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



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Additional Information*

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$	3,578,755,666
Deferred inflows of resources	\$	993,410,455
Net pension liability	\$	22,447,996,119

District's Proportion 0.1707830271%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,481,308,816.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 5.72 and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF)

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2015 was \$280,344,921. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4435537652 percent, which was a decrease of 0.0236616272 from its proportion measured as of June 30, 2014.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$17,117,581 for contributions incurred by the State.

*Actuarial assumptions*

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

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

*Mortality Rates*

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	100.00%	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**6. Pension Plans (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% Decrease (3.13%)</b>	<b>At Current Discount Rate (4.13%)</b>	<b>At 1% Increase (5.13%)</b>
State's proportionate share of the net pension liability	\$ 333,179,460	\$ 280,344,921	\$ 234,824,804

*Pension plan fiduciary net position*

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

**Additional Information**

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$ 7,522,890,856
Deferred inflows of resources	\$ 623,365,110
Net pension liability	\$ 63,204,270,305
State's proportionate share associated with the District	0.4435537652%

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### 6. Pension Plans (continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

Collective pension expense for the Local Group for the plan for the measurement period ended June 30, 2015 is \$3,854,529,453.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 8.3 and 8.5 years, respectively.

### 7. Post-Retirement Benefits

#### *Plan Description*

The District contributes to the New Jersey School Employee Health Benefits Program (the "SEHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SEHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The School Employee 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 SEHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

#### **Funding Policy**

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. 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 benefits 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

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

**Funding Policy (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 SEHBP Fund for TPAF retirees’ post-retirement benefits on behalf of the District for the years ended June 30, 2016, 2015 and 2014 were \$4,415,323, \$3,806,848, and \$3,240,736 respectively, which equaled the required contributions for each year. The State’s contributions to the SEHBP Fund for PERS retirees’ post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

**8. 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

**9. Interfund Receivables and Payables**

The total interfund receivables and payables for the District at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,316,518	
Special Revenue Fund		\$ 434,235
Capital Projects Fund		2,514,138
Food Service Enterprise Fund		17,739
Self Insurance Internal Service Fund		350,406
	\$ 3,316,518	\$ 3,316,518

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### **9. Interfund Receivables and Payables (continued)**

The interfund receivable in the general fund represents cash loaned to the special revenue fund, capital projects fund and food service enterprise fund to cover a pooled cash deficit. The receivable with the self insurance internal service fund is for costs originally paid by the general fund. All interfunds are expected to be repaid within one year.

### **10. 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.

### **11. 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.

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.

### **12. 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**12. Risk Management (continued)**

**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, prescription and dental claims of \$5,785,761 has been recorded in the internal service fund 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, prescription 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 an unrestricted net position of \$2,700,255 for future medical, dental, and prescription claims.

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2016, 2015, and 2014 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>
2015-16	\$ 5,695,090	\$ 15,633,238	\$ 15,542,567	\$ 5,785,761
2014-15	5,941,339	17,172,119	17,418,368	5,695,090
2013-14	4,870,792	16,541,343	15,470,796	5,941,339

The District has estimated the short-term liability to be \$4,966,385, which approximates the District's recent claims history for workers' compensation plus a three months' average of premium costs for medical, prescription and dental claims.

**13. 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.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**14. Restricted Assets**

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

**15. Transfers – Reconciliation**

The following presents a reconciliation of transfers during the 2016 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund		\$ 4,012,210
Capital Projects Fund	\$ 4,012,210	
	<u>\$ 4,012,210</u>	<u>\$ 4,012,210</u>

The transfer from the general fund to the capital projects fund represents a transfer of capital reserve funds to provide the local share for an SDA funded capital project.

**16. 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2016

**16. Capital Reserve Account (continued)**

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$ 6,354,308
Deposits:	
Approved at the June 2016 Board meeting	3,000,000
Transfers from Capital Projects	133,976
Withdrawals:	
Board resolution	<u>(4,146,186)</u>
Ending balance, June 30, 2016	<u>\$ 5,342,098</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

**17. Maintenance Reserve Account**

A maintenance reserve account was established by the District by way of a Board approved resolution in the amount of \$2,000,000 in June 2016 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2016.

# Piscataway Township School District

## Notes to the Basic Financial Statements

Year ended June 30, 2016

### 18. Deficit Fund Balance

The District has an undesignated deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2016 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 balance deficit does not alone indicate that the District is facing financial difficulties.

### 19. Commitments

There was \$1,255,130 of contractual commitments at June 30, 2016 to vendors related to ongoing construction projects which is reported as restricted for capital projects in the Capital Projects Fund. There were contractual commitments in the general fund in the amount of \$1,222,461 at June 30, 2016 which are reported as assigned to other purposes.

### 20. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2016, the District implemented Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application ("GASB 72"). The implementation of the Statement required a restatement of prior year general fund fund balance.

	<b>General Fund</b>
Beginning Fund Balance - June 30, 2015	<u>\$ 14,541,189</u>
Adjustments:	
To record 2015 investment balance in Solar Renewable Energy Certificates	<u>596,595</u>
Beginning Fund Balance - June 30, 2015 (as restated)	<u><u>\$ 15,137,784</u></u>

Required Supplementary Information – Part II  
Pension Schedules

Piscataway Township School District  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employee's Retirement System

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - Local Group	0.1707830271%	0.1714793465%	0.1664415389%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 38,337,367	\$ 32,105,624	\$ 31,810,285	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District's covered-employee payroll	\$ 12,029,023	\$ 11,266,523	\$ 11,465,806	\$ 11,316,748	\$ 11,521,743	\$ 12,492,320	\$ 11,666,261	\$ 10,481,766	\$ 9,958,888	\$ 9,958,888
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	318.71%	284.96%	277.44%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	47.93%	52.08%	48.72%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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

n/a - information not available

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015.

Piscataway Township School District  
 Schedule of District Contributions  
 Public Employee's Retirement System

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 1,617,220	\$ 1,468,276	\$ 1,413,651	\$ 1,241,996	\$ 1,313,280	\$ 1,404,154	\$ 1,330,802	\$ 965,041	\$ 469,856	\$ 594,613
Contributions in relation to the contractually required contribution	(1,617,220)	(1,468,276)	(1,413,651)	(1,241,996)	(1,313,280)	(1,404,154)	(1,330,802)	(965,041)	(469,856)	(594,613)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,065,765	\$ 12,029,023	\$ 11,266,523	\$ 11,465,806	\$ 11,316,748	\$ 11,521,743	\$ 12,492,320	\$ 11,666,261	\$ 10,481,766	\$ 9,958,888
Contributions as a percentage of covered-employee payroll	13.40%	12.21%	12.55%	10.83%	11.60%	12.19%	10.65%	8.27%	4.48%	5.97%

Piscataway Township School District  
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District  
Teachers' Pension and Annuity Fund

Last Ten Fiscal Years\*

	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4435537652%	0.4672153924%	0.4533723368%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 280,344,921	\$ 249,711,421	\$ 229,130,813
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 280,344,921</u>	<u>\$ 249,711,421</u>	<u>\$ 229,130,813</u>
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

**Required Supplementary Information – Part III**

**Budgetary Comparison Schedules**



Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 86,150,602		\$ 86,150,602	\$ 86,150,602	
Tuition from Individuals				48,889	\$ 48,889
Tuition from LEAs within state	250,000		250,000	294,313	44,313
Transportation Fees from Individuals	250,000		250,000	350,236	100,236
Transportation Fees from Other LEAs	100,000		100,000	146,131	46,131
Miscellaneous	305,000		305,000	416,278	111,278
Total revenues - local sources	87,055,602		87,055,602	87,406,449	350,847
State sources:					
Categorical Special Education aid	4,343,922		4,343,922	4,343,922	
Categorical Transportation aid	489,054		489,054	489,054	
Equalization Aid	9,741,772		9,741,772	9,741,772	
Extraordinary aid	845,000		845,000	1,287,643	442,643
Security Aid	584,442		584,442	584,442	
Additional non public transportation aid				53,780	53,780
Educational Adequacy aid	403,614		403,614	403,614	
PARCC Readiness Aid	73,450		73,450	73,450	
Per Pupil Growth Aid	73,450		73,450	73,450	
On-behalf TPAF pension contributions (non-budgeted)				8,123,424	8,123,424
Reimbursed TPAF social security contributions (non-budgeted)				3,554,586	3,554,586
Total - state sources	16,554,704		16,554,704	28,729,137	12,174,433
Federal sources:					
Medicaid reimbursement	84,174		84,174	137,247	53,073
SEMI Revenue				13,521	13,521
Total Federal sources	84,174		84,174	150,768	66,594
Total revenues	103,694,480		103,694,480	116,286,354	12,591,874
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,812,007	112,297	1,924,304	1,751,510	172,794
Grades 1-5	11,107,944	(184,297)	10,923,647	10,505,771	417,876
Grades 6-8	7,576,882	(94,218)	7,482,664	7,055,476	427,188
Grades 9-12	10,816,256	(146,823)	10,669,433	10,333,441	335,992
Home instruction - regular programs:					
Salaries of teachers	70,000	(23,531)	46,469	27,068	19,401
Purchased professional-educational services	60,000	27,842	87,842	69,179	18,663
Undistributed instruction - regular programs:					
Salaries of teachers		42,700	42,700	40,200	2,500
Other salaries for instruction	639,879	(306,449)	333,430	321,560	11,870
Purchased professional-educational services	1,256,370	(68,181)	1,188,189	1,185,775	2,414
Purchased technical services	30,000	399	30,399	12,189	18,210
Other purchased services	50,358	12,407	62,765	30,953	31,812
General supplies	824,051	543,971	1,368,022	781,322	586,700
Textbooks	44,882	(3,937)	40,945	23,954	16,991
Other objects	337,160	(55,569)	281,591	253,640	27,951
Total instruction - regular programs	34,625,789	(143,389)	34,482,400	32,392,038	2,090,362

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
Cognitive-mild:					
Salaries of teachers	\$ 457,929	\$ (40,344)	\$ 417,585	\$ 412,957	\$ 4,628
Other salaries for instruction	282,399	(98,965)	183,434	183,105	329
Purchased professional ed services	200,000	(42,114)	157,886	141,356	16,530
Other purchased services	5,350	(5,000)	350	150	200
General supplies	11,868	438	12,306	7,116	5,190
Textbooks	910	(510)	400		400
<b>Total cognitive-mild</b>	<b>958,456</b>	<b>(186,495)</b>	<b>771,961</b>	<b>744,684</b>	<b>27,277</b>
Learning and/or language disabilities:					
Salaries of teachers	617,781	89,387	707,168	706,879	289
Other salaries for instruction	314,959	157,293	472,252	472,063	189
General supplies	6,750		6,750	5,491	1,259
Textbooks	500		500		500
<b>Total learning and/or language disabilities</b>	<b>939,990</b>	<b>246,680</b>	<b>1,186,670</b>	<b>1,184,433</b>	<b>2,237</b>
Behavioral disabilities:					
Salaries of teachers	489,227	76,464	565,691	565,691	
Other salaries for instruction	74,265	32,083	106,348	106,348	
Purchased professional ed services	300,000	(24,183)	275,817	253,177	22,640
Other purchased services	3,000	(3,000)			
General supplies	6,650	53	6,703	5,753	950
Textbooks	700	147	847	586	261
<b>Total behavioral disabilities</b>	<b>873,842</b>	<b>81,564</b>	<b>955,406</b>	<b>931,555</b>	<b>23,851</b>
Multiple disabilities:					
Salaries of teachers	183,754	(10,717)	173,037	156,595	16,442
Other salaries for instruction	143,499	(109,093)	34,406	34,406	
Purchased professional ed services	35,000	430	35,430	34,295	1,135
Other purchased services	1,500	(1,500)			
General supplies		1,500	1,500	745	755
<b>Total multiple disabilities</b>	<b>363,753</b>	<b>(119,380)</b>	<b>244,373</b>	<b>226,041</b>	<b>18,332</b>
Resource room/center:					
Salaries of teachers	4,827,117	(62,292)	4,764,825	4,585,004	179,821
Other salaries for instruction	950,081	(208,999)	741,082	727,736	13,346
Purchased professional ed services	365,000	52,668	417,668	388,099	29,569
General supplies	50,046	(5,999)	44,047	24,946	19,101
Textbooks	6,290		6,290	3,854	2,436
<b>Total resource room/center</b>	<b>6,198,534</b>	<b>(224,622)</b>	<b>5,973,912</b>	<b>5,729,639</b>	<b>244,273</b>
Autism:					
Salaries of teachers	476,890	29,688	506,578	493,419	13,159
Other salaries for instruction	186,582	13,678	200,260	200,260	
Purchased professional-educational services	250,000	80,434	330,434	307,299	23,135
Other purchased services	500	(500)			
General supplies	29,500	170	29,670	27,978	1,692
Textbooks	200		200		200
<b>Total autism</b>	<b>943,672</b>	<b>123,470</b>	<b>1,067,142</b>	<b>1,028,956</b>	<b>38,186</b>
Preschool disabilities - part time:					
Salaries of teachers	518,649	(198,084)	320,565	296,760	23,805
Other salaries for instruction	284,379	(161,816)	122,563	117,552	5,011
Purchased professional-educational services		73,529	73,529	46,247	27,282
Other purchased services	500	(500)			
General supplies	2,000		2,000	1,169	831
<b>Total preschool disabilities - part time</b>	<b>805,528</b>	<b>(286,871)</b>	<b>518,657</b>	<b>461,728</b>	<b>56,929</b>
Preschool disabilities - full time:					
Salaries of teachers		188,233	188,233	187,410	823
Other salaries for instruction		131,816	131,816	118,634	13,182
Purchased professional-educational services		120,404	120,404	110,387	10,017
<b>Total preschool disabilities - full time</b>	<b>-</b>	<b>440,453</b>	<b>440,453</b>	<b>416,431</b>	<b>24,022</b>
<b>Total special education</b>	<b>11,083,775</b>	<b>74,799</b>	<b>11,158,574</b>	<b>10,723,467</b>	<b>435,107</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	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	\$ 1,377,758	\$ (60,879)	\$ 1,316,879	\$ 1,204,632	\$ 112,247
General supplies	8,600	(1,290)	7,310	2,971	4,339
Total basic skills/remedial - instruction	1,386,358	(62,169)	1,324,189	1,207,603	116,586
Bilingual education - instruction:					
Salaries of teachers	500,038		500,038	486,790	13,248
Other salaries for instruction	35,106	(16,001)	19,105	14,042	5,063
Purchased professional ed services		45,890	45,890	41,997	3,893
General supplies	4,100	1,500	5,600	3,437	2,163
Total bilingual education - instruction	539,244	31,389	570,633	546,266	24,367
School - sponsored cocurricular activities:					
Salaries	246,751	11,255	258,006	236,795	21,211
Purchased services		7,500	7,500	7,500	
Supplies and materials	103,725	(16,374)	87,351	56,665	30,686
Other objects	1,300		1,300	715	585
Total school spn. cocurricular activities	351,776	2,381	354,157	301,675	52,482
School - sponsored athletics - instruction:					
Salaries	705,747	43,981	749,728	741,683	8,045
Purchased services	130,210	17,424	147,634	147,017	617
Supplies and materials	119,200	8,685	127,885	127,674	211
Other objects	3,600	(100)	3,500	3,500	
Total school - sponsored athletics - instruction	958,757	69,990	1,028,747	1,019,874	8,873
Other supplemental / At Risk programs:					
Salaries of tutors	184,080	(22,700)	161,380	138,813	22,567
Other Purchased services	11,000		11,000	3,428	7,572
General supplies	3,200		3,200	953	2,247
Total Other supplemental / At Risk programs	198,280	(22,700)	175,580	143,194	32,386
Total instruction	49,143,979	(49,699)	49,094,280	46,334,117	2,760,163
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.	692,508	(676,443)	16,065	12,239	3,826
Tuition to other LEAs w/in the state - sp.		644,753	644,753	246,731	398,022
Tuition to private schools for the handicapped - within state	1,357,203	67,755	1,424,958	897,359	527,599
Tuition - state facilities	86,811		86,811	86,811	
Total instruction	2,136,522	36,065	2,172,587	1,243,140	929,447

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	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	\$ 286,877		\$ 286,877	\$ 203,612	\$ 83,265
Other purchased services	3,400		3,400	3,360	40
Supplies and materials	1,000	\$ 16	1,016	511	505
Total attendance and social work service	291,277	16	291,293	207,483	83,810
Health services:					
Salaries	813,364	(69,735)	743,629	738,251	5,378
Purchased professional and technical services	24,000	6,618	30,618	22,179	8,439
Other purchased services	600		600	252	348
Supplies and materials	29,400	(1,142)	28,258	27,770	488
Total health services	867,364	(64,259)	803,105	788,452	14,653
Speech, OT, PT, and related services related services:					
Salaries	937,335	261,169	1,198,504	1,182,568	15,936
Purchased professional educational services		5,700	5,700	5,700	
Supplies and materials	8,000	5,240	13,240	9,840	3,400
Total Speech, OT, PT, and related services	945,335	272,109	1,217,444	1,198,108	19,336
Other support services - students - extra services:					
Salaries	274,734	(239,196)	35,538	35,538	
Purchased professional educational services	474,000	20,099	494,099	447,324	46,775
Supplies and materials	4,500	4,000	8,500	6,404	2,096
Total other support services - students - extra services	753,234	(215,097)	538,137	489,266	48,871
Guidance:					
Salaries of other professional staff	1,917,438	(102,148)	1,815,290	1,705,914	109,376
Salaries of secretarial and clerical assistants	331,600		331,600	331,328	272
Other Salaries	39,690	(1,402)	38,288	31,463	6,825
Purchased professional - educational services	253,000	(2,000)	251,000	115,630	135,370
Other purchased professional - technical services	2,000	1,975	3,975	25	3,950
Other purchased services	3,860		3,860	270	3,590
Supplies and materials	27,545	2,000	29,545	26,188	3,357
Other objects	710	300	1,010	870	140
Total guidance	2,575,843	(101,275)	2,474,568	2,211,688	262,880
Child Study Team:					
Salaries of other professional staff	2,732,645	(36,448)	2,696,197	2,694,009	2,188
Salaries of secretarial and clerical assistants	262,355	(4,326)	258,029	247,410	10,619
Other Salaries	87,000	18,449	105,449	103,189	2,260
Purchased professional - educational services	60,000	(462)	59,538	15,017	44,521
Other purchased services (400-500 series)	10,450	108	10,558	5,650	4,908
Supplies and materials	19,000	(2,378)	16,622	14,560	2,062
Total child study team	3,171,450	(25,057)	3,146,393	3,079,835	66,558

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	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	\$ 555,068	\$ 454,823	\$ 1,009,891	\$ 1,009,148	\$ 743
Salaries of secretarial and clerical assistants	183,806		183,806	183,806	
Other Salaries	65,450	8,243	73,693	47,595	26,098
Salaries of facilitators, math & literacy coaches	832,443	(242,016)	590,427	554,583	35,844
Purchased professional - educational services	33,600	5,910	39,510	18,196	21,314
Other purchased services	8,200	(1,100)	7,100	1,678	5,422
Supplies and materials	228,059	(36,075)	191,984	163,200	28,784
Other objects	3,500	1,100	4,600	4,030	570
<b>Total improvement of instructional services</b>	<b>1,910,126</b>	<b>190,885</b>	<b>2,101,011</b>	<b>1,982,236</b>	<b>118,775</b>
Educational media services/school library:					
Salaries	583,089		583,089	495,376	87,713
Purchased professional and technical services		11,057	11,057	11,057	
Supplies and materials	45,933	(650)	45,283	39,991	5,292
<b>Total educational media services/school library</b>	<b>629,022</b>	<b>10,407</b>	<b>639,429</b>	<b>546,424</b>	<b>93,005</b>
Instructional staff training services:					
Salaries of other professional staff	1,950	(1,500)	450		450
Other purchased services	31,700	4,280	35,980	22,813	13,167
Supplies and materials	500		500		500
Other objects	1,200		1,200	360	840
<b>Total instructional staff training services</b>	<b>35,350</b>	<b>2,780</b>	<b>38,130</b>	<b>23,173</b>	<b>14,957</b>
Support services-general administration:					
Salaries	438,226	9,147	447,373	438,815	8,558
Salaries of attorneys	125,000		125,000	124,480	520
Legal services	45,000	37,197	82,197	32,980	49,217
Audit fees	85,000		85,000	84,300	700
Architectual / engineering services	150,000	(72,443)	77,557	33,496	44,061
Other purchased professional services	15,000	(8,000)	7,000	6,450	550
Purchased technical services	50,000	(20,000)	30,000	17,112	12,888
Communications/telephone	575,670	(132,232)	443,438	234,637	208,801
BOE Other purchased services	14,000		14,000	5,248	8,752
Misc Purch Serv (400-500) (other than 530 & 585)	333,000	180,253	513,253	466,087	47,166
General supplies	161,000	(9,117)	151,883	145,714	6,169
Judgments against the school district	75,000		75,000	11,309	63,691
Miscellaneous expenditures	9,000	102,885	111,885	94,159	17,726
BOE membership dues and fees	36,500	(1,938)	34,562	28,965	5,597
<b>Total support services-general administration</b>	<b>2,112,396</b>	<b>85,752</b>	<b>2,198,148</b>	<b>1,723,752</b>	<b>474,396</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	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	\$ 2,191,325	\$ 123,780	\$ 2,315,105	\$ 2,081,127	\$ 233,978
Salaries of other prof staff		94,000	94,000	94,000	
Salaries of secretarial and clerical assistants	906,916		906,916	880,588	26,328
Other salaries	72,250	(46,850)	25,400	21,020	4,380
Purchased professional and technical services	13,000	2,235	15,235	15,235	
Other purchased services	12,850	(6,072)	6,778	2,302	4,476
Supplies and materials	156,900	1,622	158,522	99,262	59,260
Other objects	18,271	22,713	40,984	30,492	10,492
<b>Total support services-school administration</b>	<b>3,371,512</b>	<b>191,428</b>	<b>3,562,940</b>	<b>3,224,026</b>	<b>338,914</b>
Central services:					
Salaries	900,278	(23,300)	876,978	831,632	45,346
Purchased technical services	30,000	(20,000)	10,000	8,607	1,393
Misc. purchased services	139,500	17,545	157,045	140,528	16,517
Sale/lease-back payments	15,000		15,000	6,310	8,690
Supplies and materials	35,000	29,717	64,717	35,283	29,434
Interest on lease purchase agreements	35,757		35,757	35,757	
Other objects	5,000	418	5,418	4,484	934
<b>Total central services</b>	<b>1,160,535</b>	<b>4,380</b>	<b>1,164,915</b>	<b>1,062,601</b>	<b>102,314</b>
Administrative information technology:					
Salaries	768,073	(6,400)	761,673	727,851	33,822
Purchased technical services	18,500	33,659	52,159	8,909	43,250
Other purchased services	22,000		22,000	9,883	12,117
Supplies and Materials	52,100	1,279	53,379	52,164	1,215
Other objects	196,560	62,000	258,560	258,281	279
<b>Total administrative information technology</b>	<b>1,057,233</b>	<b>90,538</b>	<b>1,147,771</b>	<b>1,057,088</b>	<b>90,683</b>
Required maintenance for school facilities:					
Salaries	725,240	295,676	1,020,916	964,434	56,482
Cleaning, repair and maintenance services	445,788	117,315	563,103	470,021	93,082
General supplies	288,700	(22,942)	265,758	214,775	50,983
Other objects		2,000	2,000	300	1,700
<b>Total required maintenance for school facilities</b>	<b>1,459,728</b>	<b>392,049</b>	<b>1,851,777</b>	<b>1,649,530</b>	<b>202,247</b>
Custodial Services:					
Salaries	3,099,896	(312,214)	2,787,682	2,639,777	147,905
Purchased professional and technical services	45,000	17,418	62,418	46,110	16,308
Cleaning, repair and maintenance services	245,872	27,492	273,364	243,478	29,886
Other purchased property services	210,000	39,322	249,322	240,585	8,737
Insurance	810,000	70,693	880,693	866,477	14,216
Miscellaneous purchased services	5,000	175	5,175	4,767	408
General supplies	493,000	(19,038)	473,962	415,369	58,593
Energy - Natural gas	577,000	2,582	579,582	397,401	182,181
Energy - Electricity	1,776,000	(3,707)	1,772,293	1,456,876	315,417
<b>Total custodial services</b>	<b>7,261,768</b>	<b>(177,277)</b>	<b>7,084,491</b>	<b>6,310,840</b>	<b>773,651</b>
Care & upkeep of grounds:					
Salaries	405,608		405,608	387,333	18,275
Cleaning, repair and maintenance services	92,500	21,077	113,577	102,578	10,999
General supplies	97,500	8,187	105,687	97,171	8,516
<b>Total care &amp; upkeep of grounds</b>	<b>595,608</b>	<b>29,264</b>	<b>624,872</b>	<b>587,082</b>	<b>37,790</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 358,016	\$ 5,088	\$ 363,104	\$ 361,858	\$ 1,246
Purchased professional and technical services	70,000		70,000	64,500	5,500
Cleaning, repair and maintenance	5,000		5,000		
General supplies	50,000	(15,000)	35,000	3,966	31,034
<b>Total Security</b>	<b>483,016</b>	<b>(9,912)</b>	<b>473,104</b>	<b>430,324</b>	<b>42,780</b>
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides		10,000	10,000	9,228	772
Between home and school - regular	842,550	179,256	1,021,806	989,385	32,421
Between home and school - special	70,000	(19,941)	50,059	50,059	
Other than between home & school	65,000		65,000	40,073	24,927
Between home and school - non public	50,000	(25,000)	25,000		25,000
Other purchased professional services	650,000	(92,863)	557,137	535,781	21,356
Cleaning, repair and maintenance	300,000	148,712	448,712	434,680	14,032
Rental payment - school buses	20,000		20,000	1,005	18,995
Contracted services:					
Between home & school - regular	2,077,423	151,531	2,228,954	2,215,884	13,070
Other between home & school - regular	252,999	62,875	315,874	231,977	83,897
Between home & school - jointures	331,531	(288,699)	42,832	40,654	2,178
Vendors - special ed	95,000	(90,000)	5,000	3,787	1,213
ESCs & CTSAs - regular ed		179,451	179,451	172,239	7,212
ESCs & CTSAs - special ed	850,000	81,057	931,057	837,763	93,294
Aid in lieu - nonpublic	160,000	15,752	175,752	128,445	47,307
Miscellaneous purchased services	50,000		50,000	8,238	41,762
General Supplies	450,000	(391,455)	58,545	32,361	26,184
Transportation Supplies and materials		215,000	215,000	212,321	2,679
<b>Total student transportation services</b>	<b>6,264,503</b>	<b>135,676</b>	<b>6,400,179</b>	<b>5,943,880</b>	<b>456,299</b>
Unallocated benefits:					
Social security contributions	1,320,000		1,320,000	1,266,577	53,423
Other retirement contributions - PERS	1,700,000	927	1,700,927	1,476,646	224,281
Worker's compensation	420,000	80,261	500,261	499,321	940
Health insurance	14,065,000	(200,000)	13,865,000	11,375,432	2,489,568
Tuition reimbursement	140,000	(77,750)	62,250	46,500	15,750
PSA tuition reimbursement		20,000	20,000	4,996	15,004
Other tuition reimbursement		20,000	20,000		20,000
Other employee benefits	325,000	930	325,930	148,299	177,631
<b>Total unallocated benefits</b>	<b>17,970,000</b>	<b>(155,632)</b>	<b>17,814,368</b>	<b>14,817,771</b>	<b>2,996,597</b>
On-behalf TPAF pension contributions ( non-budgeted)					
				8,123,424	(8,123,424)
Reimbursed TPAF social security contributions ( non-budgeted)					
				3,554,586	(3,554,586)
<b>Total personal services: benefits</b>	<b>17,970,000</b>	<b>(155,632)</b>	<b>17,814,368</b>	<b>26,495,781</b>	<b>(8,681,413)</b>
<b>Total undistributed expenditures</b>	<b>55,051,822</b>	<b>692,840</b>	<b>55,744,662</b>	<b>60,254,709</b>	<b>(4,510,047)</b>
<b>Total current expenditures</b>	<b>104,195,801</b>	<b>643,141</b>	<b>104,838,942</b>	<b>106,588,826</b>	<b>(1,749,884)</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 6-8	\$ 440,531	\$ (149,955)	\$ 290,576	\$ 290,576	
Grades 9-12		354,535	354,535	188,834	\$ 165,701
Required maint for school fac	240,972	(107,000)	133,972	28,000	105,972
School buses - special	80,000		80,000		80,000
<b>Total equipment</b>	<b>761,503</b>	<b>97,580</b>	<b>859,083</b>	<b>507,410</b>	<b>351,673</b>
Facilities acquisition and construction services:					
Lease purchase agreements - principal	1,655,801		1,655,801	1,655,801	
Other objects - assessment of debt service	243,505		243,505	243,505	
Construction services	250,000		250,000	201,005	48,995
Total facilities acquisition and construction services	2,149,306	-	2,149,306	2,100,311	48,995
<b>Total expenditures - capital outlay</b>	<b>2,910,809</b>	<b>97,580</b>	<b>3,008,389</b>	<b>2,607,721</b>	<b>400,668</b>
Transfer of funds to charter schools	195,899	47,755	243,654	243,654	
<b>Total expenditures</b>	<b>107,302,509</b>	<b>788,476</b>	<b>108,090,985</b>	<b>109,440,201</b>	<b>(1,349,216)</b>
(Deficiency) excess of revenues (under) over expenditures	(3,608,029)	(788,476)	(4,396,505)	6,846,153	11,242,658
Other financing (uses):					
Transfers out		(4,686,954)	(4,686,954)	(4,012,210)	674,744
<b>Total other financing (uses)</b>	<b>-</b>	<b>(4,686,954)</b>	<b>(4,686,954)</b>	<b>(4,012,210)</b>	<b>674,744</b>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(3,608,029)	(5,475,430)	(9,083,459)	2,833,943	11,917,402
Fund balances, July 1	16,082,439		16,082,439	16,082,439	
<b>Fund balances, June 30</b>	<b>\$ 12,474,410</b>	<b>\$ (5,475,430)</b>	<b>\$ 6,998,980</b>	<b>\$ 18,916,382</b>	<b>\$ 11,917,402</b>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (3,608,029)		\$ (3,608,029)	\$ 7,634,629	\$ 11,242,658
Adjustment for prior year encumbrances		(788,476)	(788,476)	(788,476)	
Budgeted transfer to capital projects		(4,686,954)	(4,686,954)	(4,012,210)	674,744
<b>Total</b>	<b>\$ (3,608,029)</b>	<b>\$ (5,475,430)</b>	<b>\$ (9,083,459)</b>	<b>\$ 2,833,943</b>	<b>\$ 11,917,402</b>
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 174,372	
Capital reserve				5,342,098	
Maintenance reserve				2,000,000	
Excess surplus - prior year				2,933,605	
Excess surplus - current year				4,698,414	
Assigned to:					
Year end encumbrances				1,222,461	
Designated for subsequent year's expenditures - SEMI				13,521	
Unassigned fund balance				2,531,911	
				<u>18,916,382</u>	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(1,520,405)	
Solar Renewable Energy Credits (SREC) Income				892,610	
<b>Fund balance per Government Funds (GAAP) (B-1)</b>				<u>\$ 18,288,587</u>	



Piscataway Township School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
State sources	\$ 842,200	\$ 191,370	\$ 1,033,570	\$ 938,636	\$ (94,934)
Federal sources	2,390,000	773,314	3,163,314	3,031,191	(132,123)
Other sources		225,088	225,088	163,602	(61,486)
<b>Total revenues</b>	<b>3,232,200</b>	<b>1,189,772</b>	<b>4,421,972</b>	<b>4,133,429</b>	<b>(288,543)</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
<b>Salaries:</b>					
Salaries of teachers	815,000	(388,501)	426,499	421,102	5,397
Purchased professional technical services		118,025	118,025	117,174	851
Purchased professional educational services		77,122	77,122	52,220	24,902
Tuition	1,575,000	179,028	1,754,028	1,754,028	
Travel		23,294	23,294	9,020	14,274
Supplies and materials		172,178	172,178	124,449	47,729
<b>Total instruction</b>	<b>2,390,000</b>	<b>181,146</b>	<b>2,571,146</b>	<b>2,477,993</b>	<b>93,153</b>
<b>Support services:</b>					
Salaries of other professional staff		139,148	139,148	74,668	64,480
Personal services—employee benefits		123,274	123,274	118,341	4,933
Purchased professional technical services		17,112	17,112	11,478	5,634
Purchased professional educational services		955,438	955,438	867,543	87,895
Purchased professional educational services - contracted Pre-K	442,200		442,200	442,200	-
Other purchased professional services	400,000	(379,000)	21,000	8,031	12,969
Travel;		1,270	1,270	111	1,159
Supplies and materials		26,147	26,147	7,993	18,154
<b>Total support services</b>	<b>842,200</b>	<b>883,389</b>	<b>1,725,589</b>	<b>1,530,365</b>	<b>195,224</b>
<b>Required maintenance for school facilities</b>					
Supplies and materials		9,694	9,694	9,694	
<b>Total required maintenance for school facilities</b>		<b>9,694</b>	<b>9,694</b>	<b>9,694</b>	
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		115,543	115,543	115,377	166
<b>Total facilities acquisition and construction services</b>		<b>115,543</b>	<b>115,543</b>	<b>115,377</b>	<b>166</b>
<b>Total expenditures</b>	<b>3,232,200</b>	<b>1,189,772</b>	<b>4,421,972</b>	<b>4,133,429</b>	<b>288,543</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, 2016

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 116,286,354	\$ 4,133,429
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(748)
Prior year		165
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,541,250	44,220
Current year	(1,520,405)	(44,220)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		
Prior year	(596,595)	
Current year	892,610	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 116,603,214</u>	<u>\$ 4,132,846</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 109,440,201	\$ 4,133,429
<b>Differences - budget to GAAP:</b>		
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		165
Current year		(748)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 109,440,201</u>	<u>\$ 4,132,846</u>

## Supplementary Information

## Special Revenue Fund

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2016

	Title I		I.D.E.A.		Title II	Title III	Title III
	Regular Part A	Part B Regular	Part B Preschool	Part A Regular	Regular	Immigrant	
<b>Revenues:</b>							
State sources							
Federal sources	\$ 743,737	\$ 1,914,867	\$ 52,989	\$ 138,028	\$ 98,679	\$ 43,694	
Other sources							
<b>Total revenues</b>	<b>\$ 743,737</b>	<b>\$ 1,914,867</b>	<b>\$ 52,989</b>	<b>\$ 138,028</b>	<b>\$ 98,679</b>	<b>\$ 43,694</b>	
<b>Expenditures:</b>							
<b>Current expenditures:</b>							
<b>Instruction:</b>							
<b>Salaries:</b>							
Salaries of teachers	\$ 417,132					\$ 3,220	
Tuition		\$ 1,701,039	\$ 52,989				
Purchased professional educational services	13,573						38,647
Travel							
Supplies and materials	98,676						916
<b>Total instruction</b>	<b>529,381</b>	<b>1,701,039</b>	<b>52,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,783</b>
<b>Support services:</b>							
Salaries of other professional staff					\$ 74,668		
Personal services—employee benefits	98,870				19,414		
Purchased professional technical services					3,852		
Purchased professional educational services	19,700	213,828		\$ 138,028			800
Other purchased professional services	2,031						
Travel							111
Supplies and materials	7,023					745	
<b>Total support services</b>	<b>127,624</b>	<b>213,828</b>	<b>-</b>	<b>138,028</b>	<b>98,679</b>	<b>-</b>	<b>911</b>
<b>Required maintenance for school facilities:</b>							
Supplies and materials							
<b>Total maintenance for school facilities</b>							
<b>Capital outlay:</b>							
<b>Facilities acquisition and construction services:</b>							
Instructional equipment	86,732						
<b>Total facilities acquisition and construction services</b>	<b>86,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 743,737</b>	<b>\$ 1,914,867</b>	<b>\$ 52,989</b>	<b>\$ 138,028</b>	<b>\$ 98,679</b>	<b>\$ 43,694</b>	

Piscataway Township School District  
Special Revenue Fund  
  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
  
Year ended June 30, 2016

New Jersey Non-Public Aid											
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Supplementary Instruction	Nursing	Technology Initiative	Home Instruction	Text - books	Security
	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program
Revenues:											
State sources	\$ 90,608	\$ 9,231	\$ 17,447	\$ 72,598	\$ 39,045	\$ 31,188	\$ 107,981	\$ 32,147	\$ 866	\$ 70,601	\$ 23,475
Federal sources											
Other sources											
Total revenues	<u>\$ 90,608</u>	<u>\$ 9,231</u>	<u>\$ 17,447</u>	<u>\$ 72,598</u>	<u>\$ 39,045</u>	<u>\$ 31,188</u>	<u>\$ 107,981</u>	<u>\$ 32,147</u>	<u>\$ 866</u>	<u>\$ 70,601</u>	<u>\$ 23,475</u>
Expenditures:											
Current expenditures:											
Instruction:											
Salaries:											
Salaries of teachers											
Tuition											
Purchased professional educational services											
Travel											
Supplies and materials											
Total instruction											
Support services:											
Salaries of other professional staff											
Personal services—employee benefits											
Purchased professional technical services											
Purchased professional educational services	\$ 90,608	\$ 9,231	\$ 17,447	\$ 72,598	\$ 39,045	\$ 31,188	\$ 107,981	\$ 32,147	\$ 866	\$ 70,601	\$ 23,475
Other purchased professional services											
Travel											
Supplies and materials											
Total support services	<u>90,608</u>	<u>9,231</u>	<u>17,447</u>	<u>72,598</u>	<u>39,045</u>	<u>31,188</u>	<u>107,981</u>	<u>32,147</u>	<u>866</u>	<u>70,601</u>	<u>23,475</u>
Required maintenance for school facilities:											
Supplies and materials											
Total maintenance for school facilities											
Capital outlay:											
Facilities acquisition and construction services:											
Instructional equipment											
Total facilities acquisition and construction services											
Total expenditures	<u>\$ 90,608</u>	<u>\$ 9,231</u>	<u>\$ 17,447</u>	<u>\$ 72,598</u>	<u>\$ 39,045</u>	<u>\$ 31,188</u>	<u>\$ 107,981</u>	<u>\$ 32,147</u>	<u>\$ 866</u>	<u>\$ 70,601</u>	<u>\$ 23,475</u>

Piscataway Township School District  
Special Revenue Fund  
  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
  
Year ended June 30, 2016

	Carl Perkins	Race to the Top	Preschool Education Aid	NJ Achievement Coaches	Local Programs	Totals
Revenues:						
State sources			\$ 442,200	\$ 1,249		\$ 938,636
Federal sources	\$ 31,481	\$ 7,716				3,031,191
Other sources					\$ 163,602	163,602
Total revenues	<u>\$ 31,481</u>	<u>\$ 7,716</u>	<u>\$ 442,200</u>	<u>\$ 1,249</u>	<u>\$ 163,602</u>	<u>\$ 4,133,429</u>
Expenditures:						
Current expenditures:						
Instruction:						
Salaries:						
Salaries of teachers	\$ 750					421,102
Tuition						1,754,028
Purchased professional technical services:	302			\$ 1,249	\$ 115,623	169,394
Travel					9,020	9,020
Supplies and materials	4,306				20,551	124,449
Total instruction	<u>5,358</u>	-	-	<u>1,249</u>	<u>145,194</u>	<u>2,477,993</u>
Support services:						
Salaries of other professional staff						74,668
Personal services—employee benefits	57					118,341
Purchased professional technical services		\$ 7,626				11,478
Purchased professional educational services			\$ 442,200			1,309,743
Other purchased professional services	5,910	90				8,031
Travel						111
Supplies and materials					225	7,993
Total support services	<u>5,967</u>	<u>7,716</u>	<u>442,200</u>	<u>-</u>	<u>225</u>	<u>1,530,365</u>
Required maintenance for school facilities:						
Supplies and materials					9,694	9,694
Total maintenance for school facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,694</u>	<u>9,694</u>
Capital outlay:						
Facilities acquisition and construction services:						
Instructional equipment	20,156				8,489	115,377
Total facilities acquisition and construction services	<u>20,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,489</u>	<u>115,377</u>
Total expenditures	<u>\$ 31,481</u>	<u>\$ 7,716</u>	<u>\$ 442,200</u>	<u>\$ 1,249</u>	<u>\$ 163,602</u>	<u>\$ 4,133,429</u>

Piscataway Township School District  
Special Revenue Fund

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

Year ended June 30, 2016

	<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>\$ -</u>	<u>\$ 442,200</u>	<u>\$ 442,200</u>	<u>\$ -</u>

Calculation of Budget and Carryover

Total revised 2015-16 Preschool Education Aid Allocation	\$ 442,200
Add: Actual ECPA/Preschool Education Aid Carryover June 30, 2015	<u>-</u>
Total Preschool Education Aid Funds Available for 2015-16 Budget	442,200
Less: 2015-16 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>442,200</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	-
Add: June 30, 2016 Unexpended Preschool Education Aid	<u>-</u>
2015-16 Carryover - Preschool Education Aid/Preschool	<u>\$ -</u>
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17	<u>\$ -</u>



## Capital Projects Fund

Piscataway Township School District  
 Capital Projects Fund  
 Summary Schedule of Project Revenues, Expenditures,  
 Project Balance and Project Status  
 (Budgetary Basis)  
 Year ended June 30, 2016

<b>Revenues and Other Financing Sources</b>	
State Sources - SDA Grant	\$ 2,454,806
Total revenues	<u>2,454,806</u>
<b>Expenditures and Other Financing Uses</b>	
Construction services	<u>2,141,349</u>
Total expenditures	<u>2,141,349</u>
Excess of revenues over expenditures	<u>313,457</u>
<b>Other Financing Sources</b>	
Transfers in	<u>4,012,210</u>
Total other financing sources	<u>4,012,210</u>
Excess of revenues over expenditures and other financing sources	<u>4,325,667</u>
Fund Balance, July 1	<u>905,361</u>
Fund Balance, June 30	<u>\$ 5,231,028</u>
Fund balance, budgetary-basis	\$ 5,231,028
Less difference in grant revenue recognized	<u>(1,978,113)</u>
Fund balance, GAAP-basis	<u>\$ 3,252,915</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, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 939,348	\$ 2,454,806	\$ 3,394,154	\$ 3,394,154
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	1,479,867	4,012,210	5,492,077	5,492,077
Total revenues	<u>2,419,215</u>	<u>6,467,016</u>	<u>8,886,231</u>	<u>\$ 8,886,231</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	1,513,854	2,141,349	3,655,203	
Equipment				
Total expenditures	<u>1,513,854</u>	<u>2,141,349</u>	<u>3,655,203</u>	
Excess (deficiency) of revenues over				
(under) expenditures	<u>\$ 905,361</u>	<u>\$ 4,325,667</u>	<u>\$ 5,231,028</u>	

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

Roof Replacement: Eisenhower Elementary School

From Inception and for the year ended June 30, 2016

	Prior	Current	Totals	Revised Authorized Cost
	Periods	Year		Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 443,157		\$ 443,157	\$ 443,157
Note proceeds and transfers				
Contribution from Private sources				
Transfer to capital reserve	664,735		664,735	664,735
<b>Total revenues</b>	1,107,892	-	1,107,892	<u>\$ 1,107,892</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	1,100,392	7,500	1,107,892	
Equipment				
<b>Total expenditures</b>	1,100,392	7,500	1,107,892	
Excess (deficiency) of revenues over				
(under) expenditures	<u>\$ 7,500</u>	<u>\$ (7,500)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-065-13-1025			
Grant date	8/27/2015			
Bond authorization date	N/A			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 1,412,800			
Additional Authorized Cost	(304,908)			
Revised Authorized Cost	\$ 1,107,892			
<b>Percentage Increase over Original</b>				
Authorized Cost	-21.58%			
Percentage completion	100.00%			
Original target completion date	N/A			
Revised target completion date	Complete			

Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Roof Replacement: Grandview Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 135,679		\$ 135,679	\$ 135,679
Note proceeds and transfers				
Contribution from Private sources				
Transfer to capital reserve	203,519		203,519	203,519
<b>Total revenues</b>	<u>339,198</u>	<u>-</u>	<u>339,198</u>	<u>\$ 339,198</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				-
Land and improvements				
Construction services	334,698	4,500	339,198	
Equipment				
<b>Total expenditures</b>	<u>334,698</u>	<u>4,500</u>	<u>339,198</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,500</u>	<u>\$ (4,500)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-080-13-2014			
Grant date	8/27/2015			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 962,320			
Additional Authorized Cost	(623,122)			
Revised Authorized Cost	\$ 339,198			
<b>Percentage Decrease over Original</b>				
Authorized Cost	-64.75%			
Percentage completion	100.00%			
Original target completion date	N/A			
Revised target completion date	Complete			

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

Roof Replacement: T. Schor Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 360,512	\$ (89,318)	\$ 271,194	\$ 271,194
Note proceeds and transfers				
Contribution from Private sources				
Transfer from (to) capital reserve	540,768	(133,976)	406,792	406,792
<b>Total revenues</b>	<u>901,280</u>	<u>(223,294)</u>	<u>677,986</u>	<u>\$ 677,986</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services

Land and improvements

Construction services

Equipment

**Total expenditures**

35,924	642,062	677,986
<u>35,924</u>	<u>642,062</u>	<u>677,986</u>

Excess (deficiency) of revenues over

(under) expenditures

<u>\$ 865,356</u>	<u>\$ (865,356)</u>	<u>\$ -</u>
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**Additional project information**

Project number	4130-057-13-1007
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 901,280
Additional Authorized Cost	(223,294)
Revised Authorized Cost	\$ 677,986

Percentage Decrease over Original

Authorized Cost	-24.78%
Percentage completion	100.00%
Original target completion date	N/A
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 Security & Locks

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Note proceeds and transfers				
Contribution from Private sources				
Transfer to capital reserve	\$ 70,845	\$ -	\$ 70,845	\$ 70,845
<b>Total revenues</b>	<u>70,845</u>	<u>-</u>	<u>70,845</u>	<u>\$ 70,845</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services				
Land and improvements				
Construction services	42,840		42,840	
Equipment				
<b>Total expenditures</b>	<u>42,840</u>	<u>-</u>	<u>42,840</u>	
Excess (deficiency) of revenues over				
(under) expenditures	<u>\$ 28,005</u>	<u>\$ -</u>	<u>\$ 28,005</u>	

**Additional project information**

Project number	N/A
Grant date	N/A
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 70,845
Additional Authorized Cost	-
Revised Authorized Cost	\$ 70,845

**Percentage Decrease over Original**

Authorized Cost	0.00%
Percentage completion	60.47%
Original target completion date	N/A
Revised target completion date	June 2017

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

Roof Replacement: Fellowship Farms  
 From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 290,056	\$ 290,056	\$ 290,056
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		435,084	435,084	435,084
<b>Total revenues</b>	-	725,140	725,140	<u>\$ 725,140</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		244,129	244,129	
Equipment				
<b>Total expenditures</b>	-	244,129	244,129	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 481,011</u>	<u>\$ 481,011</u>	

**Additional project information**

Project number	4130-X01-13-1023
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 725,140
Additional Authorized Cost	-
Revised Authorized Cost	\$ 725,140
<b>Percentage Increase over Original</b>	
Authorized Cost	0.00%
Percentage completion	33.67%
Original target completion date	N/A
Revised target completion date	December 2016



Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Upgrade HVAC Controls: Piscataway High School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 67,120	\$ 67,120	\$ 67,120
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		100,680	100,680	100,680
<b>Total revenues</b>	-	167,800	167,800	<u>\$ 167,800</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		150,114	150,114	
Equipment				
<b>Total expenditures</b>	-	150,114	150,114	
Excess (deficiency) of revenues over (under) expenditures				
	<u>\$ -</u>	<u>\$ 17,686</u>	<u>\$ 17,686</u>	
<b>Additional project information</b>				
Project number	4130-050-13-2027			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 167,800			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 167,800			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	89.46%			
Original target completion date	N/A			
Revised target completion date	November 2016			

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Conackamack Middle School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 109,080	\$ 109,080	\$ 109,080
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		163,620	163,620	163,620
Total revenues	-	272,700	272,700	\$ 272,700

**Expenditures and Other Financing Uses**

Purchased professional and technical services

Land and improvements

Construction services

Equipment

Total expenditures	-	134,348	134,348
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Excess (deficiency) of revenues over

(under) expenditures	\$ -	\$ 138,352	\$ 138,352
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**Additional project information**

Project number	4130-053-13-1004
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 272,700
Additional Authorized Cost	-
Revised Authorized Cost	\$ 272,700

Percentage Increase over Original

Authorized Cost	0.00%
Percentage completion	49.27%
Original target completion date	N/A
Revised target completion date	November 2016

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Arbor Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 38,860	\$ 38,860	\$ 38,860
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		58,290	58,290	58,290
<b>Total revenues</b>	-	97,150	97,150	<u>\$ 97,150</u>

**Expenditures and Other Financing Uses**

<b>Purchased professional and technical services</b>				
<b>Land and improvements</b>				
Construction services		43,508	43,508	
<b>Equipment</b>				
<b>Total expenditures</b>	-	43,508	43,508	
<b>Excess (deficiency) of revenues over</b>				
<b>(under) expenditures</b>	<u>\$ -</u>	<u>\$ 53,642</u>	<u>\$ 53,642</u>	

**Additional project information**

Project number	4130-060-13-1008
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 97,150
Additional Authorized Cost	-
Revised Authorized Cost	\$ 97,150

**Percentage Increase over Original**

Authorized Cost	0.00%
Percentage completion	44.78%
Original target completion date	N/A
Revised target completion date	November 2016

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Eisenhower Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 116,220	\$ 116,220	\$ 116,220
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		174,330	174,330	174,330
Total revenues	-	290,550	290,550	\$ 290,550
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		15,599	15,599	
Equipment				
Total expenditures	-	15,599	15,599	
Excess (deficiency) of revenues over				
(under) expenditures	\$ -	\$ 274,951	\$ 274,951	
<b>Additional project information</b>				
Project number	4130-065-13-1011			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 290,550			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 290,550			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	5.37%			
Original target completion date	N/A			
Revised target completion date	November 2016			

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Grandview Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 77,960	\$ 77,960	\$ 77,960
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		116,940	116,940	116,940
<b>Total revenues</b>	-	194,900	194,900	<u>\$ 194,900</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		12,031	12,031	
Equipment				
<b>Total expenditures</b>	-	12,031	12,031	
<b>Excess (deficiency) of revenues over</b>				
<b>(under) expenditures</b>	<u>\$ -</u>	<u>\$ 182,869</u>	<u>\$ 182,869</u>	
<b>Additional project information</b>				
Project number	4130-080-13-2012			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 194,900			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 194,900			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	6.17%			
Original target completion date	N/A			
Revised target completion date	November 2016			

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Knollwood Elementary School

From Inception and for the year ended June 30, 2016

	Prior	Current	Totals	Revised Authorized Cost
	Periods	Year		
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 74,060	\$ 74,060	\$ 74,060
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		111,090	111,090	111,090
<b>Total revenues</b>	-	185,150	185,150	\$ 185,150

**Expenditures and Other Financing Uses**

<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		12,136	12,136	
Equipment				
<b>Total expenditures</b>	-	12,136	12,136	
<b>Excess (deficiency) of revenues over</b>				
(under) expenditures	\$ -	\$ 173,014	\$ 173,014	

**Additional project information**

Project number	4130-100-13-2018
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 185,150
Additional Authorized Cost	-
Revised Authorized Cost	\$ 185,150

**Percentage Increase over Original**

Authorized Cost	0.00%
Percentage completion	6.55%
Original target completion date	N/A
Revised target completion date	November 2016

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Martin Luther King Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 113,020	\$ 113,020	\$ 113,020
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		169,530	169,530	169,530
<b>Total revenues</b>	-	282,550	282,550	<u>\$ 282,550</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services				
Land and improvements				
Construction services		14,599	14,599	
Equipment				
<b>Total expenditures</b>	-	14,599	14,599	
Excess (deficiency) of revenues over				
(under) expenditures	<u>\$ -</u>	<u>\$ 267,951</u>	<u>\$ 267,951</u>	

**Additional project information**

Project number	4130-105-13-1019
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 282,550
Additional Authorized Cost	-
Revised Authorized Cost	\$ 282,550

**Percentage Increase over Original**

Authorized Cost	0.00%
Percentage completion	5.17%
Original target completion date	N/A
Revised target completion date	November 2016

Piscataway Township School District  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 (Budgetary Basis)

HVAC Renovations: Randolphville Elementary School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 69,700	\$ 69,700	\$ 69,700
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		104,550	104,550	104,550
<b>Total revenues</b>	-	174,250	174,250	<u>\$ 174,250</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services				
Land and improvements				
Construction services		11,149	11,149	
Equipment				
<b>Total expenditures</b>	-	11,149	11,149	
Excess (deficiency) of revenues over				
(under) expenditures	<u>\$ -</u>	<u>\$ 163,101</u>	<u>\$ 163,101</u>	

**Additional project information**

Project number	4130-120-13-1022
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 174,250
Additional Authorized Cost	-
Revised Authorized Cost	\$ 174,250

**Percentage Increase over Original**

Authorized Cost	0.00%
Percentage completion	6.40%
Original target completion date	N/A
Revised target completion date	November 2016



Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Replace Chillers: Piscataway High School  
From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 309,048	\$ 309,048	\$ 309,048
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		583,572	583,572	583,572
Total revenues	-	892,620	892,620	\$ 892,620

**Expenditures and Other Financing Uses**

Purchased professional and technical services

Land and improvements

Construction services

Equipment

Total expenditures

		835,359	835,359
Total expenditures	-	835,359	835,359

Excess (deficiency) of revenues over

(under) expenditures

	-	\$ 57,261	\$ 57,261
(under) expenditures	-	\$ 57,261	\$ 57,261

**Additional project information**

Project number	4130-050-14-1028
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 772,620
Additional Authorized Cost	120,000
Revised Authorized Cost	\$ 892,620

Percentage Increase over Original

Authorized Cost	15.53%
Percentage completion	93.59%
Original target completion date	N/A
Revised target completion date	November 2016

Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Replacement of Exterior Metal Panels: Piscataway High School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 616,800	\$ 616,800	\$ 616,800
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		925,200	925,200	925,200
<b>Total revenues</b>	-	1,542,000	1,542,000	<u>\$ 1,542,000</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services

Land and improvements

Construction services

Equipment

<b>Total expenditures</b>	-	4,795	4,795	
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Excess (deficiency) of revenues over

(under) expenditures	<u>\$ -</u>	<u>\$ 1,537,205</u>	<u>\$ 1,537,205</u>	
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**Additional project information**

Project number	4130-050-13-2026
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,542,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 1,542,000

Percentage Increase over Original

Authorized Cost	0.00%
Percentage completion	0.31%
Original target completion date	N/A
Revised target completion date	December 2017

Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Roof Top Units: Fellowship Farms  
From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve		\$ 210,000	\$ 210,000	\$ 210,000
<b>Total revenues</b>	-	210,000	210,000	<u>\$ 210,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		9,520	9,520	
Equipment				
<b>Total expenditures</b>	-	9,520	9,520	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 200,480</u>	<u>\$ 200,480</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	\$ 210,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 210,000			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	4.53%			
Original target completion date	N/A			
Revised target completion date	November 2016			

Piscataway Township School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)

Bathroom ADA Renovations: Piscataway High School

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant		\$ 662,200	\$ 662,200	\$ 662,200
Note proceeds and transfers				
Contribution from Private sources				
Transfer to capital reserve		993,300	993,300	993,300
<b>Total revenues</b>	-	1,655,500	1,655,500	<u>\$ 1,655,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services				
Equipment				
<b>Total expenditures</b>	-	-	-	
Excess (deficiency) of revenues over				
(under) expenditures	\$ -	\$ 1,655,500	\$ 1,655,500	
<b>Additional project information</b>				
Project number	4130-050-13-2002			
Grant date	7/28/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,655,500			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,655,500			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	0.00%			
Original target completion date	N/A			
Revised target completion date	December 2017			

Piscataway Township School District  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
(Budgetary Basis)

Issue/Project Title	Appropriations	Expenditures to Date		Transfer to Capital Reserve	Unexpended Balance
		Prior Years	Current Year		
Roof Replacement: Eisenhower Elementary School	\$ 1,107,892	\$ 1,100,392	\$ 7,500		
Roof Replacement: Grandview Elementary School	339,198	334,698	4,500		
Roof Replacement: T. Schor Elementary School	677,986	35,924	642,062		
High School Security & Locks	70,845	42,840			\$ 28,005
Roof Replacement: Fellowship Farms	725,140		244,129		481,011
Upgrade HVAC Controls: Piscataway High School	167,800		150,114		17,686
HVAC Renovations: Conackamack Middle School	272,700		134,348		138,352
HVAC Renovations: Arbor Elementary School	97,150		43,508		53,642
HVAC Renovations: Eisenhower Elementary School	290,550		15,599		274,951
HVAC Renovations: Grandview Elementary School	194,900		12,031		182,869
HVAC Renovations: Knollwood Elementary School	185,150		12,136		173,014
HVAC Renovations: Martin Luther King Elementary School	282,550		14,599		267,951
HVAC Renovations: Randolphville Elementary School	174,250		11,149		163,101
Replace Chillers: Piscataway High School	892,620		835,359		57,261
Replacement of Exterior Metal Panels: Piscataway High School	1,542,000		4,795		1,537,205
Roof Top Units: Fellowship Farms	210,000		9,520		200,480
Bathroom ADA Renovations: Piscataway High School	1,655,500				1,655,500
	<b>\$ 8,886,231</b>	<b>\$ 1,513,854</b>	<b>\$ 2,141,349</b>	<b>\$ -</b>	<b>\$ 5,231,028</b>

## Fiduciary Funds

Piscataway Township School District  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2016

	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	\$ 17,341	\$ 1,752,038	\$ 1,769,379	\$ 363,902	\$ 51,360	\$ 8,041	\$ 423,303
Total assets	<u>17,341</u>	<u>1,752,038</u>	<u>1,769,379</u>	<u>\$ 363,902</u>	<u>\$ 51,360</u>	<u>\$ 8,041</u>	<u>\$ 423,303</u>
<b>Liabilities</b>							
Payroll deductions payable						\$ 8,041	\$ 8,041
Accounts payable		\$ 3,232	\$ 3,232		\$ 51,360		51,360
Due to student groups				\$ 363,902			363,902
Total liabilities		<u>3,232</u>	<u>3,232</u>	<u>\$ 363,902</u>	<u>\$ 51,360</u>	<u>\$ 8,041</u>	<u>\$ 423,303</u>
<b>Net position</b>							
Held in trust for unemployment claims		1,748,806	1,748,806				
Held in trust for scholarships	17,341		17,341				
Total net position	<u>\$ 17,341</u>	<u>\$ 1,748,806</u>	<u>\$ 1,766,147</u>				

Piscataway Township School District  
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2016

	<b>Private- Purpose</b>		
	<b>Scholarship Funds</b>	<b>Unemployment Compensation</b>	<b>Totals</b>
<b>Additions:</b>			
Interest income	\$ 7		\$ 7
Contributions	500	\$ 146,375	146,875
Total additions	507	146,375	146,882
<b>Deductions:</b>			
Scholarship payments	2,500		2,500
Unemployment claims paid		145,579	145,579
Total deductions	2,500	145,579	148,079
Change in net position	(1,993)	796	(1,197)
Net position, beginning	19,334	1,748,010	1,767,344
Net position, ending	\$ 17,341	\$ 1,748,806	\$ 1,766,147



Piscataway Township School District  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	<b>Balance</b>		<b>Balance</b>
	<b>July</b>	<b>Cash</b>	<b>June</b>
	<b>1, 2015</b>	<b>Receipts</b>	<b>30, 2016</b>
	<hr/>	<hr/>	<hr/>
<b>Assets:</b>			
Cash and cash equivalents			
Student Activity Fund	\$ 371,846	\$ 496,636	\$ 504,580
Athletic Fund	13,663	4,310	17,973
Total assets	<hr/> <hr/> \$ 385,509	<hr/> <hr/> \$ 500,946	<hr/> <hr/> \$ 522,553
<b>Liabilities:</b>			
Due to student groups			
Student Activity Fund	\$ 371,846	\$ 496,636	\$ 504,580
Athletic Fund	13,663	4,310	17,973
Total liabilities	<hr/> <hr/> \$ 385,509	<hr/> <hr/> \$ 500,946	<hr/> <hr/> \$ 522,553

Piscataway Township School District  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
<b>Assets</b>				
Cash and cash equivalents	\$ 28,317	\$ 73,291,355	\$ 73,311,631	\$ 8,041
Total assets	\$ 28,317	\$ 73,291,355	\$ 73,311,631	\$ 8,041
<b>Liabilities</b>				
Payroll deductions payable	\$ 28,317	\$ 73,291,355	\$ 73,311,631	\$ 8,041
Total liabilities	\$ 28,317	\$ 73,291,355	\$ 73,311,631	\$ 8,041

Piscataway Township School District  
Bond and Interest Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance		Cash		Balance
	July	Cash	Cash	Cash	June
	1, 2015	Receipts	Disbursements	Disbursements	30, 2016
<b>Assets</b>					
Cash and cash equivalents	\$ 51,360	\$ -	\$ -	\$ -	\$ 51,360
Total assets	\$ 51,360	\$ -	\$ -	\$ -	\$ 51,360
<b>Liabilities</b>					
Accounts payable	\$ 51,360	\$ -	\$ -	\$ -	\$ 51,360
Total liabilities	\$ 51,360	\$ -	\$ -	\$ -	\$ 51,360

## Long-Term Debt

Piscataway Township School District  
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Retired	Balance June 30, 2016
			Date	Amount				
Refunding Bonds	8/15/2011	\$ 27,280,000	8/15/2016	\$ 2,740,000	4.00%	\$ 24,740,000	\$ 2,635,000	\$ 22,105,000
			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>\$ 24,740,000</u>						<u>\$ 2,635,000</u>	<u>\$ 22,105,000</u>	

Piscataway Township School District  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2016

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2015	Retired	Balance June 30, 2016
Roof renovation and solar initiative	1.23%	\$ 8,185,000	\$ 3,331,946	\$ 1,655,801	\$ 1,676,145
			<u>\$ 3,331,946</u>	<u>\$ 1,655,801</u>	<u>\$ 1,676,145</u>

Piscataway Township School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,525,880		\$ 3,525,880	\$ 3,525,880	
Total revenues	<u>3,525,880</u>		<u>3,525,880</u>	<u>3,525,880</u>	
Expenditures:					
Principal on bonds	2,635,000		2,635,000	2,635,000	
Interest on bonds	924,000		924,000	924,000	
Total expenditures	<u>3,559,000</u>		<u>3,559,000</u>	<u>3,559,000</u>	
Deficiency of revenues under expenditures	(33,120)		(33,120)	(33,120)	-
Fund balance, July 1	33,120		33,120	33,120	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

## Statistical Section



**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 Position by Component  
Last Ten Fiscal Years

(accrual basis of accounting)  
Unaudited

	2007	2008	2009	2010	June 30, 2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 26,327,461	\$ 25,354,321	\$ 28,228,426	\$ 28,198,700	\$ 31,456,738	\$ 32,762,787	\$ 39,725,755	\$ 39,279,317	\$ 43,578,893	\$ 47,368,890
Restricted	709,752	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,401,404
Unrestricted (deficit)	4,978,055	2,912,403	254,420	367,286	1,425,411	1,697,656	1,471,112	(34,485)	(29,739,991)	(29,870,739)
<b>Total governmental activities net position</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>\$ 50,347,682</b>	<b>\$ 53,734,146</b>	<b>\$ 27,463,633</b>	<b>\$ 35,899,555</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 82,729	\$ 292,998	\$ 547,443	\$ 442,029	\$ 291,576	\$ 161,558	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806
Unrestricted	1,286,990	1,422,198	1,029,583	886,660	898,181	1,450,891	1,992,178	3,123,809	3,838,372	3,816,947
<b>Total business-type activities net position</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>\$ 2,097,123</b>	<b>\$ 3,321,549</b>	<b>\$ 4,187,665</b>	<b>\$ 4,094,753</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 26,410,190	\$ 25,647,319	\$ 28,775,869	\$ 28,640,729	\$ 31,748,314	\$ 32,924,345	\$ 39,830,700	\$ 39,477,057	\$ 43,928,186	\$ 47,646,696
Restricted	709,752	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,401,404
Unrestricted (deficit)	6,265,045	4,334,601	1,284,003	1,253,946	2,323,592	3,148,547	3,463,290	3,089,324	(25,901,619)	(26,053,792)
<b>Total district net position</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>	<b>\$ 52,444,805</b>	<b>\$ 57,055,695</b>	<b>\$ 31,651,298</b>	<b>\$ 39,994,308</b>

Source: CAFR Schedule A-1 and District records.

Note: The significant increases in 2006 and 2013 in governmental activities net position, net investment in capital assets is the result of the increase in construction in progress for ongoing capital projects.

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

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$31,810,285. This amount is not reflected in the June 30, 2014 Net Position, above.

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 59,400,182	\$ 61,894,769	\$ 63,489,998	\$ 64,923,571	\$ 62,003,904	\$ 66,804,688	\$ 65,703,718	\$ 68,779,098	\$ 77,321,991	\$ 79,833,314
Support services:										
Attendance/social work	306,879	315,266	319,532	324,692	297,537	389,436	386,990	386,649	413,128	349,747
Health services	1,067,890	1,074,657	1,013,238	1,054,626	1,115,912	1,228,077	1,107,455	1,130,834	1,364,664	1,305,701
Other support services	10,873,493	9,250,602	9,660,503	10,362,999	9,878,738	11,044,283	10,532,024	11,073,440	12,502,593	13,014,264
Improvement of instruction	1,952,031	2,526,889	2,390,790	2,233,277	1,975,003	2,028,453	1,727,319	2,443,075	2,859,447	3,242,545
Instructional staff training	61,077	60,300	65,927	8,157	19,428	34,678	23,696	28,802	40,621	24,087
School library	1,434,389	1,526,548	1,594,549	1,612,180	920,202	939,383	940,495	795,633	847,588	894,189
General administration	2,619,870	2,407,772	2,586,218	2,038,025	2,083,907	2,391,805	2,210,487	1,750,525	2,128,147	2,162,703
School administration	4,678,616	4,951,455	4,899,527	4,650,168	4,082,524	4,483,429	4,439,586	4,470,236	5,132,407	5,377,268
Central Services	1,360,990	1,429,887	1,345,970	1,463,236	1,127,166	1,254,987	1,317,738	1,320,438	1,638,412	1,652,159
Administrative Information Technology	1,190,770	1,247,813	1,209,759	1,267,336	1,287,976	1,314,406	1,431,895	1,332,345	1,476,401	1,578,090
Required maintenance	2,089,089	1,699,535	2,451,571	1,808,401	1,589,585	1,706,514	1,873,916	1,576,489	1,938,605	2,359,775
Operation of plant	8,409,401	9,782,554	9,313,674	9,574,611	9,359,065	9,176,467	8,734,717	9,762,472	10,519,322	10,255,675
Student transportation	4,454,825	4,425,988	5,107,523	5,669,244	5,420,574	5,340,628	5,575,060	5,582,896	6,402,215	6,895,374
Business and other support services and benefits										
Capital outlay										
Charter schools	56,951	24,638	12,818	13,240	62,234	66,686	125,255	260,360	197,860	243,654
Interest on debt	1,646,986	1,604,338	1,554,363	1,495,832	1,427,261	1,220,708	1,154,735	1,245,698	950,025	874,589
Total governmental activities	<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>	<u>107,285,086</u>	<u>111,938,990</u>	<u>125,733,426</u>	<u>130,063,134</u>
<b>Business-type activities:</b>										
Food service	1,876,866	2,148,461	2,300,060	2,912,286	2,983,876	3,056,902	2,946,234	3,324,079	3,137,286	3,286,061
Adult and Community Education	1,795,231	1,815,906	2,055,785	2,700,793	3,104,067	3,236,349	3,487,640	3,686,829	4,401,422	5,540,610
Total business-type activities expense	<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>	<u>6,433,874</u>	<u>7,010,908</u>	<u>7,538,708</u>	<u>8,826,671</u>
Total district expenses	<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>	<u>\$ 113,718,960</u>	<u>\$ 118,949,898</u>	<u>\$ 133,272,134</u>	<u>\$ 138,889,805</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services - tuition and transportation	\$ 270,250	\$ 288,655	\$ 645,087	\$ 953,713	\$ 880,416	\$ 944,938	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569
Operating grants and contributions	3,998,011	4,052,102	3,968,871	4,781,715	4,902,770	3,995,376	4,029,949	3,708,584	3,764,771	4,132,846
Capital grants and contributions	894,511	582,467	505,816	380,160	1,480,037	659,323	485,203	986,815	827,637	827,637
Total governmental activities program revenues	<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>	<u>5,381,870</u>	<u>4,476,923</u>	<u>5,395,343</u>	<u>5,800,052</u>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	1,357,080	1,267,469	1,473,155	1,688,316	1,778,428	1,745,828	1,526,259	1,460,187	1,293,675	1,346,214
Adult and Community Education	2,153,088	2,341,553	2,286,935	2,678,152	2,963,287	3,551,369	4,086,372	4,939,284	5,298,893	5,491,128
Operating grants and contributions	638,274	711,134	889,050	1,120,706	1,170,997	1,266,860	1,305,917	1,302,461	1,340,201	1,302,126
Capital grants and contributions	103,163									
Total business type activities program revenues	<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>	<u>6,918,548</u>	<u>7,701,932</u>	<u>7,932,769</u>	<u>8,139,468</u>
Total district program revenues	<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>	<u>\$ 12,300,418</u>	<u>\$ 12,178,855</u>	<u>\$ 13,328,112</u>	<u>\$ 13,939,520</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (96,440,667)	\$ (99,299,787)	\$ (101,896,186)	\$ (102,384,007)	\$ (95,387,793)	\$ (103,824,991)	\$ (101,903,216)	\$ (107,462,067)	\$ (120,338,083)	\$ (124,263,082)
Business-type activities	579,508	355,789	293,295	(175,231)	(293,295)	270,806	484,674	691,024	394,061	(687,203)
Total district-wide net expense	<u>\$ (95,861,159)</u>	<u>\$ (98,943,998)</u>	<u>\$ (101,602,891)</u>	<u>\$ (102,559,238)</u>	<u>\$ (95,661,098)</u>	<u>\$ (103,554,185)</u>	<u>\$ (101,418,542)</u>	<u>\$ (106,771,043)</u>	<u>\$ (119,944,022)</u>	<u>\$ (124,950,285)</u>

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

	Year Ended June 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 69,658,719	\$ 74,286,825	\$ 75,955,122	\$ 75,955,122	\$ 77,398,270	\$ 78,946,236	\$ 79,851,482	\$ 81,648,512	\$ 83,790,619	\$ 86,150,602
Taxes levied for debt service	3,380,230	3,085,764	3,107,584	3,073,095	3,165,921	2,682,684	3,454,719	3,468,813	3,541,625	3,525,880
Unrestricted grants and contributions	22,630,305	23,895,800	22,172,029	23,292,650	20,283,429	22,402,736	25,642,335	25,641,495	37,613,620	42,310,229
Investment earnings	908,953	593,604	230,349	116,259	48,820	12,753	18,898			296,015
Miscellaneous income	346,139	343,896	129,318	492,512	697,370	617,694	534,778	89,711	931,991	416,278
Transfers	600,000	100,000	471,850	150,000	(31,510)	(150,000)				
Premiums on bond issuances										
<b>Total governmental activities</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>109,502,212</b>	<b>110,848,531</b>	<b>125,877,855</b>	<b>132,699,004</b>
<b>Business-type activities:</b>										
Investment earnings	89,800	76,188	21,880	18,655	4,789	1,886				
Miscellaneous income	1,508	13,500	18,505	8,913				533,402	472,055	594,291
Transfers	(600,000)	(100,000)	(471,850)	(150,000)	31,510	150,000				
<b>Total business-type activities</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>-</b>	<b>533,402</b>	<b>472,055</b>	<b>594,291</b>
<b>Total district-wide</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>\$ 109,502,212</b>	<b>\$ 111,381,933</b>	<b>\$ 126,349,910</b>	<b>\$ 133,293,295</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,083,679	\$ 3,006,102	\$ 170,066	\$ 695,631	\$ 6,174,507	\$ 687,112	\$ 7,598,996	\$ 3,386,464	\$ 5,539,772	\$ 8,435,922
Business-type activities	70,816	345,477	(138,170)	(248,337)	(138,932)	422,692	484,674	1,224,426	866,116	(92,912)
<b>Total district</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>	<b>\$ 8,083,670</b>	<b>\$ 4,610,890</b>	<b>\$ 6,405,888</b>	<b>\$ 8,343,010</b>

Source: CAFR Schedule A-2 and District records.

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

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

(modified accrual basis of accounting)  
 Unaudited

	2007	2008	2009	2010	June 30 2011	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	\$ 219,612	\$ 3,214,999	\$ 1,647,221	\$ 758,931						
Restricted					\$ 189,286	\$ 189,286	\$ 2,855,345	\$ 7,963,374	\$ 13,070,314	\$ 15,148,489
Assigned					3,149,897	2,973,382	3,226,887	1,578,004	840,473	1,235,982
Unreserved	7,402,393	3,587,616	2,835,976	2,587,914						
Unassigned					496,763	1,074,418	467,339	798,369	630,402	1,904,116
<b>Total general fund</b>	<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>	<u>\$ 6,549,571</u>	<u>\$ 10,339,747</u>	<u>\$ 14,541,189</u>	<u>\$ 18,288,587</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	\$ 7,195,591	\$ 3,866,408	\$ 554,417	\$ 3,252,915
Debt service fund					822	33,120	33,120	33,120	33,120	
Unreserved (deficit), reported in:										
Special revenue fund	\$ (22,144)	\$ (22,144)	\$ (44,220)	(44,220)						
Capital projects fund	2,853,342	3,220,044	3,984,655	2,128,496						
Debt service fund	315,177	17,958	18,854	821						
Unassigned (deficit), reported in:										
Special revenue fund					(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)
<b>Total all other governmental funds</b>	<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>	<u>\$ 7,184,491</u>	<u>\$ 3,855,308</u>	<u>\$ 543,317</u>	<u>\$ 3,208,695</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. Prior years have not been restated above and are not required to be.

Note 2: The deficits in the 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.

Note 3: GASB 72 was implemented during the 2016 fiscal year, which required the restatement of beginning net position in the amount of \$596,595. This amount is not reflected in the June 30, 2015 Net Position, above.

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

(modified accrual basis of accounting)  
 Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Local sources:										
Local tax levy	\$ 73,038,949	\$ 77,372,589	\$ 79,062,706	\$ 79,028,217	\$ 80,564,191	\$ 81,628,920	\$ 83,306,201	\$ 85,117,325	\$ 87,332,244	\$ 89,676,482
Transportation	270,250	279,707	445,668	549,957	543,042	275,071	274,235	363,671	430,554	496,367
Tuition charges	8,948	199,419	403,756	403,756	337,374	669,867	592,483	404,668	213,203	343,202
Investment income	890,223	569,943	213,309	116,259	48,820	12,753	18,898			296,015
Miscellaneous	413,031	378,956	702,036	701,614	825,031	973,400	649,013	214,095	481,673	580,045
Total local sources	74,612,453	78,610,143	80,623,138	80,799,803	82,318,458	83,560,011	84,840,830	86,099,759	88,457,674	91,392,111
State sources	25,141,723	26,223,264	23,319,746	22,846,261	22,072,190	23,670,800	26,886,948	26,333,181	28,306,728	30,516,255
Federal sources	2,314,212	2,272,045	2,754,252	5,399,162	4,466,385	3,030,929	4,466,385	3,156,304	2,873,396	3,181,211
Other										
Total revenue	102,068,388	107,105,452	106,697,136	109,045,226	108,857,033	110,261,740	114,884,082	115,325,454	119,637,798	125,089,577
<b>Expenditures</b>										
Current										
Instruction	39,990,632	41,780,275	43,797,786	44,836,130	44,231,144	44,953,844	46,440,754	47,820,196	48,416,513	48,811,527
Undistributed - current										
Instruction	2,941,038	3,020,221	3,119,400	1,975,680	1,625,882	1,502,034	1,211,916	1,306,489	1,155,472	1,243,140
Attendance/social work	211,273	216,115	226,959	226,171	212,657	259,050	271,308	264,650	251,914	207,483
Health services	738,186	742,017	719,726	743,831	802,596	822,246	751,384	785,102	855,552	788,452
Other support services	6,750,905	6,879,780	7,599,697	7,923,643	7,675,185	8,145,728	7,967,371	8,314,309	8,333,412	8,509,262
Undistributed										
Improvement of instruction	1,405,313	1,925,996	1,799,976	1,677,111	1,518,930	1,688,180	1,432,142	1,746,766	1,850,147	1,982,236
Education media library	996,536	1,067,120	1,140,168	1,136,118	664,947	634,932	670,020	553,768	527,027	546,424
Other support: instructional staff	58,022	57,851	62,685	7,677	18,049	32,495	22,044	27,779	39,121	23,173
General administration	2,274,157	2,064,300	2,270,059	1,811,507	1,836,994	2,070,356	1,926,132	1,560,791	1,729,765	1,723,752
School administration	3,243,060	3,445,413	3,524,132	3,265,925	2,951,953	3,010,227	3,132,792	3,092,143	3,154,443	3,224,026
Central services	967,882	1,017,628	964,820	1,041,708	817,520	869,824	973,106	949,034	1,088,981	1,062,601
Administrative information technology	878,921	943,677	913,780	955,640	1,006,570	952,811	1,105,734	996,954	999,244	1,057,088
Required maintenance of plant services	1,736,689	1,347,982	1,945,438	1,450,059	1,297,575	1,333,486	1,534,453	1,254,364	1,475,018	1,659,224
Operation of plant	6,759,705	8,025,537	7,634,655	7,715,179	7,780,772	7,376,281	9,184,254	10,358,466	10,418,892	9,935,967
Student transportation	4,232,277	4,200,302	4,599,032	5,414,707	5,209,381	5,134,486	5,365,664	5,384,713	5,542,190	5,943,880
Unallocated benefits	12,186,918	12,926,118	14,390,785	18,028,030	16,998,903	17,453,199	14,255,809	15,923,313	17,038,018	14,817,771
On-behalf TPAF social security and pension contributions	9,824,803	10,167,913	6,174,521	6,414,494	6,393,770	7,702,707	9,561,537	8,623,799	9,659,124	11,678,010
Charter schools	56,951	24,638	12,818	13,240	62,234	66,686	125,255	260,360	197,860	243,654
Community services										
Capital outlay	3,507,707	3,110,865	4,655,188	2,050,730	4,702,774	2,896,085	8,107,493	3,344,076	2,474,029	2,256,726
Debt Service:										
Principal	1,800,000	1,855,000	1,615,000	1,630,000	1,750,000	1,290,000	2,270,000	2,380,000	2,540,000	2,635,000
Interest	1,683,370	1,633,451	1,578,344	1,528,145	1,457,504	1,260,385	1,184,719	1,088,813	1,001,625	924,000
Bond issuance costs						253,257				
Total expenditures	102,244,345	106,452,199	108,744,973	109,845,725	109,015,340	109,708,299	117,493,887	116,035,885	118,748,347	119,273,396
(Deficiency) excess of revenues (under) over expenditures	(175,957)	653,253	(2,047,837)	(800,499)	(158,307)	553,441	(2,609,805)	(710,431)	889,451	5,816,181
<b>Other Financing sources (uses)</b>										
Bonds Issued						27,280,000				
Premium on issuances						2,441,798				
Payment to escrow agent						(29,568,542)				
Capital lease						8,185,000				
Transfers in	2,584,021	2,447,914	3,371,956	2,149,772	2,130,879	2,012,389	2,700,439	1,171,550	2,920,930	4,012,210
Transfers out	(2,304,019)	(3,851,074)	(2,900,106)	(1,999,772)	(2,162,389)	(2,162,389)	(2,700,439)	(126)	(2,920,930)	(4,012,210)
Total other financing sources (uses)	280,002	(1,403,160)	471,850	150,000	(31,510)	8,188,256	-	1,171,424	-	-
Net change in fund balances	104,045	(749,907)	(1,575,987)	(650,499)	(189,817)	8,741,697	(2,609,805)	460,993	889,451	5,816,181
Fund balance, July 1	10,664,335	10,768,380	10,018,473	8,442,486	7,791,987	7,602,170	16,343,867	13,734,062	14,195,055	15,681,101
Fund balance, June 30	\$ 10,768,380	\$ 10,018,473	\$ 8,442,486	\$ 7,791,987	\$ 7,602,170	\$ 16,343,867	\$ 13,734,062	\$ 14,195,055	\$ 15,084,506	\$ 21,497,282
Debt service as a percentage of noncapital expenditures	3.53%	3.38%	3.07%	2.93%	3.07%	2.39%	3.16%	3.08%	3.05%	3.04%

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.

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	Investment Income	Miscellaneous	Transportation Fees	Annual Totals
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
2013		592,483	18,459					534,778	274,235	1,419,955
2014		404,668						89,585	363,671	857,924
2015		213,203						335,391	430,554	979,148
2016		343,202					\$ 296,015	120,263	496,367	1,255,847

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>
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
2013	32,008,000	1,477,940,450	1,447,300	143,600	140,251,800	483,830,900	106,538,200	2,242,160,250	699,603,890	4,808,948	2,246,969,198	3.744
2014	79,560,000	3,695,816,700	3,374,600	129,200	423,632,000	1,577,331,100	345,925,300	6,125,768,900	1,324,183,000	15,153,892	6,140,922,792	1.405
2015	85,606,900	3,722,461,100	2,286,500	93,500	442,449,200	1,536,938,600	346,285,500	6,136,121,300	1,336,250,000	18,525,988	6,154,647,288	1.438
2016	75,018,800	3,734,441,600	2,286,500	99,900	417,898,500	1,692,225,600	346,285,500	6,268,256,400	1,342,291,700	23,599,886	6,291,856,286	1.446

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

\* Revaluation was performed during 2014.



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	
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
2013	3.61	0.14	3.74	1.85	1.05	6.63
2014	1.35	0.06	1.41	0.71	0.39	2.51
2015	1.38	0.06	1.44	0.73	0.40	2.58
2016	1.39	0.06	1.45	0.74	0.43	2.62

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.

\* Revaluation was performed during 2014.

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

Unaudited

	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 365,835,000	5.94%		
Long Island Holding LLC	133,000,000	2.16%		
Whale Ventures, LLC	130,000,000	2.11%		
Home Properties Pleasant View, LLC	86,144,000	1.40%		
Colgate Palmolive Co.	82,122,700	1.33%		
Centennial Square LLC	58,914,500	0.96%		
H'Y2 Knightsbridge LLC	48,220,000	0.78%		
Royal Gardens c/o Home Prop-NY	47,612,300	0.77%		
South Washington Pk LLC	44,429,100	0.72%		
Aspen Court Ventures LLC	41,600,200	0.68%		
Taxpayer 1			\$ 49,792,000	2.23%
Taxpayer 2			42,750,000	1.91%
Taxpayer 3			26,161,400	1.17%
Taxpayer 4			25,181,100	1.13%
Taxpayer 5			23,411,800	1.05%
Taxpayer 6			15,592,200	0.70%
Taxpayer 7			14,393,400	0.64%
Taxpayer 8			11,600,300	0.52%
Taxpayer 9			10,350,000	0.46%
Taxpayer 10			9,852,000	0.44%
Total	<u>\$ 1,037,877,800</u>	<u>8.76%</u>	<u>\$ 229,084,200</u>	<u>10.25%</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
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	81,628,920	81,628,920	100.00%		81,628,920	100.00%
2013	83,306,201	83,306,201	100.00%		83,306,201	100.00%
2014	85,117,325	85,117,325	100.00%		85,117,325	100.00%
2015	87,332,244	87,332,244	100.00%		87,332,244	100.00%
2016	89,676,482	89,676,482	100.00%		89,676,482	100.00%

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

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

Governmental Activities						
Year Ended June 30,	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
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	1.64%	736
2009	34,662,000	1,965,000		36,627,000	1.48%	702
2010	34,152,000	845,000		34,997,000	1.36%	668
2011	33,247,000			33,247,000	1.26%	593
2012	31,930,000		8,185,000	40,115,000	1.49%	716
2013	29,660,000		6,583,501	36,243,501	1.26%	635
2014	27,280,000		4,967,650	32,247,650	1.08%	561
2015	24,740,000		3,331,946	28,071,946	0.93%	486
2016	22,105,000		1,676,145	23,781,145	0.78%	410

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.

- a** 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

General Bonded Debt Outstanding						
Year Ended June 30,	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2007	\$ 35,022,000		\$ 315,177	\$ 34,706,823	1.56%	\$ 668
2008	34,847,000		17,958	34,829,042	1.56%	670
2009	34,662,000		18,854	34,643,146	1.58%	664
2010	34,152,000		821	34,151,179	1.54%	652
2011	33,247,000		822	33,246,178	1.52%	593
2012	31,930,000	\$ 165,917	33,120	32,062,797	1.43%	568
2013	29,660,000	149,530	33,120	29,776,410	1.33%	522
2014	27,280,000	133,143	33,120	27,380,023	0.45%	476
2015	24,740,000	116,756	33,120	24,823,636	0.40%	430
2016	22,105,000	100,369	-	22,205,369	0.35%	382

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

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, 2016

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	\$ 96,023,080	100.000%	\$ 96,023,080
Middlesex County General Obligation Debt - Township's share	530,689,269	6.812%	<u>36,150,553</u>
Subtotal, overlapping debt			132,173,633
Piscataway School District Direct Debt			<u>22,205,369</u>
<b>Total direct and overlapping debt</b>			<b><u>\$ 154,379,002</u></b>

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.

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis		
2014	\$	6,140,922,792
2015		6,154,647,288
2016		6,291,856,286
[A]	\$	<u>18,587,426,366</u>
Average equalized valuation of taxable property		[A/3] \$ 6,195,808,788.67
Debt limit (4 % of average equalization value)		[B] 247,832,352 <sup>a</sup>
Total Net Debt Applicable to Limit		[C] <u>22,205,369</u>
Legal debt margin		[B-C] \$ <u>225,626,983</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 230,862,953	\$ 252,439,052	\$ 266,913,133	\$ 273,165,650	\$ 270,285,462	\$ 254,428,781	\$ 249,064,535	\$ 248,933,772	\$ 246,649,261	\$ 247,832,352
Total net debt applicable to limit	<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>	<u>36,359,911</u>	<u>32,247,650</u>	<u>24,823,636</u>	<u>22,205,369</u>
Legal debt margin	<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>	<u>\$ 212,704,624</u>	<u>\$ 216,686,122</u>	<u>\$ 221,825,625</u>	<u>\$ 225,626,983</u>
Total net debt applicable to the limit as a percentage of debt limit	17.37%	15.15%	12.99%	12.50%	12.30%	12.55%	14.60%	12.95%	10.06%	8.96%

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>
2007	51,941	\$ 2,167,238,225	\$ 41,725	3.70%
2008	51,993	2,329,598,358	44,806	4.90%
2009	52,155	2,471,416,830	47,386	8.40%
2010	52,390	2,567,476,730	49,007	8.20%
2011	56,065	2,648,230,275	47,235	8.30%
2012	56,419	2,685,431,562	47,598	8.20%
2013	57,049	2,867,682,083	50,267	6.60%
2014	57,515	2,975,250,950	51,730	5.10%
2015	57,745	3,019,543,795	52,291	5.20%
2016	58,069	3,047,809,534	52,486	5.20%

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	2016			2007*		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
University of Medicine and Dentistry	11,000		38.49%			
GE Healthcare	3,855-4,000		13.49%			
Telcordia	2,500-2,520		8.75%			
Piscataway Township Schools	1,460-1,470		5.11%			
Colgate-Palmolive Research Center	1,200		4.20%			
Institute Electrical & Electronics	1,118		3.91%			
Johnson & Johnson Health Care	500-999		1.75%			
L'Oreal USA Inc.	500-999		1.75%			
Siemens Hearing Instruments	400-420		1.40%			
Pepsi Cola Bottling Co.	370-380		1.29%			
Township of Piscataway, Municipal	350-400		1.22%			
Chanel Inc.	250-499		0.87%			
Qualcare Inc.	250-499		0.87%			
American Standard Co. Inc.	260-270		0.91%			
Subex Technologies Inc.	250-499		0.87%			
Walmart	220-230		0.77%			
Shop Rite Supermarket	215-220		0.75%			
Easy Link Service Corp.	110-260		0.38%			

Source: Township of Piscataway

\*2007 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction	595.5	581.8	601.5	613.0	620.0	626.0	621.0	625.0	617.5	611.5
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5
Health services	12.0	14.0	13.0	13.0	13.0	13.0	11.0	14.0	14.0	13.0
Other support services	39.0	39.0	39.0	35.0	35.0	35.0	45.0	37.0	40.0	42.5
Child study team	30.0	32.0	34.0	37.0	37.0	37.0	39.0	33.0	31.0	31.0
Improvement of instruction	16.0	14.6	14.6	14.6	14.6	14.6	14.6	15.0	14.5	17.0
School library	24.0	24.7	24.7	18.7	18.7	18.7	10.0	16.0	9.7	9.5
General administration	4.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administration	41.0	41.0	41.0	40.0	40.0	40.0	40.0	41.0	41.0	39.5
Operations and maintenance	77.0	73.0	73.0	61.0	61.0	61.0	64.0	67.0	76.5	75.0
Student transportation	2.0	2.0	47.0	53.0	32.0	34.0	34.0	34.0	34.0	36.0
Other support services - administrative and professional	29.0	29.0	29.0	25.0	25.0	25.0	25.0	22.0	30.0	35.0
<b>Total</b>	<b>873.5</b>	<b>861.1</b>	<b>925.8</b>	<b>919.3</b>	<b>905.3</b>	<b>913.3</b>	<b>912.6</b>	<b>913.0</b>	<b>917.7</b>	<b>919.5</b>

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>		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
		Cost Per Pupil				Elementary	Intermediate	Middle	High School				
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%	620	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%	613	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%	620	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%
2013	7,367	105,931,675	14,379	2.22%	621	1:15	1:13	1:13	1:14	7,355	7,075	-0.53%	96.19%
2014	7,327	109,222,996	14,907	3.67%	625	1:15	1:13	1:13	1:14	7,321	7,079	-0.46%	96.69%
2015	7,308	112,732,693	15,426	3.48%	618	1:15	1:13	1:13	1:14	7,288	7,024	-0.45%	96.38%
2016	7,235	113,457,670	15,682	1.66%	612	1:15	1:13	1:13	1:14	7,232	6,981	-0.77%	96.53%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Building</b>										
<b>Elementary</b>										
Arbor Elementary School (1960)										
Square Feet	64,282	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	508	492	481	522	556	556	589	581	568	522
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*	486	490	497	507	530	530	541	545	537	563
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	532	571	599	593	610	610	622	788	777	770
M.L. King Elementary School (1968)										
Square Feet	72,541	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	500	516	500	484	552	552	533	503	524	532
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	515	511	521	499	500	500	501	505	495	494
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	460	478	518	543	558	558	598	496	567	551
<b>Middle Schools</b>										
Conackamack Middle School (1963)										
Square Feet	77,258	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	458	478	461	461	433	433	437	457	482	490
Quibbletown Middle School (1960)										
Square Feet	107,733	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	552	539	575	568	578	578	564	555	577	562
T. Schor Middle School (1969)										
Square Feet	96,301	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	546	546	512	550	606	606	611	605	613	583
<b>High School</b>										
Piscataway High School (1956 & 1972)										
Square Feet	430,024	430,024	430,024	430,024	430,024	430,024	430,024	430,024	430,024	430,024
Capacity (students)	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341
Enrollment	2,607	2,578	2,599	2,571	2,465	2,465	2,230	2,187	2,168	2,168
<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, 2016

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Arbor	\$ 136,278	\$ 53,696	\$ 101,661	\$ 22,469	\$ 120,452	\$ 117,208	\$ 130,982	\$ 175,729	\$ 121,730	\$ 65,147
Conackamack	103,257	67,609	123,684	19,571	95,922	93,339	104,308	139,942	96,940	180,091
Eisenhower	27,937	63,378	120,586	6,897	190,211	185,088	206,839	277,501	192,229	76,761
Grandview	115,730	81,185	76,398	17,370	64,911	63,163	70,586	94,700	65,600	71,070
High School	617,132	600,006	278,893	448,798	333,135	324,164	362,258	486,015	336,670	811,334
King	41,483	68,436	117,073	8,099	37,412	36,405	40,683	54,582	37,810	60,548
Knollwood	79,849	100,377	102,970	26,033	97,531	94,904	106,057	142,289	98,566	60,302
Quibbletown	150,112	144,284	97,987	22,719	63,100	61,401	68,616	92,057	63,769	131,616
Randolphville	83,249	108,150	102,970	20,593	58,707	57,126	63,839	88,331	61,188	57,796
Schor	85,865	52,371	67,520	18,035	159,740	155,438	173,704	235,729	163,293	185,369
<b>Total School Facilities</b>	<b>1,440,892</b>	<b>1,339,492</b>	<b>1,189,742</b>	<b>610,584</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>
Other Facilities-Fellowship Farms/Ethel Rd	208,638	108,737	64,622	6,510	112,364	109,338	122,187	158,563	110,187	36,655
<b>Grand Total</b>	<b>\$ 1,649,530</b>	<b>\$ 1,448,229</b>	<b>\$ 1,254,364</b>	<b>\$ 617,094</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>

\* 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, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Property</b>		
Real and Personal Property	\$ 272,474,446	\$ 5,000
Extra expense	50,000,000	5,000
Demolition/Increased cost of construction	10,000,000	
Flood (Special Flood)	20,000,000	500,000
Musical instruments	Included	
Miscellaneous equipment	Included	
EDP	1,000,000	
<b>School Board Legal</b>		
Limit of liability	11,000,000	15,000
<b>Primary Umbrella</b>		
Limit of liability	10,000,000	
Self-insured retention	none	
<b>Catastrophe Access</b>		
Limit of liability	50,000,000	
<b>Environmental Impairment Liability</b>		
Limit of liability - Each Loss	1,000,000	10,000
Limit of liability - Aggregate	1,000,000	

Source: District Records and Insurance Company.

Piscataway Township School District  
Insurance Schedule  
Year ended June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Liability</b>		
Bodily Injury & Property Damage - Each Occurrence	\$ 11,000,000	
Personal Injury/Advertising	11,000,000	
Medical Expense	10,000	
Employee Benefits Liability	11,000,000	
<b>Business Auto</b>		
Bodily Injury & Property Damage	11,000,000	
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	1,000,000	
Athletics	10,000,000	
<b>Bonds</b>		
Board Secretary/Business Administrator	430,000	
<b>Workers Comp</b>		
Part II - Limits of Liability	2,000,000	
Section "A"	Statutory	
<b>Crime</b>		
Money & Securities-inside	50,000	
Money & Securities-outside	50,000	
Employee Dishonesty	1,000,000	
Depositors Forgery	1,000,000	

Source: District Records and Insurance Company.

## Single Audit Section



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Piscataway Township School District, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2016.

**Internal Control Over Financial Reporting**

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

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

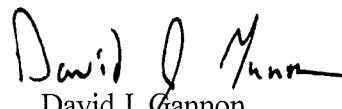
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 2, 2016  
Livingston, New Jersey

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

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Piscataway Township School District, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*

(Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

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

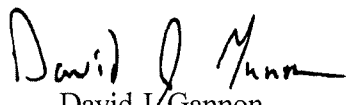
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

## Purpose of this Report

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

  
David J. Gannon  
Licensed Public School Accountant  
No. 2305

  
WISS & COMPANY, LLP

December 2, 2016  
Livingston, New Jersey

Piscataway Township School District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2015	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016			
				From	To							(Accounts Receivable)	Unearned Revenue	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 (SEMI)	93.778	1605NJ5MAP	\$ 149,170	7/1/2014	6/30/2015	\$ (59,040)		\$ 59,040							
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	137,247	7/1/2015	6/30/2016			103,637	\$ (137,247)			\$ (33,610)			
Medicaid Assistance Program (SEMI)	93.778	1605NJ5MAP	13,521	7/1/2015	6/30/2016				(13,521)			(13,521)			
Total General Fund						<u>(59,040)</u>		<u>162,677</u>	<u>(150,768)</u>			<u>(47,131)</u>			
<b>U.S. Department of Education—Passed-Through State</b>															
<b>Department of Education</b>															
Special Revenue Fund:															
Title I, Part A	84.010A	S010A150030	813,205	7/1/2015	6/30/2016			586,323	(743,737)			(157,414)			
Title I, Part A	84.010A	S010A150030	622,067	7/1/2014	6/30/2015	(160,807)		160,807							
Title II A	84.367A	S367A150029	144,381	7/1/2015	6/30/2016			112,036	(138,028)			(25,992)			
Title II A	84.367A	S367A150029	146,589	7/1/2014	6/30/2015	(27,516)		27,516							
Title II, Part D	84.318	Not Available	1,142	9/1/2010	8/31/2011	163						\$ 163			
Title III	84.365A	S365A150030	102,407	7/1/2015	6/30/2016			63,483	(98,679)			(35,196)			
Title III, Supplemental Immigrant Student Aid	84.365A	S365A150030	45,711	7/1/2015	6/30/2016			42,836	(43,694)			(858)			
Title III	84.365A	S365A150030	90,675	7/1/2014	6/30/2015	(21,705)		21,705							
Title III, Supplemental Immigrant Student Aid	84.365A	S365A150030	50,240	7/1/2014	6/30/2015	(42,469)		42,469							
I.D.E.I.A. Part B, Regular	84.027	S027A150100	1,965,424	7/1/2015	6/30/2016			1,477,319	(1,914,867)			(437,548)			
I.D.E.I.A. Part B, Regular	84.027	S027A150100	1,859,433	7/1/2014	6/30/2015	(247,810)		247,810							
I.D.E.I.A. Part B, Preschool	84.173	S173A150114	52,989	7/1/2015	6/30/2016			52,989	(52,989)						
I.D.E.I.A. Part B, Preschool	84.173	S173A150114	50,584	7/1/2014	6/30/2015	(1,514)		1,514							
Carl D. Perkins Vocational Education	84.048	S048A140030	31,481	7/1/2015	6/30/2016			29,625	(31,481)			(1,856)			
Carl D. Perkins Vocational Education	84.048	S048A140030	40,205	7/1/2014	6/30/2015	(720)		720							
Race to the Top	84.413A	S413A120008	44,501	7/1/2012	11/30/2015			7,716	(7,716)						
Total Special Revenue Fund						<u>(502,378)</u>		<u>2,874,868</u>	<u>(3,031,191)</u>			<u>(658,864)</u>	<u>163</u>		
<b>U.S. Department of Agriculture—Passed-Through State</b>															
<b>Department of Education</b>															
Enterprise Fund:															
Food Donation Program (NC)	10.555	16161NJ304N109	195,497	7/1/2015	6/30/2016			195,497	(195,379)			\$ 118			
Food Donation Program (NC)	10.555	16161NJ304N109	179,945	7/1/2014	6/30/2015	5,019			(5,019)						
School Breakfast Program	10.553	16161NJ304N109	167,013	7/1/2015	6/30/2016			154,976	(167,013)			(12,037)			
School Breakfast Program	10.553	16161NJ304N109	168,049	7/1/2014	6/30/2015	(13,443)		13,443							
National School Lunch Program	10.555	16161NJ304N109	908,045	7/1/2015	6/30/2016			847,199	(908,045)			(60,846)			
National School Lunch Program	10.555	16161NJ304N109	965,538	7/1/2014	6/30/2015	(68,113)		68,113							
Total Enterprise Fund						<u>(76,537)</u>		<u>1,279,228</u>	<u>(1,275,456)</u>			<u>(72,883)</u>	<u>118</u>		
Total Federal Awards						<u>\$ (637,955)</u>	<u>\$ -</u>	<u>\$ 4,316,773</u>	<u>\$ (4,457,415)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (778,878)</u>	<u>\$ 281</u>	<u>\$ -</u>	

NC - non-cash expenditures

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

Piscataway Township School District  
 Schedule of Expenditures of State Financial Assistance  
 Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2016			Memo	
			From	To	Unearned Rev. (Accts Rec)	Due to Grantor	Walkover					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<b>State Department of Education</b>																
<i>General Fund:</i>																
Special Education Categorical Aid	495-034-5120-089	\$ 4,343,922	7/1/2015	6/30/2016			\$ 3,909,530	\$ (4,343,922)						\$ (434,392)	\$ (4,343,922)	
Categorical Transportation Aid	495-034-5120-014	489,054	7/1/2015	6/30/2016			440,149	(489,054)						(48,905)	(489,054)	
Equalization Aid	495-034-5120-078	9,741,772	7/1/2015	6/30/2016			8,818,159	(9,741,772)						(923,613)	(9,741,772)	
Security Aid	495-034-5120-084	584,442	7/1/2015	6/30/2016			525,998	(584,442)						(58,444)	(584,442)	
Educational Adequacy Aid	495-034-5120-083	403,614	7/1/2015	6/30/2016			363,253	(403,614)						(40,361)	(403,614)	
PARCC Readiness Aid	495-034-5120-098	73,450	7/1/2015	6/30/2016			66,105	(73,450)						(7,345)	(73,450)	
Per Pupil Growth Aid	495-034-5120-097	73,450	7/1/2015	6/30/2016			66,105	(73,450)						(7,345)	(73,450)	
Extraordinary Aid	495-034-5120-044	1,287,643	7/1/2015	6/30/2016				(1,287,643)				\$ (1,287,643)			(1,287,643)	
Extraordinary Aid	495-034-5120-044	950,940	7/1/2014	6/30/2015		\$ (950,940)	950,940									
Additional NP Transportation Aid		Not Available		7/1/2014		(68,428)	68,428									
Additional NP Transportation Aid		Not Available		7/1/2015					(53,780)				(53,780)		(53,780)	
Reimbursed TPAF - Social Security	495-034-5094-003	3,554,586	7/1/2015	6/30/2016			3,379,998	(3,554,586)					(174,588)		(3,554,586)	
Reimbursed TPAF - Social Security	495-034-5094-003	3,453,964	7/1/2014	6/30/2015		(169,781)	169,781									
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	3,708,101	7/1/2015	6/30/2016			3,708,101	(3,708,101)							(3,708,101)	
Post-Retirement Medical Contribution	495-034-5094-001	4,415,323	7/1/2015	6/30/2016			4,415,323	(4,415,323)							(4,415,323)	
<b>Total General Fund</b>						(1,189,149)	26,881,870	(28,729,137)				(1,516,011)		(1,520,405)	(28,729,137)	
<i>Special Revenue Fund:</i>																
Preschool Education Aid	495-034-5120-086	442,200	7/1/2014	6/30/2015		(44,220)	44,220									
Preschool Education Aid	495-034-5120-086	442,200	7/1/2015	6/30/2016			397,980	(442,200)						(44,220)	(442,200)	
<i>New Jersey Non-Public Aid:</i>																
Nursing Aid	100-034-5120-070	114,390	7/1/2015	6/30/2016			114,390	(107,981)				\$ 6,409			(107,981)	
Nursing Aid	100-034-5120-070	118,563	7/1/2014	6/30/2015												
Textbook Aid	100-034-5120-064	70,918	7/1/2015	6/30/2016		\$ 2,996	70,918	(70,601)					317		(70,601)	
Textbook Aid	100-034-5120-064	72,569	7/1/2014	6/30/2015												
Technology Initiative	100-034-5120-070	32,292	7/1/2015	6/30/2016			32,292	(32,147)						145	(32,147)	
Technology Initiative	100-034-5120-070	38,976	7/1/2014	6/30/2015												
Transportation	100-034-5120-068	17,447	7/1/2015	6/30/2016			17,447	(17,447)							(17,447)	
Security Aid	100-034-5120-509	31,775	7/1/2015	6/30/2016			31,775	(23,475)					8,300		(23,475)	
<i>Non Public Auxiliary Services (Ch. 192):</i>																
Home Instruction		866	7/1/2015	6/30/2016									(866)		(866)	
English as a Second Language		9,231	7/1/2015	6/30/2016			9,231	(9,231)							(9,231)	
Compensatory Education		90,609	7/1/2015	6/30/2016			90,609	(90,608)					1		(90,608)	
Compensatory Education		107,764	7/1/2014	6/30/2015										7,739	(90,608)	
<i>Non Public Handicapped Services (Ch. 193):</i>																
Supplemental Instruction	100-034-5120-066	31,188	7/1/2015	6/30/2016			31,188	(31,188)							(31,188)	
Examination and Classification		74,475	7/1/2015	6/30/2016			74,475	(72,598)					1,877		(72,598)	
Examination and Classification		80,137	7/1/2014	6/30/2015												
Corrective Speech		39,045	7/1/2015	6/30/2016			39,045	(39,045)							(39,045)	
Corrective Speech		46,826	7/1/2014	6/30/2015												
NJ Achievement Coaches	16E00124	80,000	3/1/2016	11/30/2016				(1,249)					(1,249)		(1,249)	
<b>Total Special Revenue Fund</b>						(44,220)	953,570	(938,636)	(17,344)			(2,115)	17,049	(44,220)	(938,636)	
<i>Capital Projects Fund:</i>																
NJ Schools Development Authority	2940-045-02-0798/0496	11,011,110	7/1/2002	Completion		(1,847,742)		894,059	(827,637)				(1,781,320)		(827,637)	
<b>Total Capital Projects Fund</b>						(1,847,742)		894,059	(827,637)				(1,781,320)		(827,637)	
<b>State Department of Agriculture</b>																
<i>Enterprise Fund:</i>																
State School Lunch Program (State share)	100-010-3360-067	26,670	7/1/2015	6/30/2016				23,213	(26,670)				(3,457)		(26,670)	
State School Lunch Program (State share)	100-010-3360-067	28,412	7/1/2014	6/30/2015		(2,781)		2,781								
<b>Total Enterprise Fund</b>						(2,781)		25,994	(26,670)				(3,457)		(26,670)	
<b>Total State Awards</b>						\$ (3,083,892)	\$ 17,344	\$ 28,755,493	\$ (30,522,080)	\$ (17,344)		\$ (3,302,903)	\$ 17,049	\$ (1,564,625)	\$ (30,522,080)	
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																
<i>General Fund:</i>																
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	3,708,101	7/1/2015	6/30/2016			(3,708,101)	3,708,101							3,708,101	
Post-Retirement Medical Contribution	495-034-5094-001	4,415,323	7/1/2015	6/30/2016			(4,415,323)	4,415,323							4,415,323	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>						\$ (3,083,892)	\$ 17,344	\$ 20,632,069	\$ (22,398,656)	\$ (17,344)		\$ (3,302,903)	\$ 17,049	\$ (1,564,625)	\$ (22,398,656)	

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, 2016

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**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 funds, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. 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 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in 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, 2016

**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 \$316,860 for the general fund and \$583 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	\$ 150,768	\$ 28,749,982	\$ 28,900,750
Special Revenue Fund	3,030,443	938,636	3,969,079
Capital Projects Fund		827,637	827,637
Food Service Enterprise Fund	1,275,456	26,670	1,302,126
Total financial award revenues	<u>\$ 4,456,667</u>	<u>\$ 30,542,925</u>	<u>\$ 34,999,592</u>

The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$748 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis.

**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, 2016

**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, 2016.

The post-retirement pension and medical benefits received on behalf of the District for the year ended June 30, 2016 amounted to \$8,123,424. Since on-behalf post retirement 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 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

**Part I - Summary of Auditor's Results (continued)**

**Financial Statements Section**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?            Yes   X   No

Are any significant deficiencies identified?            Yes   X   None Reported

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

**Federal Awards Section**

Internal control over major federal programs:

Are any material weaknesses identified?            Yes   X   No

Are any significant deficiencies identified?            Yes   X   None Reported

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027	S027A150100	IDEA Part B, Basic
84.173	S173A150114	IDEA Part B, Preschool Cluster

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

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

**Part I - Summary of Auditor's Results (continued)**

Auditee qualified as low-risk auditee?  X  Yes   No

**State Awards Section**

Internal control over major state programs:

Are any material weaknesses identified?   Yes  X  No

Are any significant deficiencies identified?   Yes  X  None reported

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-083	Educational Adequacy Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid

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

Auditee qualified as low-risk auditee?  X  Yes   No

Piscataway Township School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2016

**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 (continued)

Year ended June 30, 2016

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**State Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey State OMB Circular 15-08.

Piscataway Township School District  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2016

None.