



# PISCATAWAY TOWNSHIP SCHOOLS

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



*Year Ended June 30, 2017*

**Piscataway Township School District**

**Piscataway, New Jersey**

**Comprehensive Annual Financial Report  
For the Year Ended June 30, 2017**

Prepared by

**Business Office**

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## **Financial Section**



## **Introductory Section**



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**Teresa M. Rafferty**  
Superintendent of Schools

**David Oliveira**  
Business Administrator/Board Secretary

November 30, 2017

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, 2017 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, 2017 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 and 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.

Piscataway Township is the fifth oldest municipality in New Jersey with an approximate population of 56,000 people. The Township is home to Rutgers, the State University of New Jersey, as well as many Fortune 500 corporations. Piscataway Township and the Piscataway Board of Education are coterminous. The School District is an independent legal entity operating under Title 18A Education of the New Jersey Statutes.

The Piscataway Township Board of Education provides a full range of educational services appropriate to grade levels PK through 12 for approximately 7,250 students. These include regular education programs, special education programs for students with disabilities, extracurricular activities, interscholastic athletic programs, and adult/community education programs. Our educational programs offer a broad-based, challenging curriculum to ensure that every child has the opportunity to pursue a post-secondary education without the need for remedial course work. Piscataway High School's state champion football team and award-winning band program are two examples of the District's extracurricular activities and athletic programs. The District's *You, I, We Inspire* program was named Grand Prize winner by the National School Boards Association for its combined focus on academic achievement and character education.

The District's schools are organized on a PreK, K-3, 4-5, 6-8 and 9-12 system and include one high school, three middle schools, two intermediate schools, and four elementary schools, along with an integrated preschool program located in two rented buildings. All of the schools operate on a full-day schedule, including kindergarten. The District's schools are listed below. Additional information about all of the District's school buildings can be found in Schedule J-18.

<b>School</b>	<b>Grades</b>	<b>Address</b>	<b>Age of Building</b>
Eisenhower Elementary School	K-3	360 Stelton Road	1968
Grandview Elementary School	K-3	130 North Randolphville Road	1953/1968/2002
Knollwood Elementary School	K-3	333 Willow Avenue	1960/1992
Randolphville Elementary School	K-3	1 Suttie Avenue	1961/1992
Arbor Intermediate School	4-5	1717 Lester Place	1961/2001
Martin Luther King Intermediate School	4-5	5205 Ludlow Street	1969/2002
Conackamack Middle School	6-8	5205 Witherspoon Street	1964/2008
Quibbletown Middle School	6-8	99 Academy Street	1961/1994
T. Schor Middle School	6-8	243 North Randolphville Road	1970/2006
Piscataway High School	9-12	100 Behmer Road	1956/1972/2007

Located within Piscataway Township are several private/parochial schools, the Educational Services Commission of New Jersey schools, and a County vocational and technical high school.

There are no charter schools located within the borders of Piscataway Township, however, during the 2016-2017 school year, the District had 25 students attend five charter schools in surrounding communities. These charter schools offer education in grades K through 12. Students enrolled in charter schools reduce the enrollment in the Piscataway Township Schools, but due to the spread of students across all grade levels, the District is not able to recognize any accompanying reductions in staffing or budget expenditures. The District is required to fund the charter school students by allocating a portion of its state aid to the charter schools. In 2016-2017, the District paid \$295,494.

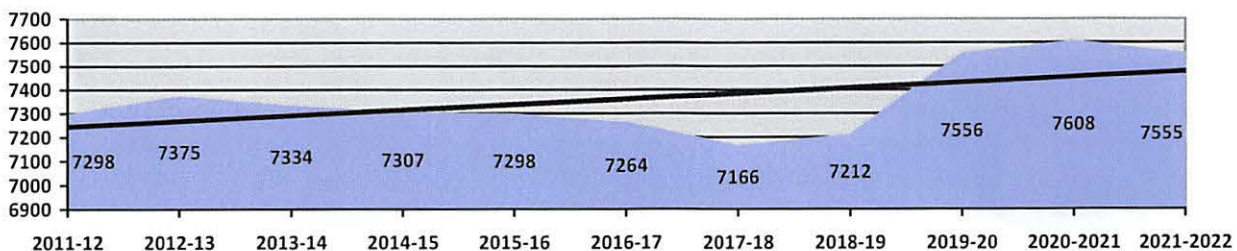
The table below details charter school enrollment for the previous five years with projected enrollment for 2017-2018.

Fiscal Year	Enrollment
2012-2013	17
2013-2014	19
2014-2015	19
2015-2016	23
2016-2017	25
2017-2018	26

### Enrollment

The exhibit below illustrates the District’s actual enrollment based on the annual October 15<sup>th</sup> count required by the New Jersey Department of Education, as well as projected enrollments through 2021-2022. Starting with a base year of 2011-2012 to the 2016-2017 school year, enrollment decreased from 7,298 to 7,264, a decrease of 34 students or approximately 0.5%. Enrollment projections show that enrollment growth is expected to increase to 7,555 during the 2021-2022 school year. That is a projected increase of 291 students, or approximately 4.0%.

Piscataway Schools Enrollment



### Projections:

One of the issues that has arisen in providing enrollment projections during the past several years has been the unpredictability of the development and completion of housing projects. Although there has been construction of residential units during the past five years, construction has been inconsistent and the developments have 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 housing development formerly known as Lackland has been taken over by Avalon Bay, a national apartment development and management company. Construction has begun on the Avalon Bay project and the first apartment units are expected to be available in the spring of 2018, with the remaining units completed by December 2018. Dr. Ross Haber, a demographer retained

by the Piscataway Board of Education, predicts 236 students from the Avalon Bay project will be enrolled in the District's schools within five years.

The Planning Board of the Township of Piscataway has 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, but construction has not yet started. Dr. Ross Haber predicts an additional 251 students will be enrolled in the District's schools from this housing project. 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 Township is also considering a "Town Centre" proposal which may include apartments and single-family homes in close proximity to Piscataway High School.

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 291 students from the current enrollment of 7,264 students in 2016-2017 to 7,555 students in 2021-2022. The next demographic study may reflect an increase in projected enrollment if any additional developments materialize 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

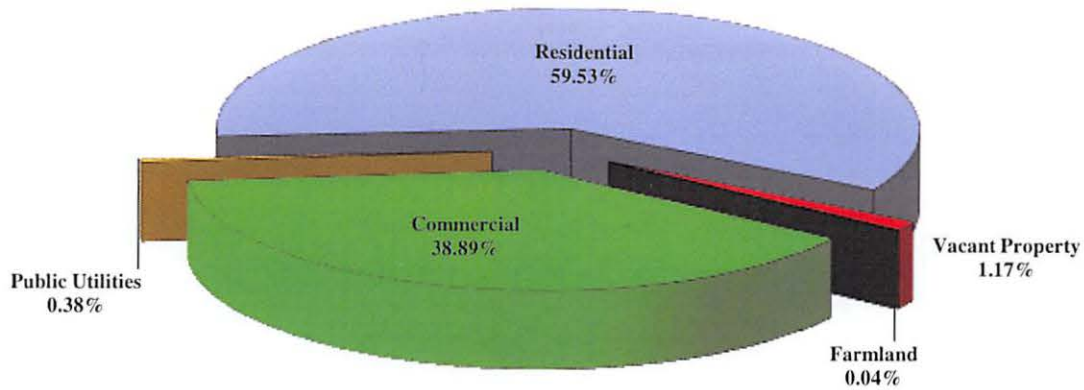
Piscataway is primarily a residential area economy that benefits from its proximity to New York City and an expansive road infrastructure near major highways. Piscataway is the home of many well-known industrial concerns, research centers and computer/data warehouses comfortably spaced in attractively 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.

In September 2017, Standard & Poor's upgraded the District's general obligation debt long-term rating from AA- to AA. In addition to the strength of the District's financial operations, S&P cited Piscataway's "good to very strong economic indicators with a growing tax base and no concentration among leading taxpayers."

The assessed value of ratables in the Township increased \$1,113,322 from \$6,291,856,288 in 2016 to \$6,292,969,610 in 2017. Piscataway's ratables are classified in the 2017 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 73,447,500
Residential	3,746,125,500
Farmland	2,387,900
Commercial	2,447,261,700
Public Utilities	23,747,010
Total Ratables	<u>\$ 6,292,969,610</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, 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.

As part of the state of New Jersey's final fiscal year 2018 budget, additional state aid was provided to some school districts that were not fully funded under the School Funding Reform Act. The Piscataway Township Schools received an additional \$995,236. Although it is unclear if the state of New Jersey will continue to move toward full funding of the School Funding Reform Act, the additional state aid will help the District's 2017-2018 budgetary outlook.

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 at 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 continues to focus on reserving funds in its capital reserve account to address building improvements and infrastructure needs. The District completed a \$3 million paving project to improve the safety of driveways and parking lots throughout the District's buildings during the summer of 2017.

Personnel costs are a significant component of the annual budget. The Piscataway Board of Education recently completed the negotiation of a new three-year agreement with the Piscataway Township Education Association that provides cost certainty through the 2019-2020 fiscal year. The agreement with the Piscataway Township Principals and Supervisors Association is also settled through the 2018-2019 fiscal year.

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 decreases in state operating budget revenues.

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) RELEVANT FINANCIAL POLICIES**

The District recognizes the importance of sound financial policies and their importance in supporting the whole school program. District administration works closely with the Fiscal Planning and Operations Committee and the Policy and Legislative Committee, two subcommittees of the Board of Education, to review and update financial policies.

The District utilizes zero-based budgeting practices as well as historical trend analysis to prepare its budget. The District monitors revenue and expenditure vs. budget on a monthly basis and provides reports to the Board. All variances are researched and analyzed to determine if any irregularities or significant deviations exist. All variances are shared with the appropriate administrator and, if necessary, adjustments are made to ensure compliance with the approved budget.

Cash flow is monitored on a daily basis and unused funds are invested in local, interest-bearing checking accounts. The District recently completed a request for proposal for banking services in order to maximize the interest rate earned and minimize banking service fees.

The District has continued its risk management policies by purchasing insurance for all identified risks from New Jersey Schools Insurance Group, an insurance pool of New Jersey school districts, including property damage, commercial liability, business auto, legal liability, and workers' compensation. The District is self-insured for medical, prescription, and dental claim exposure with supplemental stop-loss insurance limiting the District's total exposure.

#### **5) 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 subject to periodic evaluation by District management. The District was selected by the New Jersey Department of Education for monitoring of its use of federal funds and the related program plans for the Individuals with Disabilities Education Act. The review did not yield any findings. The District was also selected for a fiscal audit of the Carl D. Perkins Postsecondary Grant by the New Jersey Department of Education Office of Fiscal Accountability and Compliance. The review did not yield any findings.

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.



## **6) BUDGETARY PROCESS AND LEVEL OF CONTROL**

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, 2017.

## **7) 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.

## **8) DEBT ADMINISTRATION**

As noted earlier, Standard & Poor's upgraded the District's general obligation debt long-term rating from AA- to AA. All of the District's net debt is scheduled to be retired within the next ten years. At June 30, 2017, the District's outstanding debt issues included serial bonds in the amount of \$19,365,000.

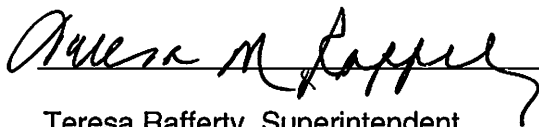
## **9) OTHER INFORMATION**

*Independent Audit.* State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, 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.

## **10) ACKNOWLEDGMENTS**

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



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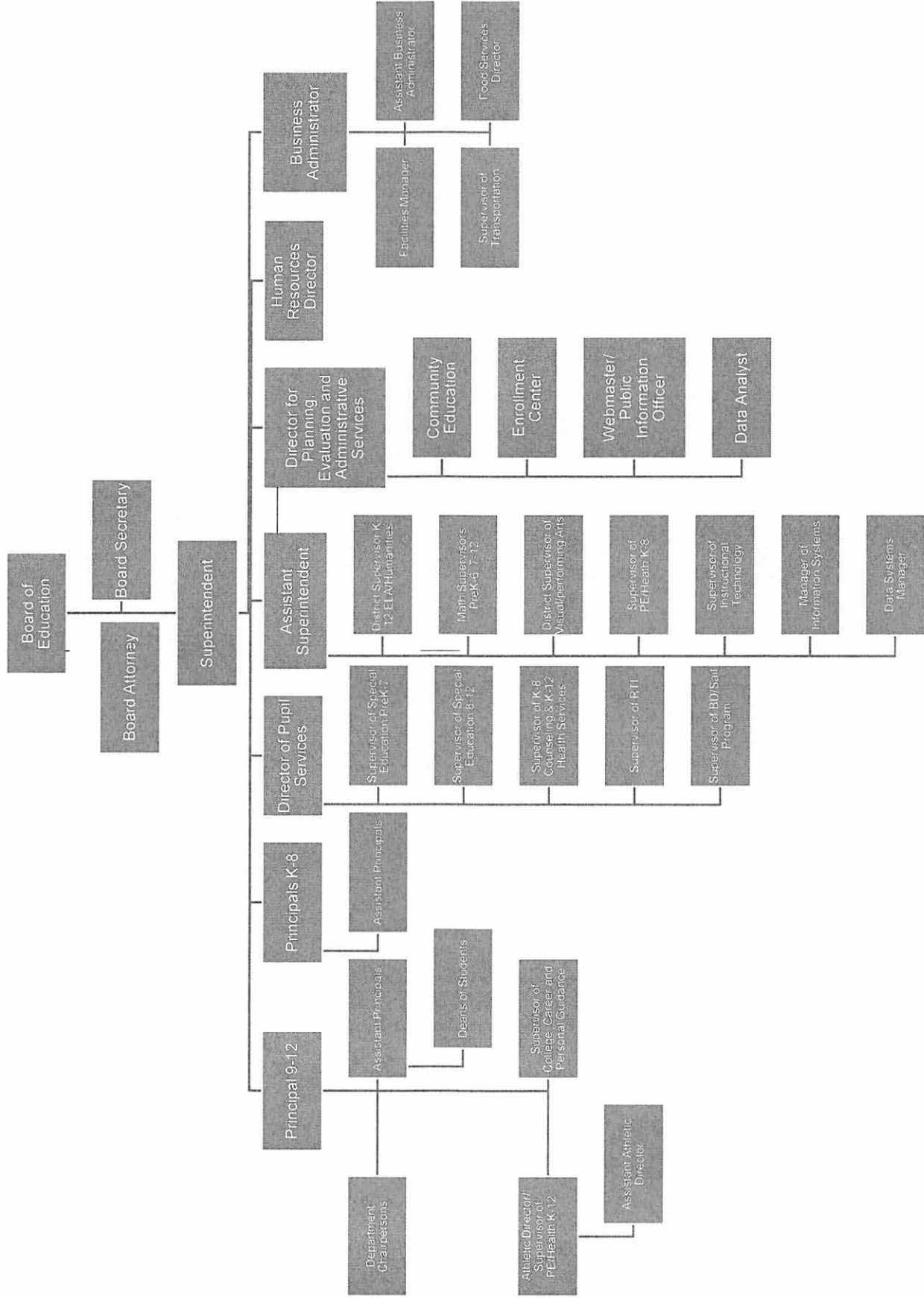
Teresa Rafferty, Superintendent



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David Oliveira, Business Administrator

# Piscataway Township Schools Organizational Chart 2017



Piscataway Township School District  
Piscataway, New Jersey

Roster of Officials

June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William J. Irwin, President	2019
Alexandra Lopez, Vice President	2017
Shantell Cherry	2017
Tom Connors	2017
Adelita Deepan	2019
Ralph E. Johnson	2019
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**

Spiezle Group, Inc.  
1395 Yardville- Hamilton Square Road  
Hamilton, NJ 08690

El Associates  
8 Ridgedale Avenue  
Cedar Knolls, NJ 07927

**Independent Auditors**

PKF O'Connor Davies, LLP  
20 Commerce Drive  
Suite 301  
Cranford, NJ 07016

**Attorney**

David B. Rubin  
(Staff Counsel)

**Official Depository**

TD Bank  
2473 Plainfield Avenue  
South Plainfield, NJ 07080

## **Financial Section**

## **Independent Auditors' Report**

**The 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, in the County of Middlesex, State of New Jersey (the "District"), as of and for the year ended June 30, 2017, and the related notes 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.

### ***Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity'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 entity'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.

**The Honorable President and Members  
of the Board of Education  
Piscataway Township School District**

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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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2017, 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.

***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 presented 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



**The Honorable President and Members  
of the Board of Education  
Piscataway Township School District**

Page 3

Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and 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 of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

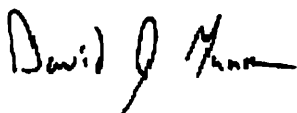
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

November 30, 2017  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant  
No. 2305

## **Required Supplementary Information – Part I**

### **Management's Discussion and Analysis**

Piscataway Township School District  
Management's Discussion and Analysis  
Year Ended June 30, 2017

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, 2017. 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 (2016-2017) and the prior fiscal year (2015-2016) 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.

The government-wide financial statements can be found on pages 27 - 28 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 and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on pages 29 - 31 of this report.

**Proprietary funds.** The District maintains two proprietary fund types. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and adult and child care programs, both of which are considered major funds of the District. The 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 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 32 - 34 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 35 - 36 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 37 - 73 of this report.

**Other information.** The combining statements referred to earlier in connection with governmental funds, enterprise funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 77 – 119 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, 2017 and 2016:

	2017			2016		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 37,029,494	\$ 5,756,541	\$ 42,786,035	\$ 31,683,294	\$ 5,601,561	\$ 37,284,855
Capital assets, net	69,867,168	216,642	70,083,810	71,250,404	277,806	71,528,210
Total assets	106,896,662	5,973,183	112,869,845	102,933,698	5,879,367	108,813,065
Deferred outflows	19,316,107		19,316,107	8,572,020		8,572,020
Liabilities						
Current liabilities	11,878,043	1,856,228	13,734,271	13,423,678	1,784,614	15,208,292
Net pension liability	53,915,115		53,915,115	38,337,367		38,337,367
Long Term Liabilities	19,836,264		19,836,264	23,118,120		23,118,120
Total liabilities	85,629,422	1,856,228	87,485,650	74,879,165	1,784,614	76,663,779
Deferred inflows	87,173		87,173	726,998		726,998
Net position						
Invested in capital assets, net of related debt	50,418,186	216,642	50,634,828	47,368,890	277,806	47,646,696
Restricted	24,710,558		24,710,558	18,401,404		18,401,404
Unrestricted (deficit)	(34,632,570)	3,900,313	(30,732,257)	(29,870,739)	3,816,947	(26,053,792)
Total net position	\$ 40,496,174	\$ 4,116,955	\$ 44,613,129	\$ 35,899,555	\$ 4,094,753	\$ 39,994,308

Key financial highlighted for the 2016-2017 fiscal year include the following:

- Net position increased \$4,618,821 resulting from an increase in the local tax levy of approximately \$2.5 million and continued fiscal constraint and control over expenditures.
- Consistent with the prior year, the State withheld the school district's fiscal 2016-2017 last two state aid payments until July 2017.

Significant changes to deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB 68 net pension liability calculation performed by the State of New Jersey. The changes in 2017 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2016 and rolled forward to June 30, 2017. The net pension liability associated with the District's governmental activities at June 30, 2017 amounted to \$53,915,115 also increased in the amount of approximately \$15,577,748 resulting from changes in the net pension calculation. Long-term liabilities decreased by principal payments made in the amount of \$2,740,000 in bonds payable.

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 maintenance service, emergency reserve, capital reserve, excess surplus and capital projects. Restricted net position increased by \$6,309,154 during the year ended June 30, 2017 as a result of the District generating excess surplus during the 2017 fiscal year and depositing approximately \$4,200,000 into the capital reserve fund.

The remaining deficit balance (\$34,632,570) of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability, not invested in capital assets. The deficit (negative) amount is mainly the result of liabilities for compensated absences and the net pension liability without an offsetting asset.

**District activities.** The key elements of the District's changes in net position for the years ended June 30, 2017 and 2016 are as follows:

	2017			2016		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 856,606	\$ 8,397,257	\$ 9,253,863	\$ 839,569	\$ 7,430,450	\$ 8,270,019
Operating grants and contributions	4,053,975	1,389,213	5,443,188	4,132,846	1,302,126	5,434,972
Capital grants and contributions	462,836		462,836	827,637		827,637
<b>General revenues:</b>						
Property taxes	92,193,129		92,193,129	89,676,482		89,676,482
State and federal aid not restricted to a specific purpose	52,271,257		52,271,257	42,310,230		42,310,230
Investment income	300,695		300,695	296,015		296,015
Miscellaneous	402,888	12,858	415,746	416,278	1,183	417,461
<b>Total revenue</b>	<b>150,541,386</b>	<b>9,799,328</b>	<b>160,340,714</b>	<b>138,499,057</b>	<b>8,733,759</b>	<b>147,232,816</b>
<b>Expenses:</b>						
Instructional services	89,968,357		89,968,357	79,833,312		79,833,312
Support services	54,912,150		54,912,150	49,111,580		49,111,580
Charter school	295,494		295,494	243,654		243,654
Interest on long term debt	768,766		768,766	874,589		874,589
Business Type Activities		9,777,126	9,777,126		8,826,671	8,826,671
<b>Total expenses</b>	<b>145,944,767</b>	<b>9,777,126</b>	<b>155,721,893</b>	<b>130,063,135</b>	<b>8,826,671</b>	<b>138,889,806</b>
Increase (decrease) in net position before transfer	4,596,619	22,202	4,618,821	8,435,922	(92,912)	8,343,010
Net position - beginning				27,463,633	4,187,665	31,651,298
Net position—beginning	35,899,555	4,094,753	39,994,308	27,463,633	4,187,665	31,651,298
Net position—ending	\$ 40,496,174	\$ 4,116,955	\$ 44,613,129	\$ 35,899,555	\$ 4,094,753	\$ 39,994,308

Property tax revenue increased \$2,516,647 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 2015/16 to 2016/17 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 \$9,961,027, all of which was directly related to expenditures incurred 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 special function 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, 2017, and the increases (decreases) in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2016</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 93,955,656	73.44%	\$ 2,563,545	2.80%
State sources	31,116,983	24.32	1,428,365	4.81
Federal sources	<u>2,864,366</u>	<u>2.24</u>	<u>(316,845)</u>	<u>(9.96)</u>
Total	<u>\$ 127,937,005</u>	<u>100.00%</u>	<u>\$ 3,675,065</u>	<u>2.96%</u>

The increase in local sources is mostly due to an increase in the tax levy of approximately \$2,516,647. The District's overall increase in the tax levy is within the 2% levy cap as promulgated by the State Legislature. 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 Medical Contributions.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017 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 2016</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 50,759,384	41.77%	\$ 1,947,857	3.99%
Support services	66,902,108	55.05	2,384,242	3.70
Charter Schools	295,494	0.24	51,840	21.28
Debt service:				
Principal	2,740,000	2.26	105,000	3.98
Interest and Other Charges	<u>829,675</u>	<u>0.68</u>	<u>(94,325)</u>	<u>(10.21)</u>
Total	<u>\$ 121,526,661</u>	<u>100.00%</u>	<u>\$ 4,394,614</u>	<u>3.75%</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 \$6,380,344. Of the \$24,668,931 fund balance in the General Fund, \$6,000,000 is restricted for current year excess surplus, \$4,698,414 is restricted for the prior year excess surplus, \$9,525,326 is restricted in the capital reserve account, \$174,372 is restricted in the emergency reserve account, \$2,000,000 is restricted in the maintenance reserve, \$546,031 of encumbrances is assigned to other purposes, and \$1,724,788 is unassigned.

## Special Revenue Fund

Expenditures in the Special Revenue Fund decreased as a result of a decrease in capital outlay expenditures. The District has an undesignated deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2017 as a result of the State deferring the payment of the final two state aid payments until July 2017.

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 \$2,312,446 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, 2017, and the increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2016</u>	<u>Percent of Increase</u>
Local sources	\$ 8,410,115	85.82%	\$ 978,482	13.17%
State sources	27,713	0.28	1,043	3.91
Federal sources	1,361,500	13.90	86,044	6.75
<b>Total</b>	<b>\$ 9,799,328</b>	<b>100.00%</b>	<b>\$ 1,065,569</b>	<b>12.20%</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 special function revenue for the food service program. The increase in state and federal sources is mainly attributable to the increase 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, 2017, and the increases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase From 2016</u>	<u>Percent of Increase</u>
Salaries	\$ 4,733,180	48.41%	\$ 137,417	2.99 %
Employee benefits	1,035,667	10.59	88,750	9.37
Other purchased services	1,190,487	12.22	391,100	48.92
Supplies and materials	758,513	7.75	37,693	5.23
Cost of sales program	1,570,989	16.07	236,297	17.70
Other	488,290	4.99	59,198	13.80
	<b>\$ 9,777,126</b>	<b>100.00%</b>	<b>\$ 950,455</b>	<b>10.77 %</b>

The increase in salaries and benefits 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 participation. The increase in other purchased services is attributable to the District's increase in rental fees and service delivery costs.

#### Food Service Fund

The food service enterprise fund operated at a \$57,910 net profit this year. Total revenues from daily food sales increase from the prior year by \$35,412 or 2.63% as a result of increase in students which increase the meal claims from the prior year. The special function sales increases by \$415,117 or 70.0% as a result of the food service company provided meals to additional organizations. Total operating expenses increased from the prior year by \$435,093 or 13.2% due to an increase in employee benefits (insurance), cost of sales program and supplies.

The net position of the food service fund, \$96,082 is comprised of net position - investment in capital assets of \$89,798 and unrestricted net position of \$6,284.

**Adult and Community Education Fund**

The adult and community education fund realized operating revenue of \$6,020,264 for the year ended June 30, 2017. Current year tuition revenues increased from the prior year by \$516,278 or 9.40% 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 \$515,363 or 9.30% as a result of increased staffing (salaries and ancillary benefits) related to the expanded programs, as well as, investing in educational materials for the programs. As a result, the fund generated net operating loss of \$35,708.

The net position of the adult and community education fund, \$4,020,873 is comprised of net position-net investment in capital assets of \$126,844 and unrestricted net position of \$3,894,029. 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, 2017, the District's governmental activities had capital assets of \$69,867,168 (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, 2017 and 2016:

	June 30,	
	<u>2017</u>	<u>2016</u>
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	156,147	1,487,287
Buildings and building improvements, net	67,062,823	67,058,969
Machinery, equipment, and vehicles, net	1,105,231	1,161,181
Total capital assets, net	<u>\$ 69,867,168</u>	<u>\$ 71,250,404</u>

The decrease in total capital assets is a result of depreciation expense exceeding asset additions during the fiscal year.

*Debt Administration.* During the 2017 fiscal year, the District had outstanding long-term liabilities of \$27,706,246 of which \$7,869,982 was classified as the current portion.

At June 30, 2017 and 2016, the District's long-term liabilities consisted of:

	June 30	
	2017	2016
Bonds payable	\$ 19,365,000	\$ 22,105,000
Unamortized premium on bonds	1,137,654	1,359,636
Capital leases payable		1,676,145
Compensated absences payable	1,842,244	1,962,940
Accrued liability for insurance claims	5,361,348	5,785,761
Total long-term liabilities	<u>\$ 27,706,246</u>	<u>\$ 32,889,482</u>

Long-term liabilities decreased mainly due to the principal payments made on the bonds and capital leases outstanding in addition to the annual amortization of premiums on bonds. 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 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 unallocated benefits, health insurance exceeded the actual expenditures by \$2,667,540 or 14% as a result of lower claims costs in the current year.
- The final budget for salaries for teachers (all grades) exceeded the actual expenditures by \$1,975,198 based on a number of factors, including, vacancies and the salary differential between retired employees and newly hired employees.

## **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 08854.

## **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, 2017.

## Piscataway Township School District

## Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 20,036,304	\$ 5,288,257	\$ 25,324,561
Accounts receivable	4,178,947	452,860	4,631,807
Inventories		424	424
Investments	1,114,545		1,114,545
Other assets		15,000	15,000
Restricted:			
Cash and cash equivalents	11,699,698		11,699,698
Capital assets, non-depreciable	1,699,114		1,699,114
Capital assets, depreciable, net	68,168,054	216,642	68,384,696
Total assets	<u>106,896,662</u>	<u>5,973,183</u>	<u>112,869,845</u>
<b>Deferred Outflows Of Resources</b>			
Deferred loss on advanced refunding	1,053,672		1,053,672
Pension deferrals	18,262,435		18,262,435
	<u>19,316,107</u>		<u>19,316,107</u>
<b>Liabilities</b>			
Accounts payable	3,472,486	654,815	4,127,301
Accrued interest payable	290,578		290,578
Intergovernmental payables - State	34,619		34,619
Unearned revenue	210,378	1,201,413	1,411,791
Net pension liability	53,915,115		53,915,115
Current portion of long-term obligations	7,869,982		7,869,982
Noncurrent portion of long-term obligations	19,836,264		19,836,264
Total liabilities	<u>85,629,422</u>	<u>1,856,228</u>	<u>87,485,650</u>
<b>Deferred Inflow Of Resources</b>			
Pension deferrals	<u>87,173</u>		<u>87,173</u>
<b>Net Position</b>			
Net investment in capital assets	50,418,186	216,642	50,634,828
Restricted for:			
Capital projects	2,312,446		2,312,446
Excess surplus	10,698,414		10,698,414
Capital reserve	9,525,326		9,525,326
Maintenance reserve	2,000,000		2,000,000
Emergency reserve	174,372		174,372
Unrestricted (deficit)	<u>(34,632,570)</u>	<u>3,900,313</u>	<u>(30,732,257)</u>
Total net position	<u>\$ 40,496,174</u>	<u>\$ 4,116,955</u>	<u>\$ 44,613,129</u>

See accompanying notes to the basic financial statements.



## Piscataway Township School District

## Statement of Activities

Year ended June 30, 2017

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	\$ 89,968,357	\$ 408,871	\$ 2,411,179		\$ (87,148,307)	\$ (87,148,307)
Support services:						
Attendance/social work	395,547				(395,547)	(395,547)
Health services	1,711,586				(1,711,586)	(1,711,586)
Other support services	14,532,158		1,597,362		(12,934,796)	(12,934,796)
Improvement of instruction	3,374,490				(3,374,490)	(3,374,490)
Other support: instructional staff	15,643				(15,643)	(15,643)
School library	957,837				(957,837)	(957,837)
General administration	2,395,134				(2,395,134)	(2,395,134)
School administration	6,470,688				(6,470,688)	(6,470,688)
Central services	1,839,812				(1,839,812)	(1,839,812)
Administrative information technology	1,700,568				(1,700,568)	(1,700,568)
Plant operation and maintenance	14,012,012		45,434	\$ 462,836	(13,503,742)	(13,503,742)
Student transportation	7,506,675	447,735			(7,058,940)	(7,058,940)
Charter schools	295,494				(295,494)	(295,494)
Interest on long-term debt	768,766				(768,766)	(768,766)
Total governmental activities	<u>145,944,767</u>	<u>856,606</u>	<u>4,053,975</u>	<u>462,836</u>	<u>(140,571,350)</u>	<u>(140,571,350)</u>
<b>Business-type activities</b>						
Food Service	3,721,154	2,389,851	1,389,213		\$ 57,910	57,910
Adult and Community Education	6,055,972	6,007,406			(48,566)	(48,566)
Total business-type activities	<u>9,777,126</u>	<u>8,397,257</u>	<u>1,389,213</u>	<u>-</u>	<u>9,344</u>	<u>9,344</u>
Total primary government	<u>\$ 155,721,893</u>	<u>\$ 9,253,863</u>	<u>\$ 5,443,188</u>	<u>\$ 462,836</u>	<u>(140,571,350)</u>	<u>9,344</u>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				88,623,454		88,623,454
Property taxes, levied for debt service				3,569,675		3,569,675
State and federal sources—unrestricted				52,271,257		52,271,257
Investment income				221,935		221,935
Interest Income				78,760		78,760
Miscellaneous				402,888	12,858	415,746
Total general revenues				<u>145,167,969</u>	<u>12,858</u>	<u>145,180,827</u>
Change in net position				4,596,619	22,202	4,618,821
Net Position—beginning				35,899,555	4,094,753	39,994,308
Net Position—ending				<u>\$ 40,496,174</u>	<u>\$ 4,116,955</u>	<u>\$ 44,613,129</u>

See accompanying notes to the basic financial statements.

## **Fund Financial Statements**

**Governmental Funds**

Piscataway Township School District  
Governmental Funds

Balance Sheet

June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 7,832,777	\$ 115,439	\$ 2,582,428		\$ 10,530,644
Investments	1,114,545				1,114,545
Accounts receivable:					
State	1,159,244	881	2,244,156		3,404,281
Federal	2,904	619,876			622,780
Other	129,539	22,347			151,886
Interfund	4,242,020				4,242,020
Restricted assets:					
Cash and cash equivalents	11,699,698				11,699,698
<b>Total assets</b>	<b>\$ 26,180,727</b>	<b>\$ 758,543</b>	<b>\$ 4,826,584</b>	<b>\$ -</b>	<b>\$ 31,765,854</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,379,802	\$ 255,525			\$ 1,635,327
Intergovernmental payables:					
State		34,619			34,619
Interfunds payable		434,235	\$ 2,514,138		2,948,373
Unearned revenue	131,994	78,384			210,378
<b>Total liabilities</b>	<b>1,511,796</b>	<b>802,763</b>	<b>2,514,138</b>	<b>\$ -</b>	<b>4,828,697</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Excess surplus-current year	6,000,000				6,000,000
Excess surplus-prior year	4,698,414				4,698,414
Capital reserve account	9,525,326				9,525,326
Emergency reserve account	174,372				174,372
Capital projects			2,312,446		2,312,446
Maintenance Reserve	2,000,000				2,000,000
<b>Assigned to:</b>					
Other purposes	546,031				546,031
Unassigned (deficit)	1,724,788	(44,220)			1,680,568
<b>Total fund balances</b>	<b>24,668,931</b>	<b>(44,220)</b>	<b>2,312,446</b>	<b>\$ -</b>	<b>26,937,157</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,180,727</b>	<b>\$ 758,543</b>	<b>\$ 4,826,584</b>	<b>\$ -</b>	<b>\$ 31,765,854</b>

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 \$130,759,145 and the accumulated depreciation is \$60,891,977.	69,867,168
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.	(290,578)
Accounting loss on advanced refunding of debt	1,053,672
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.	(22,344,898)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	18,175,265
Accrued pension contributions for the June 30, 2017 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.	(1,686,752)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(53,915,115)
<b>Net position of governmental activities</b>	<b>\$ 40,496,174</b>

See accompanying notes to the basic financial statements.

Piscataway Township School District  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 88,623,454			\$ 3,569,675	\$ 92,193,129
Tuition	408,871				408,871
Transportation	447,735				447,735
Investment Income	221,935				221,935
Interest Income	78,760				78,760
Miscellaneous	402,888	\$ 202,338			605,226
Total local sources	90,183,643	202,338		3,569,675	93,955,656
State sources	30,011,097	1,105,886	\$ 462,836		31,579,819
Federal sources	118,615	2,745,751			2,864,366
Total revenues	120,313,355	4,053,975	462,836	3,569,675	128,399,841
<b>Expenditures</b>					
Current:					
Instruction	46,929,274	2,411,179			49,340,453
Undistributed-current:					
Instruction	1,418,931				1,418,931
Attendance/social work	206,467				206,467
Health services	909,762				909,762
Other support services	6,996,506	1,597,362			8,593,868
Improvement of instruction	1,831,024				1,831,024
Education media library	515,058				515,058
Other support: instructional staff	15,051				15,051
General administration	1,799,452				1,799,452
School administration	3,401,075				3,401,075
Central services	1,053,185				1,053,185
Administrative information technology	1,044,932				1,044,932
Required maintenance of plant services	1,821,362				1,821,362
Operation of plant	10,024,329				10,024,329
Student transportation	6,211,257				6,211,257
Unallocated benefits	16,289,735				16,289,735
On-behalf TPAF social security and pension contributions	13,140,117				13,140,117
Charter schools - current	295,494				295,494
Capital outlay		45,434	1,433,305		1,478,739
Debt Service:					
Principal				2,740,000	2,740,000
Interest				829,675	829,675
Total expenditures	113,903,011	4,053,975	1,433,305	3,569,675	122,959,966
Excess (deficiency) of revenues over (under) expenditures	6,410,344		(970,469)		5,439,875
Other financing sources (uses)					
Transfers in			30,000		30,000
Transfers out	(30,000)				(30,000)
Total other financing sources (uses)	(30,000)	-	30,000	-	-
Net change in fund balances	6,380,344		(940,469)		5,439,875
Fund balances (deficit), July 1	18,288,587	(44,220)	3,252,915		21,497,282
Fund balances (deficit), June 30	\$ 24,668,931	\$ (44,220)	\$ 2,312,446	\$ -	\$ 26,937,157

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, 2017

**Total net change in fund balances - governmental funds (from B-2)** **\$ 5,439,875**

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	\$ (3,466,748)	
	Capital outlays	<u>2,083,513</u>	(1,383,235)

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 position.

4,416,145

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.

44,522

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).

120,696

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>(4,057,771)</u>	
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**Change in net position of governmental activities (A-2)**

**\$ 4,596,619**

*See accompanying notes to the basic financial statements.*

**Proprietary Funds**

Piscataway Township School District  
Proprietary Funds

Statement of Net Position

June 30, 2017

	<b>Major Funds</b>			<b>Internal Service Fund Self Insurance Fund</b>
	<b>Business Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Adult and Community Education</b>	<b>Totals</b>	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 319,758	\$ 4,968,499	\$ 5,288,257	\$ 9,505,660
Accounts receivable:				
State	4,376		4,376	
Federal	82,404		82,404	
Other	278,786	87,294	366,080	
Other assets		15,000	15,000	
Inventories	424		424	
Total current assets	<u>685,748</u>	<u>5,070,793</u>	<u>5,756,541</u>	<u>9,505,660</u>
Capital assets:				
Equipment	986,929	671,543	1,658,472	
Accumulated depreciation	(897,131)	(544,699)	(1,441,830)	
Total capital assets, net	<u>89,798</u>	<u>126,844</u>	<u>216,642</u>	
Total assets	<u>775,546</u>	<u>5,197,637</u>	<u>5,973,183</u>	<u>9,505,660</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	633,785	21,030	654,815	150,410
Interfund payable				1,293,647
Accrued liability for insurance claims				5,361,348
Unearned revenue	45,679	1,155,734	1,201,413	
Total current liabilities	<u>679,464</u>	<u>1,176,764</u>	<u>1,856,228</u>	<u>6,805,405</u>
<b>Net Position</b>				
Net investment in capital assets	89,798	126,844	216,642	
Unrestricted	6,284	3,894,029	3,900,313	2,700,255
Total net position	<u>\$ 96,082</u>	<u>\$ 4,020,873</u>	<u>\$ 4,116,955</u>	<u>\$ 2,700,255</u>



Piscataway Township School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2017

	<b>Major Funds</b>			<b>Internal Service Fund Self Insurance Fund</b>
	<b>Business Type Activities - Enterprise Funds</b>			
	<b>Food Service</b>	<b>Adult and Community Education</b>	<b>Totals</b>	
	<b>Food Service</b>	<b>Adult and Community Education</b>	<b>Totals</b>	
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	\$ 777,213		\$ 777,213	
Daily food sales non-reimbursable programs	604,413		604,413	
Tuition		\$ 6,007,406	6,007,406	
Charges for services				\$ 17,285,552
Special Function	1,008,225		1,008,225	
Miscellaneous		12,858	12,858	
Total operating revenues	<u>2,389,851</u>	<u>6,020,264</u>	<u>8,410,115</u>	<u>17,285,552</u>
Operating expenses:				
Salaries	1,179,818	3,553,362	4,733,180	
Purchased professional services	5,828		5,828	
Employee benefits	286,875	748,792	1,035,667	17,135,552
Purchased property services		242,900	242,900	
Other purchased services	132,212	809,547	941,759	
Supplies and materials	177,682	580,831	758,513	
Cost of sales - program	1,177,315		1,177,315	
Cost of sales - non-program	393,674		393,674	
Management Fee	342,164		342,164	
Depreciation	25,586	49,181	74,767	
Miscellaneous		71,359	71,359	150,000
Total operating expenses	<u>3,721,154</u>	<u>6,055,972</u>	<u>9,777,126</u>	<u>17,285,552</u>
Operating (loss)	(1,331,303)	(35,708)	(1,367,011)	-
Nonoperating revenues:				
State sources:				
State school lunch program	27,713		27,713	
Federal sources:				
School breakfast program	196,136		196,136	
National school lunch program	934,712		934,712	
Healthy Hunger Free Kids Act (HHFKA)	31,394		31,394	
Food donation program	199,258		199,258	
Total nonoperating revenues	<u>1,389,213</u>	<u>-</u>	<u>1,389,213</u>	<u>-</u>
Change in net position	57,910	(35,708)	22,202	-
Total net position-beginning	<u>38,172</u>	<u>4,056,581</u>	<u>4,094,753</u>	<u>2,700,255</u>
Total net position-ending	<u>\$ 96,082</u>	<u>\$ 4,020,873</u>	<u>\$ 4,116,955</u>	<u>\$ 2,700,255</u>

See accompanying notes to the basic financial statements.

Piscataway Township School District  
Proprietary Funds

Statement of Cash Flows  
Year ended June 30, 2017

	Major Funds			
	Business Type Activities -			Internal
	Enterprise Funds			Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 2,224,495	\$ 6,073,576	\$ 8,298,071	
Payments to employees	(1,179,818)	(3,553,362)	(4,733,180)	
Payments for employee benefits	(286,875)	(748,792)	(1,035,667)	
Payments to suppliers	(1,814,278)	(2,061,849)	(3,876,127)	
Receipts from services provided				\$ 17,285,552
Payments for insurance				(16,616,314)
Net cash (used in) provided by operating activities	(1,056,476)	(290,427)	(1,346,903)	669,238
<b>Cash flows from noncapital financing activities</b>				
Cash received from state and federal reimbursements	1,379,080		1,379,080	
Net cash provided by noncapital financing activities	1,379,080	-	1,379,080	-
<b>Cash flows from investing activities</b>				
Acquisition of capital assets	(2,846)	(10,757)	(13,603)	
Net cash used in investing activities	(2,846)	(10,757)	(13,603)	-
Net increase (decrease) in cash and cash equivalents	319,758	(301,184)	18,574	669,238
Cash and cash equivalents, beginning of year	-	5,269,683	5,269,683	8,836,422
Cash and cash equivalents, end of year	<u>\$ 319,758</u>	<u>\$ 4,968,499</u>	<u>\$ 5,288,257</u>	<u>\$ 9,505,660</u>
<b>Reconciliation of operating (loss) to net cash (used in) provided by operating activities:</b>				
Operating (loss)	\$ (1,331,303)	\$ (35,708)	\$ (1,367,011)	
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities:				
Depreciation	25,586	49,181	74,767	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(171,241)	63,320	(107,921)	
(Increase) in inventory	(306)		(306)	
Increase (decrease) in accounts payable	432,336	(357,212)	75,124	\$ 150,410
(Decrease) increase in interfund payable	(17,739)		(17,739)	943,241
Increase (decrease) in unearned revenue	6,191	(10,008)	(3,817)	
(Decrease) in accrued liability for insurance claims				(424,413)
Net cash (used in) provided by operating activities	<u>\$ (1,056,476)</u>	<u>\$ (290,427)</u>	<u>\$ (1,346,903)</u>	<u>\$ 669,238</u>

**Noncash noncapital financing activities:**

The District received \$199,564 of food commodities from Department of Agriculture for the year ended June 30, 2017.

See accompanying notes to the basic financial statements.

## **Fiduciary Funds**

Piscataway Township School District  
Fiduciary Funds

Statement of Fiduciary Net Position

Year Ended June 30, 2017

	<u>Private-Purpose Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 26,279	\$ 1,769,280	\$ 430,034
Total assets	<u>\$ 26,279</u>	<u>\$ 1,769,280</u>	<u>\$ 430,034</u>
<b>Liabilities</b>			
Payroll deductions payable			\$ 10,617
Accounts payable		\$ 15,536	51,360
Due to student groups			368,057
Total liabilities		<u>\$ 15,536</u>	<u>\$ 430,034</u>
<b>Net position</b>			
Held in trust for unemployment claims		<u>\$ 1,753,744</u>	
Held in trust for scholarships	<u>\$ 26,279</u>		

*See accompanying notes to the basic financial statements.*

Piscataway Township School District  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2017

	<b>Private-Purpose Scholarship Funds</b>	<b>Unemployment Compensation Trust</b>
<b>Additions</b>		
Contributions:		
Employee		\$ 148,317
Other	\$ 16,381	
Total additions	16,381	148,317
<b>Deductions</b>		
Unemployment claims paid		143,379
Scholarship payments	7,443	
Total deductions	7,443	143,379
Change in net position	8,938	4,938
Net position-beginning of the year	17,341	1,748,806
Net position-end of the year	\$ 26,279	\$ 1,753,744

*See accompanying notes to the basic financial statements.*

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**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 area described below.

**A. Reporting Entity**

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

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

grants, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences, the net position liability and capital leases, are recorded only when payment is due.

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

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

The District has reported the following major governmental funds:

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

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



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

*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.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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.

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."

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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

**D. Budgets/Budgetary Control**

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

**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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

**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, 2017, the District had inventories in the Food Service Enterprise Fund of \$424 which represent unused Food Donation Program commodities, which are also reported as unearned revenue.

**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 2016-17 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

**I. Compensated Absences**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,842,244 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

**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.

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, 2017, the District has recorded an unamortized balance of \$1,053,672 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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

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 \$24,668,931 of fund balance in the General Fund, \$9,525,326 (\$1,105,000 utilized in the 2017-2018 budget) has been restricted in the capital reserve account, \$2,000,000 has been restricted in the maintenance reserve account, \$174,372 (\$174,372 utilized in the 2017-2018 budget) has been restricted in the emergency reserve account, \$6,000,000 is restricted for current year surplus, \$4,698,414 is restricted for prior year surplus, \$546,031 of encumbrances are assigned to other purposes and \$1,724,788 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

Net 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.

**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. 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, 2017 was \$10,698,414. Of this amount, \$4,698,414 has been appropriated in the 2017-2018 budget and the remaining \$6,000,000 is required to be appropriated in the 2018-2019 budget.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

**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." 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**

**GASB Pronouncements implemented in the 2017 Fiscal Year**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated are authorized to enter into tax abatement agreements. Furthermore if the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. There have been no tax abatement agreements entered into by the Township that will affect the District.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**U. Subsequent Events**

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.

Management has reviewed and evaluated all events and transactions from June 30, 2017 through November 30, 2017, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

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

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 \$22,344,898 difference are as follows:

Bonds payable	\$ 19,365,000
Unamortized premium on bonds	1,137,654
Compensated absences	<u>1,842,244</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 22,344,898</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**3. Deposits and Investments**

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

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

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

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) 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%.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2017, the District's carrying amount of deposits was \$39,036,987 and the bank balance was \$41,510,080. Of the bank balance, \$500,000 was secured by federal depository insurance and \$40,301,614 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$708,466 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.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

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, 2017, the District's investment balances of \$1,114,545 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, 2017:

- Solar Renewable Energy Credits in the amount of \$1,114,545 are valued using quoted market prices (Level 1 inputs).

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2017:

	Beginning Balance	Increases	Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Sites and Site Improvements (Land)	\$ 1,542,967			\$ 1,542,967
Construction in progress	1,487,287	\$ 156,147	\$ (1,487,287)	156,147
Total capital assets, not being depreciated	3,030,254	156,147	-	1,699,114
Capital assets, being depreciated:				
Buildings and building improvements	117,601,020	1,590,039	1,487,287	120,678,346
Machinery, equipment and vehicles	8,044,358	337,327		8,381,685
Total capital assets being depreciated	125,645,378	1,927,366	-	129,060,031
Less accumulated depreciation for:				
Buildings and building improvements	50,542,052	3,073,471		53,615,523
Machinery, equipment and vehicles	6,883,177	393,277		7,276,454
Total accumulated depreciation	57,425,229	3,466,748	-	60,891,977
Total capital assets, being depreciated, net	68,220,149	(1,539,382)	-	68,168,054
Governmental activities capital assets, net	\$ 71,250,403	\$ (1,383,235)	\$ -	\$ 69,867,168

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2017 as follows:

Instruction	\$ 1,995,027
Attendance/social work	8,119
Health services	35,774
Other support services	337,934
Improvement of instruction	72,001
Education media library	20,253
Other support: Instruction staff	592
General administration	70,759
School administration	133,739
Central services	41,414
Administrative information technology	41,089
Plant operation and maintenance	465,804
Student transportation	244,243
Total depreciation expense - governmental activities	<u>\$ 3,466,748</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$ 1,644,869	\$ 13,603	\$ 1,658,472
Less accumulated depreciation for:			
Equipment	1,367,063	74,767	1,441,830
Total business-type activities capital assets, net	<u>\$ 277,806</u>	<u>\$ (61,164)</u>	<u>\$ 216,642</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**5. Long-Term Liabilities**

During the year ended June 30, 2017, 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>
<b>Governmental activities:</b>					
Compensated absences payable	\$ 1,962,940	\$ 216,488	\$ 337,184	\$ 1,842,244	\$ 237,000
Bonds payable	22,105,000		2,740,000	19,365,000	2,875,000
Unamortized premium on bonds	1,359,636		221,982	1,137,654	221,982
Capital lease payable	1,676,145		1,676,145		
Accrued liability for insurance claims	5,785,761	17,172,080	17,596,493	5,361,348	4,536,000
Subtotal	32,889,482	17,388,568	22,571,804	27,706,246	7,869,982
Net pension liability	38,337,367	15,577,748	-	53,915,115	
Governmental activity long- term liabilities	<u>\$ 71,226,849</u>	<u>\$ 32,966,316</u>	<u>\$ 22,571,804</u>	<u>\$ 81,621,361</u>	<u>\$ 7,869,982</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 with payments made from the District's general fund and the bonds payable from the debt service fund. The accrued liability for insurance claims is paid with charges to other funds' budgets from the internal service fund.

**Capital Lease Payable**

The District is leasing solar panels and roof site work equipment in an amount of \$8,185,000 under a capital lease. The equipment is being leased with an interest rate of 1.23% for a term of five years, ending June 30, 2017. The District made its final lease payment of \$1,676,145 during fiscal year ended June 30, 2017 and did not enter into a new lease agreement on or subsequent to June 30, 2017. Therefore, there are no future lease payments to disclose.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

**Bonds Payable**

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
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	3,450,000	188,313	3,638,313
2023	3,575,000	66,725	3,641,725
	<u>\$ 19,365,000</u>	<u>\$ 2,360,538</u>	<u>\$21,725,538</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 Schedule I-1 for additional information regarding the District's bonds payable, including original amount of debt, interest rates and remaining maturities.

**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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

**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 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

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 over the next seven years 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, 2017, the State of New Jersey contributed \$9,606,862 to the TPAF for normal costs of pension, post-retirement medical and long-term disability insurance 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 \$3,533,255 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2017, 2016 and 2015 were \$1,617,220, \$1,468,276, and \$1,413,651 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

**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, 2017, the District reported a liability of \$53,915,115 for its proportionate share of the net pension liability. 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 July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.1820402973 percent, which was an increase of 0.0112572702 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized full accrual pension expense of \$5,674,993 in the government-wide financial statements. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,002,658	\$
Changes of assumptions	11,168,332	
Net difference between projected and actual earnings on pension plan investments	2,055,832	
Changes in proportion		
Changes in proportion and differences between District contributions and proportionate share of contributions	2,348,861	87,173
District contributions subsequent to the measurement date	1,686,752	
	<u>\$ 18,262,435</u>	<u>\$ 87,173</u>

\$1,686,752 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:

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

<b>Year ended June 30:</b>	
2018	\$ 3,774,656
2019	3,774,655
2020	3,774,656
2021	3,805,287
2022	1,359,256
	<u>\$ 16,488,510</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increases	
Through 2026	1.65 - 4.15% based on age
Thereafter	2.65- 5.15% based on age
Investment rate of return	7.65%

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 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%	0.87%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
U. S Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

*Discount rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 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, 2016 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 or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 66,066,680	\$ 53,915,115	\$ 43,882,944

*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, 2017

**6. Pension Plans (continued)**

*Additional Information*

Collective balances at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 8,685,338,380
Deferred inflows of resources	\$ 870,133,595
Net pension liability	\$ 29,617,131,759
District's Proportion	0.1820402973%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,830,763,540.

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, 2016, 2015 and 2014 is 5.57, 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, 2016 was \$364,337,637. 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, 2015, which was rolled forward to June 30, 2016. 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.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

At June 30, 2016, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4631428278 percent, which was an increase of 0.0195890626 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$27,374,904 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	7.65%

*Mortality Rates*

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**6. Pension Plans (continued)**

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 TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	100.00%	

*Discount Rate*

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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, 2017

**6. Pension Plans (continued)**

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

The following presents the net pension liability of the State as of June 30, 2016 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 (2.22%)</b>	<b>At Current Discount Rate (3.22%)</b>	<b>At 1% Increase (4.22%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 435,100,559	\$ 364,337,637	\$ 306,550,579

*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 at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 17,581,004,496
Deferred inflows of resources	\$ 300,836,088
Net pension liability	\$ 79,028,907,033
 State's proportionate share associated with the District	 0.4631428278%

Collective pension expense for the plan for the measurement period ended June 30, 2016 is \$5,938,166,374.

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, 2016, 2015 and 2014 is 8.3, 8.3 and 8.5 years, respectively.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 employer paid 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

SEHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2017, 2016 and 2015 were \$4,360,578, \$4,415,323 and \$3,806,848, 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

**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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**9. Interfund Receivables and Payables**

The total interfund receivables and payables for the District at June 30, 2017 are as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 4,242,020	
Special Revenue Fund		\$ 434,235
Capital Projects Fund		2,514,138
Self Insurance Internal Service Fund		1,293,647
	<u>\$ 4,242,020</u>	<u>\$ 4,242,020</u>

The interfund receivable in the general fund represents cash loaned to the special revenue fund to cover a pooled cash deficit; funds due to capital reserve from capital projects fund; and a receivable from the self-insurance internal service fund 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**11. Contingent Liabilities (continued)**

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

**Self-Insurance**

The District is self-insured for workers' compensation, medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. The accrued liability for unpaid workers' compensation, medical, prescription and dental claims of \$5,361,348 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**12. Risk Management (continued)**

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2017, 2016, and 2015 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>
2016-17	\$5,785,758	\$ 17,172,083	\$ 17,596,493	\$ 5,361,348
2015-16	5,695,090	15,633,235	15,542,567	5,785,758
2014-15	5,941,339	17,172,119	17,418,368	5,695,090

The District has estimated the short-term liability to be \$5,361,348, 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.

**14. Restricted Assets**

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

**15. Transfers – Reconciliation**

The following presents a reconciliation of transfers during the 2017 fiscal year:



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

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

	<u>In</u>	<u>Out</u>
General Fund		\$ 30,000
Capital Projects Fund	\$ 30,000	
	<u>\$ 30,000</u>	<u>\$ 30,000</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.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$ 5,342,098
Deposits:	
Approved at the June 2017 Board meeting	4,213,228
Withdrawals:	
Board resolution	(30,000)
Ending balance, June 30, 2017	<u>\$ 9,525,326</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$1,105,000 from the capital reserve account in its 2017-2018 budget.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

**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 NJ.AC. 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, 2017.

**18. Deficit Fund Balance**

The District has an undesignated deficit fund balance of \$44,220 in the Special Revenue Fund as of June 30, 2017 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 \$1,611,422 of contractual commitments at June 30, 2017 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 \$546,031 at June 30, 2017 which are reported as assigned to other purposes.

**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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - Local Group	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%	n/a	n/a	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 53,915,115	\$ 38,337,367	\$ 32,105,624	\$ 31,810,285	n/a	n/a	n/a	n/a	n/a	n/a
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	446.84%	318.71%	284.96%	277.44%	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	40.14%	47.93%	48.62%	48.72%	n/a	n/a	n/a	n/a	n/a	n/a

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 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016.

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

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 1,617,220	\$ 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
Contributions in relation to the contractually required contribution	(1,617,220)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,358,725	\$ 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
Contributions as a percentage of covered-employee payroll	13.09%	13.40%	12.21%	12.55%	10.83%	11.60%	12.19%	10.65%	8.27%	4.48%

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\*

	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.463142878%	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	\$ 364,337,637	280,344,921	249,711,421	229,130,813
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 364,337,637</u>	<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	22.33%	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 4.13 % as of June 30, 2015 to 3.22% as of June 30, 2016.

**Required Supplementary Information – Part III**

**Budgetary Comparison Schedules**

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
<b>Local sources:</b>					
Local tax levy	\$ 88,623,454		\$ 88,623,454	\$ 88,623,454	
Tuition from Individuals	12,000		12,000	20,177	\$ 8,177
Tuition from LEAs within state	240,000		240,000	388,694	148,694
Transportation Fees from Individuals	275,000		275,000	328,784	53,784
Transportation Fees from Other LEAs	100,000		100,000	118,951	18,951
Interest Income				78,760	78,760
Miscellaneous	805,000		805,000	402,888	(402,112)
<b>Total revenues - local sources</b>	<b>90,055,454</b>		<b>90,055,454</b>	<b>89,961,708</b>	<b>(93,746)</b>
<b>State sources:</b>					
Categorical Special Education aid	4,407,101		4,407,101	4,407,101	
Categorical Transportation aid	580,045		580,045	580,045	
Equalization Aid	9,687,325		9,687,325	9,687,325	
Extraordinary aid	845,000		845,000	937,710	92,710
Security Aid	613,955		613,955	613,955	
Additional non public transportation aid				46,256	
Educational Adequacy aid	403,614		403,614	403,614	
Bully Prevention					
PARCC Readiness Aid	73,450		73,450	73,450	
Per Pupil Growth Aid	73,450		73,450	73,450	
Professional Learning Community Aid	72,250		72,250	72,250	
On-behalf TPAF pension contributions (non-budgeted)				5,233,359	5,233,359
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,360,578	4,360,578
On-behalf TPAF Long- Term Disability contributions (non-budgeted)				12,925	12,925
Reimbursed TPAF social security contributions (non-budgeted)				3,533,255	3,533,255
<b>Total - state sources</b>	<b>16,756,190</b>		<b>16,756,190</b>	<b>30,035,273</b>	<b>13,232,827</b>
<b>Federal sources:</b>					
Medicaid reimbursement	94,788		94,788	118,615	23,827
<b>Total Federal sources</b>	<b>94,788</b>	<b>-</b>	<b>94,788</b>	<b>118,615</b>	<b>23,827</b>
<b>Total revenues</b>	<b>106,906,432</b>	<b>-</b>	<b>106,906,432</b>	<b>120,115,596</b>	<b>13,162,908</b>
<b>Expenditures</b>					
<b>Current expenditures:</b>					
<b>Instruction - regular programs:</b>					
<b>Salaries of teachers:</b>					
Preschool/kindergarten	1,935,190		1,935,190	1,675,749	259,441
Grades 1-5	11,246,204	\$ (110,600)	11,135,604	10,589,735	545,869
Grades 6-8	7,637,480	(146,977)	7,490,503	7,190,662	299,841
Grades 9-12	11,162,425	(358,103)	10,804,322	9,934,275	870,047
<b>Home instruction - regular programs:</b>					
Salaries of teachers	70,000	(25,000)	45,000	40,380	4,620
Purchased professional-educational	60,000	13,046	73,046	61,470	11,576
<b>Undistributed instruction - regular</b>					
Other salaries for instruction	308,521	(12,424)	296,097	296,097	
Purchased professional-educational	1,465,150	83,489	1,548,639	1,428,127	120,512
Other purchased services	47,695	11,131	58,826	49,170	9,656
General supplies	1,030,244	443,301	1,473,545	1,352,621	120,924
Textbooks	26,712	1,094	27,806	18,016	9,790
Other objects	238,189	90,202	328,391	314,483	13,908
<b>Total instruction - regular programs</b>	<b>35,227,810</b>	<b>(10,841)</b>	<b>35,216,969</b>	<b>32,950,785</b>	<b>2,266,184</b>



Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 375,747	\$ 14,500	\$ 390,247	\$ 380,991	\$ 9,256
Other salaries for instruction	292,962	(98,515)	194,447	135,798	58,649
Purchased professional ed services	232,589	(27,759)	204,830	139,096	65,734
Other purchased services	350		350	80	270
General supplies	8,050	(160)	7,890	7,278	612
Textbooks	150		150		150
<b>Total cognitive-mild</b>	<b>909,848</b>	<b>(111,934)</b>	<b>797,914</b>	<b>663,243</b>	<b>134,671</b>
Learning and/or language disabilities:					
Salaries of teachers	807,001	18,994	825,995	823,988	2,007
Other salaries for instruction	337,953	114,092	452,045	450,317	1,728
Purchased professional ed services	189,555	63,278	252,833	233,162	19,671
General supplies	4,050		4,050	2,387	1,663
<b>Total learning and/or language disabilities</b>	<b>1,338,559</b>	<b>196,364</b>	<b>1,534,923</b>	<b>1,509,854</b>	<b>25,069</b>
Behavioral disabilities:					
Salaries of teachers	612,299	(78,424)	533,875	509,457	24,418
Other salaries for instruction	78,875	29,771	108,646	108,571	75
Purchased professional ed services	283,088	(27,759)	255,329	235,120	20,209
General supplies	6,900		6,900	5,746	1,154
Textbooks	500		500	356	144
<b>Total behavioral disabilities</b>	<b>981,662</b>	<b>(76,412)</b>	<b>905,250</b>	<b>859,250</b>	<b>46,000</b>
Multiple disabilities:					
Salaries of teachers	150,311	9,000	159,311	139,233	20,078
Other salaries for instruction	114,459	(9,000)	105,459	35,153	70,306
Purchased professional ed services	94,778		94,778	54,308	40,470
General supplies	2,100		2,100	2,050	50
<b>Total multiple disabilities</b>	<b>361,648</b>	<b>-</b>	<b>361,648</b>	<b>230,744</b>	<b>130,904</b>
Resource room/center:					
Salaries of teachers	4,787,466	(325,417)	4,462,049	4,270,352	191,697
Other salaries for instruction	818,600	(121,493)	697,107	674,326	22,781
Purchased professional ed services	307,626	(50,943)	256,683	198,763	57,920
General supplies	11,300	(1,236)	10,064	7,969	2,095
<b>Total resource room/center</b>	<b>5,924,992</b>	<b>(499,089)</b>	<b>5,425,903</b>	<b>5,151,410</b>	<b>274,493</b>
Autism:					
Salaries of teachers	504,797	239,203	744,000	735,087	8,913
Other salaries for instruction	200,703	38,424	239,127	239,127	
Purchased professional-educational	259,463	(2,626)	256,837	197,577	59,260
General supplies	56,200	2,660	58,860	55,727	3,133
<b>Total autism</b>	<b>1,021,163</b>	<b>277,661</b>	<b>1,298,824</b>	<b>1,227,518</b>	<b>71,306</b>
Preschool disabilities - part time:					
Salaries of teachers	215,533	24,328	239,861	239,861	
Other salaries for instruction	125,359	(24,075)	101,284	94,246	7,038
Purchased professional-educational	30,000	37,759	67,759	41,736	26,023
General supplies	2,000		2,000	1,585	415
<b>Total preschool disabilities - part time</b>	<b>372,892</b>	<b>38,012</b>	<b>410,904</b>	<b>377,428</b>	<b>33,476</b>
Preschool disabilities - full time:					
Salaries of teachers	213,178		213,178	195,552	17,626
Other salaries for instruction	135,289		135,289	135,289	
Purchased professional-educational	199,282		199,282	177,174	22,108
<b>Total preschool disabilities - part time</b>	<b>547,749</b>	<b></b>	<b>547,749</b>	<b>508,015</b>	<b>39,734</b>
<b>Total special education</b>	<b>11,458,513</b>	<b>(175,398)</b>	<b>11,283,115</b>	<b>10,527,462</b>	<b>755,653</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 1,215,552	\$ 53,068	\$ 1,268,620	\$ 1,251,349	\$ 17,271
General supplies	7,200	67	7,267	4,582	2,685
Total basic skills/remedial - instruction	1,222,752	53,135	1,275,887	1,255,931	19,956
Bilingual education - instruction:					
Salaries of teachers	575,306		575,306	455,454	119,852
Purchased professional ed services	46,810		46,810		46,810
General supplies	9,838	(1,301)	8,537	6,848	1,689
Total bilingual education - instruction	631,954	(1,301)	630,653	462,302	168,351
School - sponsored cocurricular activities:					
Salaries	327,061	1,420	328,481	315,012	13,469
Supplies and materials	65,125	(22,418)	42,707	34,903	7,804
Other objects	1,300		1,300	1,289	11
Total school spn. cocurricular activities	393,486	(20,998)	372,488	351,204	21,284
School - sponsored athletics - instruction:					
Salaries	816,539	71,737	888,276	885,554	2,722
Purchased services	112,000	2,815	114,815	108,916	5,899
Supplies and materials	100,000	(4,122)	95,878	95,446	432
Other objects	28,600	1,337	29,937	29,918	19
Total school - sponsored athletics - instruction	1,057,139	71,767	1,128,906	1,119,834	9,072
Other supplemental / At Risk programs:					
Salaries of tutors	103,630	(37,008)	66,622	48,759	17,863
Purchased professional ed services	90,000	122,865	212,865	212,865	
Other Purchased services	9,000		9,000		9,000
General supplies	3,200	(1,500)	1,700	132	1,568
Total Other supplemental / At Risk programs	205,830	84,357	290,187	261,756	28,431
Total instruction	50,197,484	721	50,198,205	46,929,274	3,268,931
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.		14,055	14,055	13,274	781
Tuition to other LEAs w/in the state - sp.	750,000	(62,519)	687,481	470,127	217,354
Tuition to private schools for the handicapped - within state	1,300,000	(147,905)	1,152,095	870,918	281,177
Tuition - state facilities	64,612		64,612	64,612	
Total instruction	2,114,612	(196,369)	1,918,243	1,418,931	499,312

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 221,270		\$ 221,270	\$ 203,506	\$ 17,764
Other purchased services	3,400		3,400	2,163	1,237
Supplies and materials	1,000	\$ 404	1,404	798	606
Total attendance and social work service	225,670	404	226,074	206,467	19,607
Health services:					
Salaries	762,659	100,454	863,113	861,491	1,622
Purchased professional and technical services	27,500	777	28,277	21,262	7,015
Other purchased services	600		600	171	429
Supplies and materials	26,000	861	26,861	26,838	23
Total health services	816,759	102,092	918,851	909,762	9,089
Speech, OT, PT, and related services related services:					
Salaries	1,221,837	128,965	1,350,802	1,262,389	88,413
Purchased professional educational services		32,400	32,400	30,635	1,765
Supplies and materials	10,000		10,000	9,216	784
Total Speech, OT, PT, and related services	1,231,837	161,365	1,393,202	1,302,240	90,962
Other support services - students - extra services:					
Salaries		3,259	3,259	3,259	
Purchased professional educational services	466,000	62,739	528,739	512,307	16,432
Supplies and materials	4,500	2,000	6,500	5,610	890
Total other support services - students - extra services	470,500	67,998	538,498	521,176	17,322
Guidance:					
Salaries of other professional staff	1,762,505	(96,500)	1,666,005	1,660,018	5,987
Salaries of secretarial and clerical assistants	340,559		340,559	340,559	
Other Salaries	41,490	(1,000)	40,490	39,827	663
Purchased professional - educational services	249,000		249,000	72,818	176,182
Other purchased professional - technical	2,000		2,000	25	1,975
Other purchased services	3,100	125	3,225	2,020	1,205
Supplies and materials	30,750	(125)	30,625	27,932	2,693
Other objects	710		710	676	34
Total guidance	2,430,114	(97,500)	2,332,614	2,143,875	188,739
Child Study Team:					
Salaries of other professional staff	2,800,488	(5,088)	2,795,400	2,656,094	139,306
Salaries of secretarial and clerical assistants	266,567		266,567	266,567	
Other Salaries	87,000	(11,134)	75,866	69,382	6,484
Purchased professional - educational services	86,000	(68,339)	17,661	15,772	1,889
Other purchased services (400-500 series)	9,450	1,500	10,950	5,733	5,217
Supplies and materials	19,000	(1,500)	17,500	15,667	1,833
Total child study team	3,268,505	(84,561)	3,183,944	3,029,215	154,729

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 1,284,917	\$ (20,135)	\$ 1,264,782	\$ 1,217,251	\$ 47,531
Salaries of secretarial and clerical assistants	186,750		186,750	178,675	8,075
Other Salaries	52,280	1,755	54,035	45,023	9,012
Salaries of facilitators, math & literacy	262,290	(43,536)	218,754	213,845	4,909
Purchased professional - educational services	24,000	38,808	62,808	57,343	5,465
Other purchased services	8,200		8,200	1,754	6,446
Supplies and materials	168,608	(37,952)	130,656	115,035	15,621
Other objects	4,670		4,670	2,098	2,572
<b>Total improvement of instructional services</b>	<b>1,991,715</b>	<b>(61,060)</b>	<b>1,930,655</b>	<b>1,831,024</b>	<b>99,631</b>
Educational media services/school library:					
Salaries	503,056		503,056	475,168	27,888
Purchased professional and technical services	12,724		12,724		12,724
Supplies and materials	44,600	278	44,878	39,890	4,988
<b>Total educational media services/school library</b>	<b>560,380</b>	<b>278</b>	<b>560,658</b>	<b>515,058</b>	<b>45,600</b>
Instructional staff training services:					
Other purchased services	37,200	(1,380)	35,820	14,132	21,688
Supplies and materials	250		250		250
Other objects	2,250	(491)	1,759	919	840
<b>Total instructional staff training services</b>	<b>39,700</b>	<b>(1,871)</b>	<b>37,829</b>	<b>15,051</b>	<b>22,778</b>
Support services-general administration:					
Salaries	464,787	34,417	499,204	463,352	35,852
Salaries of attorneys	126,980		126,980	126,970	10
Legal services	60,000	37,918	97,918	799	97,119
Audit fees	86,000		86,000	84,300	1,700
Architectual / engineering services	110,000	327,800	437,800	307,161	130,639
Other purchased professional services	40,000	11,000	51,000	48,305	2,695
Purchased technical services	50,000	1,287	51,287	1,285	50,002
Communications/telephone	581,700	(215,186)	366,514	275,004	91,510
BOE Other purchased services	5,000	3,253	8,253	2,340	5,913
Misc Purch Services	362,000	99,787	461,787	319,672	142,115
General supplies	161,000	542	161,542	107,331	54,211
Judgments against the school district	75,000	8,925	83,925	13,946	69,979
Miscellaneous expenditures	10,000	29,925	39,925	17,503	22,422
BOE membership dues and fees	36,000	3,872	39,872	31,484	8,388
<b>Total support services-general administration</b>	<b>2,168,467</b>	<b>343,540</b>	<b>2,512,007</b>	<b>1,799,452</b>	<b>712,555</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	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	\$ 2,293,494	\$ 26,781	\$ 2,320,275	\$ 2,259,841	\$ 60,434
Salaries of other prof staff	95,000	4,500	99,500	99,499	1
Salaries of secretarial and clerical assistants	911,345	116,720	1,028,065	922,921	105,144
Other salaries	8,050	113,787	121,837	19,390	102,447
Purchased professional and technical services		4,000	4,000	2,704	1,296
Other purchased services	11,800	(868)	10,932	3,604	7,328
Supplies and materials	148,943	(28,284)	120,659	83,118	37,541
Other objects	39,055	515	39,570	9,998	29,572
<b>Total support services-school administration</b>	<b>3,507,687</b>	<b>237,151</b>	<b>3,744,838</b>	<b>3,401,075</b>	<b>343,763</b>
Central services:					
Salaries	884,151	56,138	940,289	838,058	102,231
Purchased technical services	50,000		50,000	43,990	6,010
Misc. purchased services	136,000	(300)	135,700	104,719	30,981
Supplies and materials	35,000	19,932	54,932	42,897	12,035
Interest on lease purchase agreements	15,414		15,414	15,414	
Other objects	5,000	3,663	8,663	8,107	556
<b>Total central services</b>	<b>1,125,565</b>	<b>79,433</b>	<b>1,204,998</b>	<b>1,053,185</b>	<b>151,813</b>
Administrative information technology:					
Salaries	735,823	80,000	815,823	691,112	124,711
Purchased technical services	12,000	43,250	55,250	41,000	14,250
Other purchased services	20,000	(5,000)	15,000	552	14,448
Supplies and Materials	53,500	1,000	54,500	49,514	4,986
Other objects	300,555	(31,283)	269,272	262,754	6,518
<b>Total administrative information technology</b>	<b>1,121,878</b>	<b>87,967</b>	<b>1,209,845</b>	<b>1,044,932</b>	<b>164,913</b>
Required maintenance for school facilities:					
Salaries	1,045,830		1,045,830	1,001,184	44,646
Cleaning, repair and maintenance services	509,000	109,981	618,981	551,510	67,471
General supplies	288,700	13,866	302,566	268,668	33,898
<b>Total required maintenance for school facilities</b>	<b>1,843,530</b>	<b>123,847</b>	<b>1,967,377</b>	<b>1,821,362</b>	<b>146,015</b>
Custodial Services:					
Salaries	2,771,634		2,771,634	2,743,791	27,843
Purchased professional and technical services	45,000	20,040	65,040	45,650	19,390
Cleaning, repair and maintenance services	249,272	9,579	258,851	240,140	18,711
Other purchased property services	240,000	2,500	242,500	242,491	9
Insurance	925,000	(30,156)	894,844	889,560	5,284
Miscellaneous purchased services	5,000	2,657	7,657	6,677	980
General supplies	493,000	40,791	533,791	317,745	216,046
Energy - Natural gas	581,000	60,000	641,000	499,973	141,027
Energy - Electricity	1,772,000	(60,000)	1,712,000	1,387,994	324,006
Other Objects		134	134	134	
<b>Total custodial services</b>	<b>7,081,906</b>	<b>45,545</b>	<b>7,127,451</b>	<b>6,374,155</b>	<b>753,296</b>
Care & upkeep of grounds:					
Salaries	412,791		412,791	368,796	43,995
Cleaning, repair and maintenance services	92,500	(4,216)	88,284	77,640	10,644
General supplies	97,000	(9,219)	87,781	76,638	11,143
<b>Total care &amp; upkeep of grounds</b>	<b>602,291</b>	<b>(13,435)</b>	<b>588,856</b>	<b>523,074</b>	<b>65,782</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 370,648		\$ 370,648	\$ 363,707	\$ 6,941
Purchased professional and technical services	75,000	\$ 5,000	80,000	55,507	24,493
Cleaning, repair and maintenance services	5,000	5,000	10,000	6,680	3,320
General supplies	35,000	20,700	55,700	32,251	23,449
<b>Total Security</b>	<b>485,648</b>	<b>30,700</b>	<b>516,348</b>	<b>458,145</b>	<b>58,203</b>
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	10,000		10,000	8,718	1,282
Between home and school - regular	1,099,646	(8,464)	1,091,182	1,082,121	9,061
Between home and school - special	70,000	(35,134)	34,866	34,866	
Other than between home & school	55,000	1,435	56,435	56,435	
Between home and school - non public	25,000	(25,000)			
Other purchased professional services	600,000		600,000	524,890	75,110
Cleaning, repair and maintenance	320,000	51,000	371,000	319,885	51,115
Rental payment - school buses	20,000	(10,815)	9,185	6,566	2,619
Contracted services:					
Between home & school - regular	2,237,815	41,000	2,278,815	2,236,310	42,505
Other between home & school - regular	447,950	(40,154)	407,796	185,198	222,598
Between home & school - jointures	100,000	(73,366)	26,634	26,634	
Vendors - special ed	25,000	(25,000)			
ESCs & CTSA's - regular ed	200,000	131,963	331,963	331,963	
ESCs & CTSA's - special ed	800,000	51,771	851,771	851,771	
Aid in lieu - nonpublic	150,000	20,533	170,533	120,357	50,176
Aid in lieu - charter		20,000	20,000	15,735	4,265
Miscellaneous purchased services	50,000	14,610	64,610	51,366	13,244
General Supplies	75,000	(32,008)	42,992	41,818	1,174
Transportation Supplies and materials	350,000	(25,000)	325,000	316,624	8,376
<b>Total student transportation services</b>	<b>6,635,411</b>	<b>57,371</b>	<b>6,692,782</b>	<b>6,211,257</b>	<b>481,525</b>
Unallocated benefits:					
Social security contributions	1,350,000		1,350,000	1,311,876	38,124
Other retirement contributions - PERS	1,700,000	(44,768)	1,655,232	1,644,277	10,955
Worker's compensation	425,000	30,156	455,156	455,156	
Health insurance	15,003,400		15,003,400	12,465,193	2,538,207
Tuition reimbursement	120,000	(37,000)	83,000	33,750	49,250
PSA tuition reimbursement		20,000	20,000	9,189	10,811
Other tuition reimbursement		20,000	20,000	1,117	18,883
Other employee benefits	325,000	45,487	370,487	369,177	1,310
<b>Total unallocated benefits</b>	<b>18,923,400</b>	<b>33,875</b>	<b>18,957,275</b>	<b>16,289,735</b>	<b>2,667,540</b>
On-behalf TPAF pension contributions ( non-budgeted)				5,233,359	(5,233,359)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,360,578	(4,360,578)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				12,925	(12,925)
Reimbursed TPAF social security contributions ( non-budgeted)				3,533,255	(3,533,255)
<b>Total personal services: benefits</b>	<b>18,923,400</b>	<b>33,875</b>	<b>18,957,275</b>	<b>29,429,852</b>	<b>(10,472,577)</b>
<b>Total undistributed expenditures</b>	<b>56,645,575</b>	<b>916,770</b>	<b>57,562,345</b>	<b>64,009,288</b>	<b>(6,446,943)</b>
<b>Total current expenditures</b>	<b>106,843,059</b>	<b>917,491</b>	<b>107,760,550</b>	<b>110,938,562</b>	<b>(3,178,012)</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Capital outlay:</b>					
<b>Equipment:</b>					
Undistributed expenditures:					
Grades 6-8	\$ 124,486	\$ 5,211	\$ 129,697	\$ 124,483	\$ 5,214
Grades 9-12	149,840	163,742	313,582	312,880	702
Required maint for school fac	255,972	85,705	341,677	311,942	29,735
Undistributed expenditure Security	300,000		300,000		300,000
<b>Total equipment</b>	<b>830,298</b>	<b>254,658</b>	<b>1,084,956</b>	<b>749,305</b>	<b>335,651</b>
<b>Facilities acquisition and construction services:</b>					
Lease purchase agreements - principal	1,676,145		1,676,145	1,676,145	
Other objects - assessment of debt service	243,505		243,505	243,505	
Construction services		1,845	1,845		1,845
<b>Total facilities acquisition and construction services</b>	<b>1,919,650</b>	<b>1,845</b>	<b>1,921,495</b>	<b>1,919,650</b>	<b>1,845</b>
<b>Total expenditures - capital outlay</b>	<b>2,749,948</b>	<b>256,503</b>	<b>3,006,451</b>	<b>2,668,955</b>	<b>337,496</b>
Transfer of funds to charter schools	247,030	48,464	295,494	295,494	-
<b>Total expenditures</b>	<b>109,840,037</b>	<b>1,222,458</b>	<b>111,062,495</b>	<b>113,903,011</b>	<b>(2,840,516)</b>
(Deficiency) excess of revenues (under) over expenditures	(2,933,605)	(1,222,458)	(4,156,063)	6,212,585	10,322,392
<b>Other financing (uses):</b>					
Transfers out					
		(30,000)	(30,000)	(30,000)	
<b>Total other financing (uses)</b>	<b>-</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>-</b>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(2,933,605)	(1,252,458)	(4,186,063)	6,182,585	10,322,392
Fund balances, July 1	18,916,382		18,916,382	18,916,382	
<b>Fund balances, June 30</b>	<b>\$ 15,982,777</b>	<b>\$ (1,252,458)</b>	<b>\$ 14,730,319</b>	<b>\$ 25,098,967</b>	<b>\$ 10,322,392</b>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (2,933,605)		\$ (2,933,605)	\$ 7,435,043	\$ 10,368,648
Budgeted transfer to capital projects fund		\$ (30,000)	(30,000)	(30,000)	
Adjustment for prior year encumbrances		(1,222,458)	(1,222,458)	(1,222,458)	
<b>Total</b>	<b>\$ (2,933,605)</b>	<b>\$ (1,252,458)</b>	<b>\$ (4,186,063)</b>	<b>\$ 6,182,585</b>	<b>\$ 10,368,648</b>
<b>Recapitulation of fund balance:</b>					
<b>Restricted for:</b>					
Emergency reserve				\$ 174,372	
Capital reserve				9,525,326	
Maintenance reserve				2,000,000	
Excess surplus - prior year				4,698,414	
Excess surplus - current year				6,000,000	
<b>Assigned to:</b>					
Year end encumbrances				546,031	
Unassigned fund balance				2,154,824	
				<u>25,098,967</u>	
<b>Reconciliation to Government Funds Statements GAAP:</b>					
Last two state aid payments not recognized on GAAP basis					
				(1,544,581)	
Solar Renewable Energy Credits (SREC) Income					
				1,114,545	
<b>Fund balance per Government Funds (GAAP) (B-1)</b>				<u>\$ 24,668,931</u>	

Piscataway Township School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
State sources	\$ 842,200	\$ 298,305	\$ 1,140,505	\$ 1,105,886	\$ (34,619)
Federal sources	2,466,285	482,562	2,948,847	2,745,003	(203,844)
Other sources		280,721	280,721	203,036	(77,685)
<b>Total revenues</b>	<b>3,308,485</b>	<b>1,061,588</b>	<b>4,370,073</b>	<b>4,053,925</b>	<b>(316,148)</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	470,000	(47,864)	422,136	391,175	30,961
Purchased professional technical services		137,328	137,328	137,328	
Purchased professional educational services		76,004	76,004	57,835	18,169
Tuition	1,651,285	60,651	1,711,936	1,711,936	
Travel		24,240	24,240	7,346	16,894
Supplies and materials		176,241	176,241	82,460	93,781
Miscellaneous Purchased Services		5,000	5,000		5,000
<b>Total instruction</b>	<b>2,121,285</b>	<b>431,600</b>	<b>2,552,885</b>	<b>2,388,080</b>	<b>164,805</b>
<b>Support services:</b>					
Salaries of other professional staff	120,000	3,297	123,297	123,297	
Personal services—employee benefits	95,000	22,366	117,366	117,366	
Purchased professional technical services		4,099	4,099	437	3,662
Purchased professional educational services	972,200	460,731	1,432,931	1,332,760	100,171
Other purchased professional services		27,178	27,178	3,804	23,374
Travel		410	410	409	1
Supplies and materials		65,473	65,473	42,338	23,135
<b>Total support services</b>	<b>1,187,200</b>	<b>583,554</b>	<b>1,770,754</b>	<b>1,620,411</b>	<b>150,343</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		46,434	46,434	45,434	1,000
<b>Total facilities acquisition and construction services</b>		<b>46,434</b>	<b>46,434</b>	<b>45,434</b>	<b>1,000</b>
<b>Total expenditures</b>	<b>3,308,485</b>	<b>1,061,588</b>	<b>4,370,073</b>	<b>4,053,925</b>	<b>316,148</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, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 120,115,596	\$ 4,053,925
<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		(698)
Prior year		748
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,520,405	44,220
Current year	(1,544,581)	(44,220)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis	221,935	
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)</b>		
	<u>\$ 120,313,355</u>	<u>\$ 4,053,975</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 113,903,011	\$ 4,053,925
<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		748
Current year		(698)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>		
	<u>\$ 113,903,011</u>	<u>\$ 4,053,975</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, 2017

	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	\$ 580,040	\$ 1,836,488	\$ 52,697	\$ 119,234	\$ 78,214	\$ 42,068
Other sources						
<b>Total revenues</b>	<b>\$ 580,040</b>	<b>\$ 1,836,488</b>	<b>\$ 52,697</b>	<b>\$ 119,234</b>	<b>\$ 78,214</b>	<b>\$ 42,068</b>
<b>Expenditures:</b>						
<b>Current expenditures:</b>						
<b>Instruction:</b>						
Salaries of teachers	\$ 389,700					\$ 875
Tuition		\$ 1,659,239	\$ 52,697			
Purchased professional technical services				\$ 8,536		
Purchased professional educational services	15,479					33,820
Travel						
Supplies and materials	46,307				\$ 3,834	6,936
<b>Total instruction</b>	<b>451,486</b>	<b>1,659,239</b>	<b>52,697</b>	<b>8,536</b>	<b>3,834</b>	<b>41,631</b>
<b>Support services:</b>						
Salaries of other professional staff					58,237	
Personal services—employee benefits	96,200				16,143	
Purchased professional technical services						437
Purchased professional educational services	18,000	177,249		110,376		
Other purchased professional services	3,174					
Travel						
Supplies and materials	11,180			322		
<b>Total support services</b>	<b>128,554</b>	<b>177,249</b>	<b>-</b>	<b>110,698</b>	<b>74,380</b>	<b>437</b>
<b>Capital outlay:</b>						
<b>Facilities acquisition and construction services:</b>						
Instructional equipment						
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 580,040</b>	<b>\$ 1,836,488</b>	<b>\$ 52,697</b>	<b>\$ 119,234</b>	<b>\$ 78,214</b>	<b>\$ 42,068</b>

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2017

	New Jersey Non-Public Aid										
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Supple - mentary 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	\$ 128,457	\$ 14,343	\$ 19,650	\$ 70,067	\$ 38,344	\$ 33,743	\$ 108,839	\$ 33,858	\$ 881	\$ 74,479	\$ 62,274
Federal sources											
Other sources											
Total revenues	\$ 128,457	\$ 14,343	\$ 19,650	\$ 70,067	\$ 38,344	\$ 33,743	\$ 108,839	\$ 33,858	\$ 881	\$ 74,479	\$ 62,274
Expenditures:											
Current expenditures:											
Instruction:											
Salaries of teachers											
Tuition											
Purchased professional technical services											
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	\$ 128,457	\$ 14,343	\$ 19,650	\$ 70,067	\$ 38,344	\$ 33,743	\$ 108,839	\$ 33,858	\$ 881	\$ 74,479	\$ 62,274
Other purchased professional services											
Travel											
Supplies and materials											
Total support services	128,457	14,343	19,650	70,067	38,344	33,743	108,839	33,858	881	74,479	62,274
Capital outlay:											
Facilities acquisition and construction services:											
Instructional equipment											
Total facilities acquisition and construction services											
Total expenditures	\$ 128,457	\$ 14,343	\$ 19,650	\$ 70,067	\$ 38,344	\$ 33,743	\$ 108,839	\$ 33,858	\$ 881	\$ 74,479	\$ 62,274

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2017

	Carl Perkins	Preschool Education Aid	NJ Achievement Coaches	Local Programs	Totals
<b>Revenues:</b>					
State sources		\$ 442,200	\$ 78,751		\$ 1,105,886
Federal sources	\$ 36,262				2,745,003
Other sources				\$ 203,036	203,036
<b>Total revenues</b>	<b>\$ 36,262</b>	<b>\$ 442,200</b>	<b>\$ 78,751</b>	<b>\$ 203,036</b>	<b>\$ 4,053,925</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	\$ 600				391,175
Tuition					1,711,936
Purchased professional technical services			\$ 372	\$ 136,956	137,328
Purchased professional educational services					57,835
Travel				7,346	7,346
Supplies and materials	240			25,143	82,460
<b>Total instruction</b>	<b>840</b>		<b>372</b>	<b>169,445</b>	<b>2,388,080</b>
<b>Support services:</b>					
Salaries of other professional staff	450		64,610		123,297
Personal services—employee benefits	80		4,943		117,366
Purchased professional technical services					437
Purchased professional educational services		\$ 442,200			1,332,760
Other purchased professional services			630		3,804
Travel			409		409
Supplies and materials			7,787	23,049	42,338
<b>Total support services</b>	<b>530</b>	<b>442,200</b>	<b>78,379</b>	<b>23,049</b>	<b>1,620,411</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment	34,892			10,542	45,434
<b>Total facilities acquisition and construction services</b>	<b>34,892</b>	<b>-</b>	<b>-</b>	<b>10,542</b>	<b>45,434</b>
<b>Total expenditures</b>	<b>\$ 36,262</b>	<b>\$ 442,200</b>	<b>\$ 78,751</b>	<b>\$ 203,036</b>	<b>\$ 4,053,925</b>

Piscataway Township School District  
Special Revenue Fund

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

Year ended June 30, 2017

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

Calculation of Budget and Carryover

Total revised 2016-17 Preschool Education Aid Allocation	\$ 442,200
Add: Actual ECPA/Preschool Education Aid Carryover June 30, 2016	<u>-</u>
Total Preschool Education Aid Funds Available for 2016-17 Budget	442,200
Less: 2016-17 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>442,200</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	-
 Add: June 30, 2017 Unexpended Preschool Education Aid	
2016-17 Carryover - Preschool Education Aid/Preschool	<u>\$ -</u>
 2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-18	<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, 2017

<b>Revenues and other financing sources</b>	
State Sources - SDA Grant	
Total revenues	_____
	-
<b>Expenditures and Other Financing Uses</b>	
Construction services	\$ 1,433,305
Total expenditures	<u>1,433,305</u>
	_____
Excess of revenues over expenditures	(1,433,305)
<b>Other Financing sources</b>	
Cancellation of SDA grant awards	(296,792)
Transfers in	<u>30,000</u>
Total other financing sources	(266,792)
(Deficiency) of revenues under expenditures and other financing sources	(1,700,097)
Fund Balance, July 1	<u>5,231,028</u>
Fund Balance, June 30	<u>\$ 3,530,931</u>
Fund balance, budgetary-basis	\$ 3,530,931
Less difference in grant revenue recognized	(1,218,485)
Fund balance, GAAP-basis	<u>\$ 2,312,446</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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 3,528,056	\$ (296,792)	\$ 3,231,264	\$ 3,231,264
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	<u>5,692,929</u>	<u>30,000</u>	<u>5,722,929</u>	<u>5,722,929</u>
Total revenues	<u>9,220,985</u>	<u>(266,792)</u>	<u>8,954,193</u>	<u>\$ 8,954,193</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	3,989,957	1,433,305	5,423,262	
Equipment				
Total expenditures	<u>3,989,957</u>	<u>1,433,305</u>	<u>5,423,262</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,231,028</u>	<u>\$ (1,700,097)</u>	<u>\$ 3,530,931</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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized 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 from capital reserve	664,735		664,735	664,735
<b>Total revenues</b>	<u>1,107,892</u>	<u>-</u>	<u>1,107,892</u>	<u>\$ 1,107,892</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	1,107,892		1,107,892	
Equipment				
<b>Total expenditures</b>	<u>1,107,892</u>	<u>-</u>	<u>1,107,892</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</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			
Percentage Increase over Original 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, 2017

	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 from 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	339,198		339,198	
Equipment				
<b>Total expenditures</b>	<u>339,198</u>	<u>-</u>	<u>339,198</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**Additional project information**

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
Percentage Decrease over Original 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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 271,194		\$ 271,194	\$ 271,194
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	406,792		406,792	406,792
Total revenues	<u>677,986</u>	<u>-</u>	<u>677,986</u>	<u>\$ 677,986</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	\$ 677,986		\$ 677,986	
Equipment				
Total expenditures	<u>677,986</u>	<u>-</u>	<u>677,986</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	\$ 677,986			
Additional Authorized Cost				
Revised Authorized Cost	\$ 677,986			
Percentage Decrease over Original Authorized Cost	0.00%			
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, 2017

	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	\$ 70,845		\$ 70,845	\$ 70,845
<b>Total revenues</b>	<u>70,845</u>	<u>-</u>	<u>70,845</u>	<u>\$ 70,845</u>
<b>Expenditures and Other Financing Uses</b>				
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>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 28,005</u>	<u>\$ -</u>	<u>\$ 28,005</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	\$ 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		December 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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 290,056	\$ (44,360)	\$ 245,696	\$ 245,696
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	435,084		435,084	435,084
<b>Total revenues</b>	<u>725,140</u>	<u>(44,360)</u>	<u>680,780</u>	<u>\$ 680,780</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	244,129	370,110	614,239	
Equipment				
<b>Total expenditures</b>	<u>244,129</u>	<u>370,110</u>	<u>614,239</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 481,011</u>	<u>\$(414,470)</u>	<u>\$ 66,541</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	\$ 680,780
Additional Authorized Cost	
Revised Authorized Cost	\$ 680,780
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	90.23%
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)

Upgrade HVAC Controls: Piscataway High School  
From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 67,120	\$ (1,336)	\$ 65,784	\$ 65,784
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	100,680		100,680	100,680
<b>Total revenues</b>	<u>167,800</u>	<u>(1,336)</u>	<u>166,464</u>	<u>\$ 166,464</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	150,114	14,345	164,459	
Equipment				
<b>Total expenditures</b>	<u>150,114</u>	<u>14,345</u>	<u>164,459</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 17,686</u>	<u>\$ (15,681)</u>	<u>\$ 2,005</u>	

**Additional project information**

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	(1,336)
Revised Authorized Cost	\$ 166,464
Percentage Increase over Original Authorized Cost	-0.80%
Percentage completion	98.80%
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)

HVAC Renovations: Conackamack Middle School

From Inception and for the year ended June 30, 2017

	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	\$ 15,000	178,620	178,620
<b>Total revenues</b>	<u>272,700</u>	<u>15,000</u>	<u>287,700</u>	<u>\$ 287,700</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	134,348	145,844	280,192	
Equipment				
<b>Total expenditures</b>	<u>134,348</u>	<u>145,844</u>	<u>280,192</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 138,352</u>	<u>\$ (130,844)</u>	<u>\$ 7,508</u>	

**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	15,000
Revised Authorized Cost	\$ 287,700
Percentage Increase over Original Authorized Cost	5.50%
Percentage completion	97.39%
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)

HVAC Renovations: Arbor Elementary School  
 From Inception and for the year ended June 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 38,860	\$ (18,370)	\$ 20,490	\$ 20,490
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	58,290		58,290	58,290
<b>Total revenues</b>	<u>97,150</u>	<u>(18,370)</u>	<u>78,780</u>	<u>\$ 78,780</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	43,508	8,799	52,307	
Equipment				
<b>Total expenditures</b>	<u>43,508</u>	<u>8,799</u>	<u>52,307</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 53,642</u>	<u>\$ (27,169)</u>	<u>\$ 26,473</u>	
<b>Additional project information</b>				
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	(18,370)			
Revised Authorized Cost	\$ 78,780			
Percentage Increase over Original Authorized Cost	-18.91%			
Percentage completion	66.40%			
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)

HVAC Renovations: Eisenhower Elementary School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 116,220	\$ (84,310)	\$ 31,910	\$ 31,910
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	174,330		174,330	174,330
<b>Total revenues</b>	<u>290,550</u>	<u>(84,310)</u>	<u>206,240</u>	<u>\$ 206,240</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	15,599	64,177	79,776	
Equipment				
<b>Total expenditures</b>	<u>15,599</u>	<u>64,177</u>	<u>79,776</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 274,951</u>	<u>\$ (148,487)</u>	<u>\$ 126,464</u>	

**Additional project information**

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	(84,310)
Revised Authorized Cost	\$ 206,240
Percentage Increase over Original Authorized Cost	-29.02%
Percentage completion	38.68%
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)

HVAC Renovations: Grandview Elementary School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 77,960	\$ (25,470)	\$ 52,490	\$ 52,490
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	116,940		116,940	116,940
<b>Total revenues</b>	<u>194,900</u>	<u>(25,470)</u>	<u>169,430</u>	<u>\$ 169,430</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	12,031	119,195	131,226	
Equipment				
<b>Total expenditures</b>	<u>12,031</u>	<u>119,195</u>	<u>131,226</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 182,869</u>	<u>\$ (144,665)</u>	<u>\$ 38,204</u>	

**Additional project information**

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	(25,470)
Revised Authorized Cost	\$ 169,430
Percentage Increase over Original Authorized Cost	-13.07%
Percentage completion	77.45%
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)

HVAC Renovations: Knollwood Elementary School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 74,060	\$ (26,330)	\$ 47,730	\$ 47,730
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	111,090		111,090	111,090
<b>Total revenues</b>	<u>185,150</u>	<u>(26,330)</u>	<u>158,820</u>	<u>\$ 158,820</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	12,136	107,790	119,926	
Equipment				
<b>Total expenditures</b>	<u>12,136</u>	<u>107,790</u>	<u>119,926</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 173,014</u>	<u>\$ (134,120)</u>	<u>\$ 38,894</u>	

**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	(26,330)
Revised Authorized Cost	\$ 158,820
Percentage Increase over Original Authorized Cost	-14.22%
Percentage completion	75.51%
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)

HVAC Renovations: Martin Luther King Elementary School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 113,020	\$ (81,310)	\$ 31,710	\$ 31,710
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	169,530		169,530	169,530
<b>Total revenues</b>	<u>282,550</u>	<u>(81,310)</u>	<u>201,240</u>	<u>\$ 201,240</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	14,599	64,078	78,677	
Equipment				
<b>Total expenditures</b>	<u>14,599</u>	<u>64,078</u>	<u>78,677</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 267,951</u>	<u>\$ (145,388)</u>	<u>\$ 122,563</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	(81,310)
Revised Authorized Cost	\$ 201,240
Percentage Increase over Original Authorized Cost	-28.78%
Percentage completion	39.10%
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)

HVAC Renovations: Randolphville Elementary School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 69,700	\$ (17,010)	\$ 52,690	\$ 52,690
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	104,550		104,550	104,550
<b>Total revenues</b>	<u>174,250</u>	<u>(17,010)</u>	<u>157,240</u>	<u>\$ 157,240</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	11,149	120,575	131,724	
Equipment				
<b>Total expenditures</b>	<u>11,149</u>	<u>120,575</u>	<u>131,724</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 163,101</u>	<u>\$ (137,585)</u>	<u>\$ 25,516</u>	
<b>Additional project information</b>				
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	(17,010)			
Revised Authorized Cost	\$ 157,240			
Percentage Increase over Original Authorized Cost	-9.76%			
Percentage completion	83.77%			
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)

Replace Chillers: Piscataway High School

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant Note proceeds and transfers	\$ 309,048		\$ 309,048	\$ 309,048
Contribution from Private sources Transfer from capital reserve	583,572		583,572	583,572
<b>Total revenues</b>	<u>892,620</u>	<u>-</u>	<u>892,620</u>	<u>\$ 892,620</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	835,359	\$ 51,395	886,754	
Equipment				
<b>Total expenditures</b>	<u>835,359</u>	<u>51,395</u>	<u>886,754</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 57,261</u>	<u>\$ (51,395)</u>	<u>\$ 5,866</u>	

**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
<b>Percentage Increase over Original</b>	
Authorized Cost	15.53%
Percentage completion	99.34%
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)

Replacement of Exterior Metal Panels: Piscataway High School

From Inception and for the year ended June 30, 2017

	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>	<u>1,542,000</u>	<u>-</u>	<u>1,542,000</u>	<u>\$ 1,542,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	4,795	\$ 23,240	28,035	
Equipment				
<b>Total expenditures</b>	<u>4,795</u>	<u>23,240</u>	<u>28,035</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 1,537,205</u>	<u>\$ (23,240)</u>	<u>\$ 1,513,965</u>	
<b>Additional project information</b>				
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	1.82%			
Original target completion date	N/A			
Revised target completion date	December 2018			

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, 2017

	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	\$ 15,000	\$ 225,000	\$ 225,000
<b>Total revenues</b>	<u>210,000</u>	<u>15,000</u>	<u>225,000</u>	<u>\$ 225,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	9,520	215,480	225,000	
Equipment				
<b>Total expenditures</b>	<u>9,520</u>	<u>215,480</u>	<u>225,000</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 200,480</u>	<u>\$ (200,480)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 225,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 225,000			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
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)

Bathroom ADA Renovations: Piscataway High School

From Inception and for the year ended June 30, 2017

	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 from capital reserve	993,300		993,300	993,300
<b>Total revenues</b>	<u>1,655,500</u>	<u>-</u>	<u>1,655,500</u>	<u><u>\$ 1,655,500</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services		\$ 128,277	128,277	
Equipment				
<b>Total expenditures</b>	<u>-</u>	<u>128,277</u>	<u>128,277</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u><u>\$ 1,655,500</u></u>	<u><u>\$ (128,277)</u></u>	<u><u>\$ 1,527,223</u></u>	
<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	7.75%			
Original target completion date	N/A			
Revised target completion date	December 2018			

Piscataway Township School District  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Security and Communications System Upgrade: High School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 133,902	\$ 1,704	\$ 135,606	\$ 135,606
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	200,852		200,852	200,852
<b>Total revenues</b>	<u>334,754</u>	<u>1,704</u>	<u>336,458</u>	<u>\$ 336,458</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Land and improvements				
Construction services	334,754		334,754	
Equipment				
<b>Total expenditures</b>	<u>334,754</u>		<u>334,754</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 334,754</u>	<u>\$ 1,704</u>	<u>\$ 1,704</u>	
<b>Additional project information</b>				
Project number		NA		
Grant date		NA		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 387,500			
Additional Authorized Cost	(51,046)			
Revised Authorized Cost	\$ 336,454			
Percentage Increase over Original Authorized Cost		100.00%		
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		Unexpended Balance
		Prior Years	Current Year	
Roof Replacement: Eisenhower Elementary School	\$ 1,107,892	\$ 1,107,892		
Roof Replacement: Grandview Elementary School	339,198	339,198		
Roof Replacement: T. Schor Elementary School	677,986	677,986		
High School Security & Locks	70,845	42,840		\$ 28,005
Roof Replacement: Fellowship Farms	680,780	244,129	\$ 370,110	66,541
Upgrade HVAC Controls: Piscataway High School	166,464	150,114	14,345	2,005
HVAC Renovations: Conackamack Middle School	287,700	134,348	145,844	7,508
HVAC Renovations: Arbor Elementary School	78,780	43,508	8,799	26,473
HVAC Renovations: Eisenhower Elementary School	206,240	15,599	64,177	126,464
HVAC Renovations: Grandview Elementary School	169,430	12,031	119,195	38,204
HVAC Renovations: Knollwood Elementary School	158,820	12,136	107,790	38,894
HVAC Renovations: Martin Luther King Elementary School	201,240	14,599	64,078	122,563
HVAC Renovations: Randolphville Elementary School	157,240	11,149	120,575	25,516
Replace Chillers: Piscataway High School	892,620	835,359	51,395	5,866
Replacement of Exterior Metal Panels: Piscataway High School	1,542,000	4,795	23,240	1,513,965
Roof Top Units: Fellowship Farms	225,000	9,520	215,480	
Bathroom ADA Renovations: Piscataway High School	1,655,500		128,277	1,527,223
Security and Communications System Upgrade: High School	336,458	334,754		1,704
	<u>\$ 8,954,193</u>	<u>\$ 3,989,957</u>	<u>\$ 1,433,305</u>	<u>\$ 3,530,931</u>

## **Fiduciary Funds**

Piscataway Township School District  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2017

	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	\$ 26,279	\$ 1,769,280	\$ 1,795,559	\$ 368,057	\$ 51,360	\$ 10,617	\$ 430,034
Total assets	<u>26,279</u>	<u>1,769,280</u>	<u>1,795,559</u>	<u>\$ 368,057</u>	<u>\$ 51,360</u>	<u>\$ 10,617</u>	<u>\$ 430,034</u>
<b>Liabilities</b>							
Payroll deductions payable						\$ 10,617	\$ 10,617
Accounts payable		\$ 15,536	\$ 15,536		\$ 51,360		51,360
Due to student groups				\$ 368,057			368,057
Total liabilities				<u>\$ 368,057</u>	<u>\$ 51,360</u>	<u>\$ 10,617</u>	<u>\$ 430,034</u>
<b>Net position</b>							
Held in trust for unemployment claims		1,753,744	1,753,744				
Held in trust for scholarships	26,279		26,279				
Total net position	<u>\$ 26,279</u>	<u>\$ 1,753,744</u>	<u>\$ 1,780,023</u>				

Piscataway Township School District  
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2017

	<b>Private- Purpose Scholarship Funds</b>	<b>Unemployment Compensation</b>	<b>Totals</b>
<b>Additions:</b>			
Contributions	\$ 16,381	\$ 148,317	\$ 164,698
Total additions	<u>16,381</u>	<u>148,317</u>	<u>164,698</u>
<b>Deductions:</b>			
Scholarship payments	7,443		7,443
Unemployment claims paid		143,379	143,379
Total deductions	<u>7,443</u>	<u>143,379</u>	<u>150,822</u>
Change in net position	8,938	4,938	13,876
Net position, beginning	17,341	1,748,806	1,766,147
Net position, ending	<u>\$ 26,279</u>	<u>\$ 1,753,744</u>	<u>\$ 1,780,023</u>



Piscataway Township School District  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	<b>Balance July 1, 2016</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2017</b>
<b>Assets:</b>				
Cash and cash equivalents				
Student Activity Fund	\$ 363,902	\$ 584,421	\$ 580,266	\$ 368,057
Total assets	\$ 363,902	\$ 584,421	\$ 580,266	\$ 368,057
<b>Liabilities:</b>				
Due to student groups				
Student Activity Fund	\$ 363,902	\$ 584,421	\$ 580,266	\$ 368,057
Total liabilities	\$ 363,902	\$ 584,421	\$ 580,266	\$ 368,057

Piscataway Township School District  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	<b>Balance July 1, 2016</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2017</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 8,041	\$73,744,331	\$ 73,741,755	\$ 10,617
Total assets	<u>\$ 8,041</u>	<u>\$73,744,331</u>	<u>\$ 73,741,755</u>	<u>\$ 10,617</u>
<b>Liabilities</b>				
Payroll deductions payable	\$ 8,041	\$73,744,331	\$ 73,741,755	\$ 10,617
Total liabilities	<u>\$ 8,041</u>	<u>\$73,744,331</u>	<u>\$ 73,741,755</u>	<u>\$ 10,617</u>

Piscataway Township School District  
Bond and Interest Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	<b>Balance July 1, 2016</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2017</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 51,360			\$ 51,360
Total assets	<u>\$ 51,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,360</u>
<b>Liabilities</b>				
Accounts payable	\$ 51,360			\$ 51,360
Total liabilities	<u>\$ 51,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,360</u>

## **Long-Term Debt**

Piscataway Township School District  
 Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Retired	Balance June 30, 2017
			Date	Amount				
Refunding Bonds	8/15/2011	\$ 27,280,000	8/15/2017	\$ 2,875,000	4.00 %	\$ 22,105,000	\$2,740,000	\$19,365,000
			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>\$ 22,105,000</u>	<u>\$2,740,000</u>	<u>\$19,365,000</u>

Piscataway Township School District  
 Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2017

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2016	Retired	Balance June 30, 2017
Roof renovation and solar initiative	1.23%	\$ 8,185,000	\$ 1,676,145	\$1,676,145	
			\$ 1,676,145	\$1,676,145	\$ -

Piscataway Township School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,569,675		\$ 3,569,675	\$ 3,569,675	
Total revenues	<u>3,569,675</u>		<u>3,569,675</u>	<u>3,569,675</u>	
Expenditures:					
Principal on bonds	2,740,000		2,740,000	2,740,000	
Interest on bonds	<u>829,675</u>		<u>829,675</u>	<u>829,675</u>	
Total expenditures	<u>3,569,675</u>		<u>3,569,675</u>	<u>3,569,675</u>	
Excess of revenues over expenditures					
Fund balance, July 1					
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Statistical Section (Unaudited)**

Other Information



**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

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 50,418,186
Restricted	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558
Unrestricted (deficit)	2,912,403	254,420	367,286	1,425,411	1,697,656	1,471,112	(34,485)	(29,739,991)	(29,523,581)	(34,632,570)
<b>Total governmental activities net position</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>\$ 35,899,557</b>	<b>\$ 40,496,174</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 292,998	\$ 547,443	\$ 442,029	\$ 291,576	\$ 161,558	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642
Unrestricted	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	3,900,313
<b>Total business-type activities net position</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>\$ 4,116,955</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 50,634,828
Restricted	6,754,646	6,708,590	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558
Unrestricted (deficit)	4,334,601	1,284,003	1,253,946	2,323,592	3,148,547	3,463,290	3,089,324	(25,901,619)	(25,706,634)	(30,732,257)
<b>Total district net position</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>\$ 39,994,310</b>	<b>\$ 44,613,129</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 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	\$ 89,968,357
Support services:										
Attendance/social work	315,266	319,532	324,692	297,537	389,436	386,990	386,649	413,128	349,747	395,547
Health services	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	1,711,586
Other support services	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	14,532,158
Improvement of instruction	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	3,374,490
Instructional staff training	60,300	65,927	8,157	19,428	34,678	23,696	28,802	40,621	24,087	15,643
School library	1,526,548	1,594,549	1,612,180	920,202	939,383	940,495	795,633	847,588	894,189	957,837
General administration	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	2,395,134
School administration	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	6,470,688
Central Services	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	1,839,812
Administrative Information Technology	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	1,700,568
Required maintenance	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	1,821,362
Operation of plant	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	12,190,650
Student transportation	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	7,506,675
Business and other support services and benefits										
Capital outlay										
Charter schools	24,638	12,818	13,240	62,234	66,686	125,255	260,360	197,860	243,654	295,494
Interest on debt	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	768,766
<b>Total governmental activities</b>	<b>104,223,011</b>	<b>107,015,960</b>	<b>108,499,595</b>	<b>102,651,016</b>	<b>109,424,628</b>	<b>107,285,086</b>	<b>111,938,990</b>	<b>125,733,426</b>	<b>130,063,134</b>	<b>145,944,767</b>
<b>Business-type activities:</b>										
Food service	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	3,721,154
Adult and Community Education	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	6,055,972
<b>Total business-type activities expense</b>	<b>3,964,367</b>	<b>4,355,845</b>	<b>5,613,079</b>	<b>6,087,943</b>	<b>6,293,251</b>	<b>6,433,874</b>	<b>7,010,908</b>	<b>7,538,708</b>	<b>8,826,671</b>	<b>9,777,126</b>
<b>Total district expenses</b>	<b>\$ 108,187,378</b>	<b>\$ 111,371,805</b>	<b>\$ 114,112,674</b>	<b>\$ 108,738,959</b>	<b>\$ 115,717,879</b>	<b>\$ 113,718,960</b>	<b>\$ 118,949,898</b>	<b>\$ 133,272,134</b>	<b>\$ 138,889,805</b>	<b>\$ 155,721,893</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services - tuition and transportation	\$ 288,655	\$ 645,087	\$ 953,713	\$ 880,416	\$ 944,938	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606
Operating grants and contributions	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	4,053,975
Capital grants and contributions	582,467	505,816	380,160	1,480,037	659,323	485,203		986,815	827,637	462,836
<b>Total governmental activities program revenues</b>	<b>4,923,224</b>	<b>5,119,774</b>	<b>6,115,588</b>	<b>7,263,223</b>	<b>5,599,637</b>	<b>5,381,870</b>	<b>4,476,923</b>	<b>5,395,343</b>	<b>5,800,052</b>	<b>5,373,417</b>
<b>Business-type activities:</b>										
Charges for services										
Food service	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	2,389,851
Adult and Community Education	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	6,007,406
Operating grants and contributions	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	1,389,213
Capital grants and contributions										
<b>Total business-type activities program revenues</b>	<b>4,320,156</b>	<b>4,649,140</b>	<b>5,487,174</b>	<b>5,912,712</b>	<b>6,564,057</b>	<b>6,918,548</b>	<b>7,701,932</b>	<b>7,932,769</b>	<b>8,139,468</b>	<b>9,786,470</b>
<b>Total district program revenues</b>	<b>\$ 9,243,380</b>	<b>\$ 9,768,914</b>	<b>\$ 11,602,762</b>	<b>\$ 13,175,935</b>	<b>\$ 12,183,694</b>	<b>\$ 12,300,418</b>	<b>\$ 12,178,855</b>	<b>\$ 13,328,112</b>	<b>\$ 13,939,520</b>	<b>\$ 15,159,887</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	<b>\$ (99,299,787)</b>	<b>\$ (101,896,186)</b>	<b>\$ (102,384,007)</b>	<b>\$ (95,387,793)</b>	<b>\$ (103,824,991)</b>	<b>\$ (101,903,216)</b>	<b>\$ (107,462,067)</b>	<b>\$ (120,338,083)</b>	<b>\$ (124,263,082)</b>	<b>\$ (140,571,350)</b>
<b>Business-type activities</b>	<b>355,789</b>	<b>293,295</b>	<b>(125,905)</b>	<b>(175,231)</b>	<b>270,806</b>	<b>484,674</b>	<b>691,024</b>	<b>394,061</b>	<b>(687,203)</b>	<b>9,344</b>
<b>Total district-wide net expense</b>	<b>\$ (98,943,998)</b>	<b>\$ (101,602,891)</b>	<b>\$ (102,509,912)</b>	<b>\$ (95,563,024)</b>	<b>\$ (103,554,185)</b>	<b>\$ (101,418,542)</b>	<b>\$ (106,771,043)</b>	<b>\$ (119,944,022)</b>	<b>\$ (124,950,285)</b>	<b>\$ (140,562,006)</b>

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

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 74,286,825	\$ 75,955,122	\$ 75,955,122	\$ 77,398,270	\$ 78,948,236	\$ 79,851,482	\$ 81,648,512	\$ 83,790,619	\$ 88,150,602	\$ 88,623,454
Taxes levied for debt service	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	3,569,675
Unrestricted grants and contributions	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	52,271,257
Investment earnings	593,604	230,349	116,259	48,820	12,753	18,898			296,015	300,695
Miscellaneous income	343,896	129,318	492,512	697,370	617,694	534,778	89,711	931,991	416,278	402,888
Transfers	100,000	471,850	150,000	(31,510)	(150,000)					
Premiums on bond issuances										
<b>Total governmental activities</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>145,167,969</b>
<b>Business-type activities:</b>										
Investment earnings	76,188	21,880	18,655	4,789	1,886					
Miscellaneous income	13,500	18,505	8,913				533,402	472,055	594,291	12,858
Transfers	(100,000)	(471,850)	(150,000)	31,510	150,000					
<b>Total business-type activities</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>12,858</b>
<b>Total district-wide</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>\$ 145,180,827</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,006,102	\$ 170,066	\$ 695,631	\$ 6,174,507	\$ 687,112	\$ 7,598,996	\$ 3,386,464	\$ 5,539,772	\$ 8,435,922	\$ 4,596,619
Business-type activities	345,477	(138,170)	(248,337)	(138,932)	422,692	484,674	1,224,426	866,116	(92,912)	22,202
<b>Total district</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>	<b>\$ 4,618,821</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

	June, 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 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	\$ 22,398,112
Assigned				3,149,897	2,973,382	3,226,887	1,578,004	840,473	1,235,982	546,031
Unreserved	3,587,616	2,835,976	2,587,914							
Unassigned				496,763	1,074,418	467,339	798,369	630,402	1,904,116	1,724,788
<b>Total general fund</b>	<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>	<u>\$ 24,668,931</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	\$ 2,312,446
Debt service fund				822	33,120	33,120	33,120	33,120		
Unreserved (deficit), reported in:										
Special revenue fund	\$ (22,144)	\$ (44,220)	(44,220)							
Capital projects fund	3,220,044	3,984,655	2,128,496							
Debt service fund	17,958	18,854	821							
Unassigned (deficit), reported in:										
Special revenue fund				(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)
<b>Total all other governmental funds</b>	<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>	<u>\$ 2,268,226</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.

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

(modified accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Local sources:										
Local tax levy	\$ 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	\$ 92,193,129
Transportation	279,707	445,668	549,957	543,042	275,071	274,235	363,671	430,554	496,367	447,735
Tuition charges	8,948	199,419	403,756	337,374	669,867	592,483	404,668	213,203	343,202	408,871
Investment income	569,943	213,309	116,259	48,820	12,753	18,898			296,015	300,695
Miscellaneous	378,956	702,036	701,614	825,031	973,400	649,013	214,095	481,673	580,045	605,226
<b>Total local sources</b>	<b>78,610,143</b>	<b>80,623,138</b>	<b>80,799,803</b>	<b>82,318,458</b>	<b>83,560,011</b>	<b>84,840,830</b>	<b>86,099,759</b>	<b>88,457,674</b>	<b>91,392,111</b>	<b>93,955,656</b>
State sources	28,223,264	23,319,746	22,846,261	22,072,190	23,670,800	26,886,948	26,333,181	28,308,728	30,516,255	31,579,819
Federal sources	2,272,045	2,754,252	5,389,162	4,466,385	3,030,929	3,156,304	2,892,514	2,873,398	3,181,211	2,884,386
Other										
<b>Total revenue</b>	<b>107,105,452</b>	<b>106,697,136</b>	<b>109,045,228</b>	<b>108,857,033</b>	<b>110,261,740</b>	<b>114,884,082</b>	<b>115,325,454</b>	<b>119,637,798</b>	<b>125,089,577</b>	<b>128,399,841</b>
<b>Expenditures</b>										
Current										
Instruction	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	49,340,453
Undistributed - current										
Instruction	3,020,221	3,119,400	1,975,680	1,825,882	1,502,034	1,211,916	1,306,469	1,155,472	1,243,140	1,418,931
Attendance/social work	218,115	228,959	226,171	212,657	259,050	271,308	264,650	251,914	207,483	206,487
Health services	742,017	719,726	743,831	802,586	822,246	751,384	785,102	855,552	788,452	909,762
Other support services	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	8,593,666
Undistributed										
Improvement of instruction	1,925,996	1,799,976	1,677,111	1,518,930	1,688,180	1,432,142	1,748,766	1,850,147	1,982,236	1,831,024
Education media library	1,067,120	1,140,168	1,136,118	664,947	634,932	670,020	553,768	527,027	548,424	515,058
Other support: instructional staff	57,851	62,685	7,677	18,049	32,495	22,044	27,779	39,121	23,173	15,051
General administration	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	1,799,452
School administration	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	3,401,075
Central services	1,017,628	964,820	1,041,708	817,520	869,824	973,106	949,034	1,088,981	1,062,601	1,053,185
Administrative information technology	943,677	913,780	955,640	1,006,570	952,811	1,105,734	996,954	999,244	1,057,088	1,044,932
Required maintenance of plant services	1,347,982	1,945,438	1,450,059	1,287,575	1,333,486	1,534,453	1,254,364	1,475,018	1,659,224	1,821,362
Operation of plant	8,025,537	7,634,855	7,715,179	7,780,772	7,376,281	9,184,254	10,358,466	10,418,892	9,935,967	10,024,329
Student transportation	4,200,302	4,599,036	5,414,707	5,209,361	5,134,486	5,385,664	5,384,713	5,542,190	5,843,880	6,211,257
Unallocated benefits	12,926,118	14,390,785	18,026,030	16,998,903	17,453,199	14,255,809	15,923,313	17,038,018	14,817,771	16,289,735
On-behalf TPAF social security and pension contributions	10,167,913	6,174,521	6,414,494	6,393,770	7,702,707	9,581,537	8,623,799	9,659,124	11,678,010	13,140,117
Charter schools	24,638	12,818	13,240	62,234	66,686	125,255	200,360	197,860	243,654	295,494
Community services										
Capital outlay	3,110,665	4,655,188	2,050,730	4,702,774	2,896,085	8,107,493	3,344,076	2,474,029	2,256,728	1,478,739
Debt Service:										
Principal	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	2,740,000
Interest	1,633,451	1,578,344	1,528,145	1,457,504	1,280,385	1,184,719	1,088,813	1,001,625	924,000	829,675
Bond issuance costs					253,257					
<b>Total expenditures</b>	<b>106,452,199</b>	<b>108,744,873</b>	<b>109,845,725</b>	<b>109,015,340</b>	<b>109,708,299</b>	<b>117,493,887</b>	<b>116,035,885</b>	<b>118,748,347</b>	<b>119,273,396</b>	<b>122,959,966</b>
(Deficiency) excess of revenues (under) over expenditures	653,253	(2,047,837)	(800,499)	(158,307)	553,441	(2,609,805)	(710,431)	889,451	5,816,181	5,439,875
<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	2,447,914	3,371,956	2,149,772	2,130,879	2,012,389	2,700,439	1,171,550	2,920,930	4,012,210	30,000
Transfers out	(3,851,074)	(2,900,106)	(1,999,772)	(2,182,389)	(2,182,389)	(2,700,439)	(126)	(2,920,930)	(4,012,210)	(30,000)
<b>Total other financing sources (uses)</b>	<b>(1,403,160)</b>	<b>471,850</b>	<b>150,000</b>	<b>(31,510)</b>	<b>8,188,256</b>	<b>-</b>	<b>1,171,424</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(749,907)</b>	<b>(1,575,987)</b>	<b>(650,499)</b>	<b>(189,817)</b>	<b>8,741,697</b>	<b>(2,609,805)</b>	<b>460,993</b>	<b>889,451</b>	<b>5,816,181</b>	<b>5,439,875</b>
Fund balance, July 1, as restated	10,768,380	10,018,473	8,442,466	7,791,987	7,602,170	16,343,667	13,734,062	14,195,055	15,681,101	21,497,282
Fund balance, June 30	\$ 10,018,473	\$ 8,442,486	\$ 7,791,987	\$ 7,602,170	\$ 16,343,667	\$ 13,734,062	\$ 14,195,055	\$ 15,084,508	\$ 21,497,282	\$ 26,937,157
Debt service as a percentage of noncapital expenditures	3.38%	3.07%	2.93%	3.07%	2.39%	3.16%	3.08%	3.05%	3.04%	2.94%
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.  
 The beginning fiscal year 2016 fund balance was restated as a direct result of the implementation of Governmental Accounting Standards Board Statement No.72, Fair Measurement and Application.  
 The 2015 investment balance on Solar Renewable Energy Certificates in the amount of \$596,595 was required by this new Standard to be recognized in fund balance.

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	Investment Income	Miscellaneous	Transportation Fees	Annual Totals
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
2017	\$ 46,590	408,870	78,760	67,335	60,142	221,935	228,822	447,735	1,560,189

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>
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	\$ 3.480
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
2017	73,447,500	3,748,125,500	2,286,500	101,400	418,102,300	1,683,626,300	345,533,100	6,269,222,600	1,348,391,100	23,747,010	6,292,969,610	1.479

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.

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

b 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	
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
2017	1.42	0.06	1.48	0.75	0.44	2.67

Source: District Records and Municipal Tax Collector.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> 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

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 365,835,000	5.81%		
US Real Estate Holdings No 2 LTD	133,000,000	2.11%		
Whale Ventures, LLC	130,000,000	2.07%		
Pleasant View Gardens Owner LLC	86,144,000	1.37%	\$ 25,181,100	1.81%
Colgate Palmolive Co.	82,122,700	1.30%	23,411,800	1.68%
Centennial Square LLC	58,914,500	0.94%	26,161,400	1.88%
H'Y2 Knightsbridge LLC	48,220,000	0.77%	42,750,000	3.07%
Royal Gardens Apts LLC	47,612,300	0.76%		
South Washington Pk LLC	44,429,100	0.71%		
Aspen Court Ventures LLC	41,600,200	0.66%		
Telcordia			49,792,000	3.57%
Western Union Int.			15,592,200	1.12%
2004 Land LLC			14,393,400	1.03%
Carlton Club Apartments LLC			11,600,300	0.83%
Chanel, Inc.			11,125,800	0.80%
Mariner One Centennial LLC			10,350,000	0.74%
Total	<u>\$ 1,037,877,800</u>	<u>16.49%</u>	<u>\$ 230,358,000</u>	<u>16.53%</u>

Source: District CAFR & Piscataway Municipal Tax Assessor.

\* Revaluation was performed in 2014.

**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
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%
2017	92,193,129	92,193,129	100.00%		92,193,129	100.00%

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

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

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

Unaudited

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases			
2008	\$ 34,847,000	\$ 3,395,000		\$ 38,242,000	1.69%	\$ 735.52
2009	34,662,000	1,965,000		36,627,000	1.53%	702.27
2010	34,152,000	845,000		34,997,000	1.40%	668.01
2011	33,247,000			33,247,000	1.29%	593.72
2012	31,930,000		\$ 8,185,000	40,115,000	1.51%	716.00
2013	29,660,000		6,583,501	36,243,501	1.26%	636.68
2014	27,280,000		4,967,650	32,247,650	1.06%	562.76
2015	24,740,000		3,331,946	28,071,946	0.97%	488.59
2016	22,105,000		1,676,145	23,781,145	0.79%	412.15
2017	19,365,000			19,365,000	0.63%	336.19

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

<u>General Bonded Debt Outstanding</u>						
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 of Property <sup>a</sup>	Per Capita <sup>b</sup>
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%	594
2012	31,930,000	\$ 165,917	33,120	32,062,797	1.43%	569
2013	29,660,000	149,530	33,120	29,776,410	1.33%	523
2014	27,280,000	133,143	33,120	27,380,023	0.45%	478
2015	24,740,000	116,756	33,120	24,823,636	0.40%	432
2016	22,105,000			22,105,000	0.35%	383
2017	19,365,000			19,365,000	0.31%	336

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, 2017

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Piscataway	\$ 90,303,057	100.000%	\$ 90,303,057
Middlesex County General Obligation Debt - Township's share	512,964,315	6.812%	<u>34,943,129</u>
<b>Subtotal, overlapping debt</b>			<b>125,246,186</b>
<b>Piscataway School District Direct Debt</b>			<u><b>19,365,000</b></u>
<b>Total direct and overlapping debt</b>			<u><u><b>\$ 144,611,186</b></u></u>

Sources: Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Piscataway. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized valuation basis

2015	\$ 6,154,647,288
2016	6,291,856,286
2017	<u>6,292,969,610</u>
[A]	<u>\$ 18,739,473,184</u>

Average equalized valuation of taxable property

[A/3]	\$ 6,246,491,061
-------	------------------

Debt limit (4 % of average equalization value)

[B]	249,859,642 a
-----	---------------

Total Net Debt Applicable to Limit

[C]	<u>19,365,000</u>
-----	-------------------

Legal debt margin

[B-C]	<u>\$ 230,494,642</u>
-------	-----------------------

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 249,859,642
Total net debt applicable to limit	<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>	<u>19,365,000</u>
Legal debt margin	<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>	<u>\$ 230,494,642</u>
Total net debt applicable to the limit as a percentage of debt limit	15.15%	12.99%	12.50%	12.30%	12.55%	14.60%	12.95%	10.06%	8.96%	7.75%

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

a 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>
2008	\$ 51,993	\$ 2,262,527,388	\$ 43,516	4.90%
2009	52,155	2,392,871,400	45,880	8.40%
2010	52,390	2,505,761,310	47,829	8.20%
2011	55,998	2,576,915,964	46,018	8.30%
2012	56,329	2,661,432,592	47,248	8.20%
2013	56,926	2,876,470,780	50,530	6.60%
2014	57,303	3,030,583,761	52,887	5.10%
2015	57,455	2,909,004,105	50,631	5.20%
2016	57,700	2,998,899,800	51,974	5.20%
2017	57,602	3,079,806,134	53,467	4.60%

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	2017			2008		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
			N/A			N/A
University of Medicine and Dentistry	11,000			3,000		
Rutgers University				8,000		
GE Healthcare	3,855-4,000					
Telcordia	2,500-2,520			2,000		
Piscataway Township Schools	1,460-1,470			1,350		
Colgate-Palmolive Research Center	1,200					
Cosmair, Inc.				750		
Amersham Pharmacia Biotech, Inc.				600		
Anthem Health & Life Insurance Co.				550		
AT&T				500		
Institute Electrical & Electronics	1,118			500		
Johnson & Johnson Health Care	500-999			500		
L'Oreal USA Inc.	500-999					
Siemens Hearing Instruments	400-420			350		
Pepsi Cola Bottling Co.	370-380			460		
Township of Piscataway, Municipal	350-400					
Chanel Inc.	250-499			800		
Qualcare Inc.	250-499					
American Standard Co. Inc.	260-270					
Subex Technologies Inc.	250-499					
Walmart	220-230					
Shop Rite Supermarket	215-220			500		
Easy Link Service Corp.	110-260					
Western Union International Inc.				500		

Source: 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>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>	<u>2017</u>
Instruction										
Instruction	581.8	601.5	613.0	620.0	626.0	621.0	625.0	617.5	611.5	608.1
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5
Health services	14.0	13.0	13.0	13.0	13.0	11.0	14.0	14.0	13.0	13.0
Other support services	39.0	39.0	35.0	35.0	35.0	45.0	37.0	40.0	42.5	41.0
Child study team	32.0	34.0	37.0	37.0	37.0	39.0	33.0	31.0	31.0	32.0
Improvement of instruction	14.6	14.6	14.6	14.6	14.6	14.6	15.0	14.5	17.0	19.0
School library	24.7	24.7	18.7	18.7	18.7	10.0	16.0	9.7	9.5	8.7
General administration	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administration	41.0	41.0	40.0	40.0	40.0	40.0	41.0	41.0	39.5	41.2
Operations and maintenance	73.0	73.0	61.0	61.0	61.0	64.0	67.0	76.5	75.0	78.5
Student transportation	2.0	47.0	53.0	32.0	34.0	34.0	34.0	34.0	36.0	32.4
Other support services - administrative and professional	29.0	29.0	25.0	25.0	25.0	25.0	22.0	30.0	35.0	38.8
<b>Total</b>	<b><u>861.1</u></b>	<b><u>925.8</u></b>	<b><u>919.3</u></b>	<b><u>905.3</u></b>	<b><u>913.3</u></b>	<b><u>912.6</u></b>	<b><u>913.0</u></b>	<b><u>917.7</u></b>	<b><u>919.5</u></b>	<b><u>922.2</u></b>

Source: District Personnel Records

Piscataway Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
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%
2017	7,259	117,911,552	16,243	3.58%	608	1:14	1:12	1:11	1:12	7,264	6,980	0.44%	96.09%

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<b>Elementary</b>										
Arbor Elementary School (1961/2001)										
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	492	481	522	556	556	589	581	568	522	508
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 *	490	497	507	530	530	541	545	537	563	547
Grandview Elementary School (1953/1968/2002)										
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	571	599	593	610	610	622	788	777	770	747
M.L. King Elementary School (1969/2002)										
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	516	500	484	552	552	533	503	524	532	528
Knollwood Elementary School (1960/1992)										
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	511	521	499	500	500	501	505	495	494	505
Randolphville Elementary School (1961/1992)										
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	478	518	543	558	558	598	496	567	551	532
<b>Middle Schools</b>										
Conackamack Middle School (1964/2008)										
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	478	461	461	433	433	437	457	482	490	527
Quibbletown Middle School (1961/1994)										
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	539	575	568	578	578	564	555	577	562	541
T. Schor Middle School (1970/2006)										
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	512	550	606	606	611	605	613	583	579
<b>High School</b>										
Piscataway High School (1956/1972/2007)										
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	2,578	2,599	2,571	2,465	2,465	2,230	2,187	2,168	2,168	2,245
<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
<b>Number of Schools at June 30, 2017</b>										
Elementary = 6										
Middle School = 3										
Senior High School = 1										
Other = 2										

Source: District Facilities Office

Note: Year of original construction and additions are 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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Arbor	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661	\$ 22,469	\$ 120,452	\$ 117,208	\$ 130,982	\$ 175,729	\$ 121,730
Conackamack	161,019	112,556	67,609	123,684	19,571	95,922	93,339	104,308	139,942	96,940
Eisenhower	59,842	29,999	63,378	120,586	6,897	190,211	185,088	206,839	277,501	192,229
Grandview	147,803	124,274	81,185	76,398	17,370	64,911	63,163	70,586	94,700	65,600
High School	568,204	675,695	600,006	278,893	448,798	333,135	324,164	362,258	486,015	336,670
King	85,522	44,545	68,436	117,073	8,099	37,412	36,405	40,683	54,582	37,810
Knollwood	82,670	85,744	100,377	102,970	26,033	97,531	94,904	106,057	142,289	98,566
Quibbletown	218,992	166,470	144,284	97,987	22,719	63,100	61,401	68,616	92,057	63,769
Randolphville	106,345	91,275	108,150	102,970	20,593	58,707	57,126	63,839	88,331	61,188
Schor	182,486	94,989	52,371	67,520	18,035	159,740	155,438	173,704	235,729	163,293
<b>Total School Facilities</b>	<b>1,771,183</b>	<b>1,573,176</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>
Other Facilities-Fellowship Farms	50,179	76,354	108,737	64,622	6,510	112,364	109,338	122,187	158,563	110,187
<b>Grand Total</b>	<b>\$ 1,821,362</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>

\* 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, 2017

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Property</b>		
Real and Personal Property	\$ 286,494,126	\$ 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, 2017

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	5,000,000	
<b>Bonds</b>		
Board Secretary/Business Administrator	430,000	
<b>Workers Comp</b>		
Part II - Limits of Liability	2,000,000	
Section "A"	Statutory	
Supplementary	1750 per week	
<b>Crime</b>		
Money & Securities-inside	50,000	
Money & Securities-outside	50,000	
Employee Dishonesty	1,000,000	
Depositors Forgery	1,000,000	
<b>Aviation (Drone)</b>		
Limit of Liability	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

**The 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's, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**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.

**The Honorable President and Members  
of the Board of Education  
Piscataway Township School District**

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**Compliance and Other Matters**

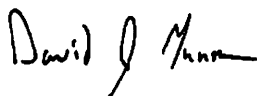
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**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.

*PKF O'Connor Davies, LLP*

November 30, 2017  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant  
No. 2305

**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 Circular 15-08**

Independent Auditors' Report

**The 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 Program Federal and State Program**

We have audited the Piscataway Township School District's, 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, 2017. 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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's 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.

**The Honorable President and Members  
of the Board of Education  
Piscataway Township School District**

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

**Report on Internal Control Over Compliance**

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

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

**The Honorable President and Members  
of the Board of Education  
Piscataway Township School District**

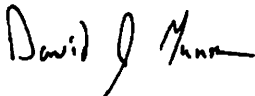
Page 3

**Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

November 30, 2017  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant  
No. 2305

Piscataway Township School District  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2016	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017			
				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>															
<b>General Fund:</b>															
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	\$ 118,615	7/1/2016	6/30/2017			\$ 115,711	\$ (118,615)			\$ (2,904)			
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	137,247	7/1/2015	6/30/2016	\$ (33,610)		33,610							
Medicaid Assistance Program (SEMI)	93.778	1605NJ5MAP	13,521	7/1/2015	6/30/2016	(13,521)		13,521							
<b>Total General Fund</b>						<u>(47,131)</u>		<u>162,842</u>	<u>(118,615)</u>			<u>(2,904)</u>			
<b>U.S. Department of Education—Passed-Through State</b>															
<b>Department of Education</b>															
<b>Special Revenue Fund:</b>															
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A170030	706,171	7/1/2016	6/30/2017			391,008	(580,040)			(189,032)			
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A160030	813,205	7/1/2015	6/30/2016	(157,414)		157,414							
<b>Title I Subtotal:</b>						<u>(157,414)</u>		<u>548,422</u>	<u>(580,040)</u>			<u>(189,032)</u>			
Title II A, Improving Teacher Quality State Grants	84.367A	S367A170029	138,260	7/1/2016	6/30/2017			86,598	(119,234)			(32,636)			
Title II A, Improving Teacher Quality State Grants	84.367A	S367A160029	144,381	7/1/2015	6/30/2016	(25,992)		25,992							
Title II D, Enhancing Education Through Technology Grants	84.318	Not Available	1,142	9/1/2010	8/31/2011	163				\$ (163)					
<b>Title II Subtotal:</b>						<u>(25,829)</u>		<u>112,590</u>	<u>(119,234)</u>	<u>(163)</u>		<u>(32,636)</u>			
Title III English Language Acquisition Grants	84.365A	S365A170030	85,111	7/1/2016	6/30/2017			53,914	(78,214)			(24,300)			
Title III English Language Acquisition Grants	84.365A	S365A160030	102,407	7/1/2015	6/30/2016	(35,196)		35,196							
Title III, Supplemental Immigrant Student Aid	84.365A	S365A170030	46,478	7/1/2016	6/30/2017			42,068	(42,068)						
Title III, Supplemental Immigrant Student Aid	84.365A	S365A160030	102,407	7/1/2015	6/30/2016	(858)		858							
<b>Title III Subtotal:</b>						<u>(36,054)</u>		<u>132,036</u>	<u>(120,282)</u>			<u>(24,300)</u>			
<b>Special Education Cluster:</b>															
IDEA Special Education Grants to States	84.027	S027A170100	1,883,868	7/1/2016	6/30/2017			1,473,213	(1,836,488)			(363,275)			
IDEA Special Education Grants to States	84.027	S027A160100	1,965,424	7/1/2015	6/30/2016	(437,548)		437,548							
IDEA Preschool Grants for Children with Disabilities	84.173	S173A170114	52,697	7/1/2016	6/30/2017			42,304	(52,697)			(10,393)			
IDEA Preschool Grants for Children with Disabilities	84.173	S173A160114	52,989	7/1/2015	6/30/2016										
<b>Subtotal of Special Education Cluster:</b>						<u>(437,548)</u>		<u>1,953,065</u>	<u>(1,889,185)</u>			<u>(373,668)</u>			
Carl D. Perkins Vocational Education	84.048	S048A170030	36,262	7/1/2016	6/30/2017			36,022	(36,262)			(240)			
Carl D. Perkins Vocational Education	84.048	S048A160030	31,481	7/1/2015	6/30/2016	(1,856)		1,856							
<b>Carl D. Perkins Vocational Education Subtotal:</b>						<u>(1,856)</u>		<u>37,878</u>	<u>(36,262)</u>			<u>(240)</u>			
<b>Total Special Revenue Fund</b>						<u>(658,701)</u>		<u>2,783,991</u>	<u>(2,745,003)</u>			<u>(619,876)</u>			
<b>U.S. Department of Agriculture—Passed-Through State</b>															
<b>Department of Education</b>															
<b>Enterprise Fund:</b>															
<b>Child Nutrition Cluster:</b>															
Food Donation Program (NC)	10.555	171NJ304N1099	199,564	7/1/2016	6/30/2017			199,564	(199,140)			\$ 424			
Food Donation Program (NC)	10.555	161NJ304N1099	195,497	7/1/2015	6/30/2017	118			(118)						
School Breakfast Program	10.553	171NJ304N1099	196,136	7/1/2016	6/30/2017			180,792	(196,136)			(15,344)			
School Breakfast Program	10.553	161NJ304N1099	167,013	7/1/2015	6/30/2016	(12,037)		12,037							
National School Lunch Program	10.555	171NJ304N1099	934,712	7/1/2016	6/30/2017			869,907	(934,712)			(64,805)			
National School Lunch Program	10.555	161NJ304N1099	908,046	7/1/2015	6/30/2016	(60,846)		60,846							
<b>Subtotal Child Nutrition Cluster:</b>						<u>(72,765)</u>		<u>1,323,146</u>	<u>(1,330,106)</u>			<u>(80,149)</u>	<u>424</u>		
Healthy Hunger-Free Kids Act	10.551	171NJ304N1099	31,394	7/1/2016	6/30/2017			29,139	(31,394)			(2,255)			
<b>Total Enterprise Fund</b>						<u>(72,765)</u>		<u>1,352,285</u>	<u>(1,361,500)</u>			<u>(82,404)</u>	<u>424</u>		
<b>Total Federal Awards</b>						<u>\$ (778,597)</u>	<u>\$ -</u>	<u>\$4,299,118</u>	<u>\$ (4,225,118)</u>	<u>\$ (163)</u>	<u>\$ -</u>	<u>\$ (705,184)</u>	<u>\$ 424</u>	<u>\$ -</u>	

NC - non-cash expenditures

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2017

Table with columns: State Grantor/Program Title, Grant or State Project Number, Program or Award Amount, Grant Period (From, To), Balance June 30, 2016 (Unearned, Due to, Walkover), Cash Received, Budgetary Expenditures, Repayment of Prior Years' Balances, Adjustments, Balance June 30, 2017 (Unearned Revenue, Accounts Receivable, Due to Grantor), Memo (Budgetary Receivable, Cumulative Expenditures). Rows include State Department of Education, Special Revenue Fund, Capital Projects Fund, and State Department of Agriculture.

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, 2017

**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 basis 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, 2017

**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 \$24,176 for the general fund and \$50 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:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 118,615	\$30,011,097	\$30,129,712
Special Revenue Fund	2,745,751	1,105,886	3,851,637
Capital Projects Fund		462,836	462,836
Food Service Enterprise Fund	1,361,500	27,713	1,389,213
<b>Total financial award revenues</b>	<b>\$ 4,225,866</b>	<b>\$ 31,607,532</b>	<b>\$ 35,833,398</b>

**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, 2017

**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, 2017.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2017 amounted to \$9,606,862. Since on-behalf post retirement, medical and disability insurance 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, 2017

**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**

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	S027A170100	Special Education Cluster:
84.173	S173A170114	IDEA Part B, Basic
		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, 2017

**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:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
	State Aid 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
495-034-5120-101	Professional Learning Community 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, 2017

**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, 2017

**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, 2017

None.