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# PISCATAWAY TOWNSHIP SCHOOLS

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

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*Year Ended June 30, 2019*

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**Piscataway Township School District**

**Piscataway, New Jersey**

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2019

Prepared by

Business Office

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## **Introductory Section**





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**Dr. Frank Ranelli**  
**Superintendent of Schools**

**David Oliveira**  
**Business Administrator/Board Secretary**

December 2, 2019

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, 2019 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, 2019 and the respective changes in financial position and cash flows, where applicable, for the year ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organization chart, a roster of officials, and the list of independent auditors and advisors. The financial section includes the management's discussion and analysis (presented immediately after the report of independent auditors), basic financial statements, required supplementary information, and supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the Federal Uniform Guidance and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on internal control over compliance and compliance with major programs and findings and recommendations are included in the Single Audit section of this report.

## 1) REPORTING ENTITY AND ITS SERVICES

The Piscataway Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and the government-wide financial statements of the District are included in this report. The Piscataway Township Board of Education and all its schools constitute the District's reporting entity. The District does not have any component units.

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 and is subject to the rules and supervision of the State Board of Education and the Commissioner of the State Department of Education.

The Piscataway Township Board of Education provides a full range of educational services appropriate to grade levels PK through 12 for approximately 7,100 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.

The Piscataway Township Schools offers a flourishing program in visual and performing arts that starts in primary grades, extensive technology instruction including a one-to-one iPad initiative for all intermediate and middle school students that is currently expanding into the high school as well, supplemental programs such as Math Potential and Jump Ahead to assist average students in reaching higher goals, a full-day kindergarten program, and counseling and mental health services. Piscataway is one of the few districts that provide on-site counseling services at no charge to families through a partnership with Rutgers University.

Piscataway High School has long offered a comprehensive range of Advanced Placement and honors courses, but it recently expanded its academic offerings with the development of an Academy Program. Selected students will follow a four year recommended sequence of courses in one of five academies: Biomedical, Engineering, Performing Arts/Visual Arts, and Pre-Law and Justice. Successful students will graduate with honors upon completing all of the requirements. Piscataway High School also offers a concurrent credit program that allows students to earn college credit for courses taken at the high school.

The District has an extensive special education program for students with disabilities. In-district self-contained programs provide learning environments that allow the students to attend school in their home community with their peers. Specialized programs are available for instruction in life skills and job training with internships at local businesses. Classes and programs are tailored to the needs of the students based on the recommendations of the IEP team, which includes the parent/guardian.

Piscataway High School's state champion football team and award-winning band program are two examples of the District's extensive list of extracurricular activities and athletic programs. The District was able to reinstate its middle school sports programs several years ago and continues to offer after-school activities at all of its K-8 schools. Supplemental classes and programs are offered by the adult/community education department throughout the school year. 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	1953/1968/2002/2019
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 2018-2019 school year, the District had 42 students attend eight 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 2018-2019, the District paid \$551,071.

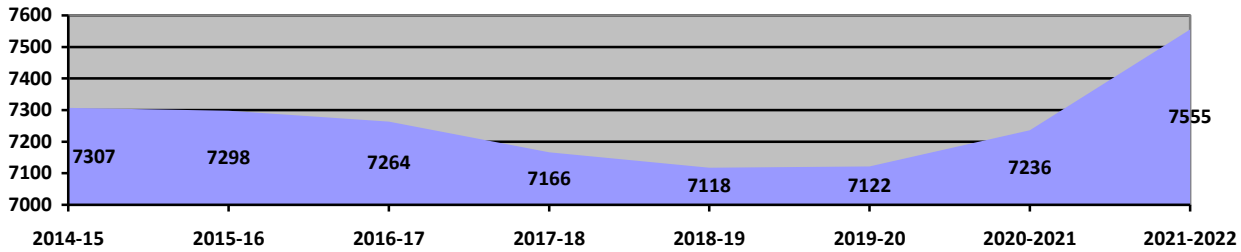
The table below details charter school enrollment for the previous five years with projected enrollment for 2019-2020.

<b>Fiscal Year</b>	<b>Enrollment</b>
2014-2015	19
2015-2016	23
2016-2017	25
2017-2018	30
2018-2019	42
2019-2020	44

## 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 2014-2015 to the 2018-2019 school year, enrollment decreased from 7,307 to 7,118; a decrease of 189 students or approximately 2.6%. 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 437 students, or approximately 6.1%.

**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 Avalon Bay housing development completed construction in the summer of 2019. The development contains sixteen (16) studios, one hundred twenty-two (122) 1-bedroom units, one hundred ninety-one (191) 2-bedroom units, and thirty-one (31) 3-bedroom units and has thus far yielded 50 students. Dr. Ross Haber, a demographer retained by the Piscataway Board of Education, predicts 236 students will eventually be enrolled in the District's schools within five years, based on the demographics of Piscataway.

Next to the Avalon Bay project is a site identified as the Intervenor tract. The project plan calls for the development of 110 units on this site. Construction has begun and completion could be as soon as the summer of 2020.

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, and the Timothy Christian School site. The Rivendell Redevelopment project is in the preliminary stages of obtaining state and township approvals. 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 continues 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 detailed above include the projected impact of a completed Avalon Bay development with additional students from the potential Karczynski Redevelopment Tract projected for school year 2021-2022. It is expected that the next demographic study will decrease the impact of the Avalon Bay development, add students from the Intervenor site, and extend the timeline for any enrollment impact from the Karczynski project. This should result in a leveling off of enrollment over the next few years.

**2) ECONOMIC CONDITION AND OUTLOOK**

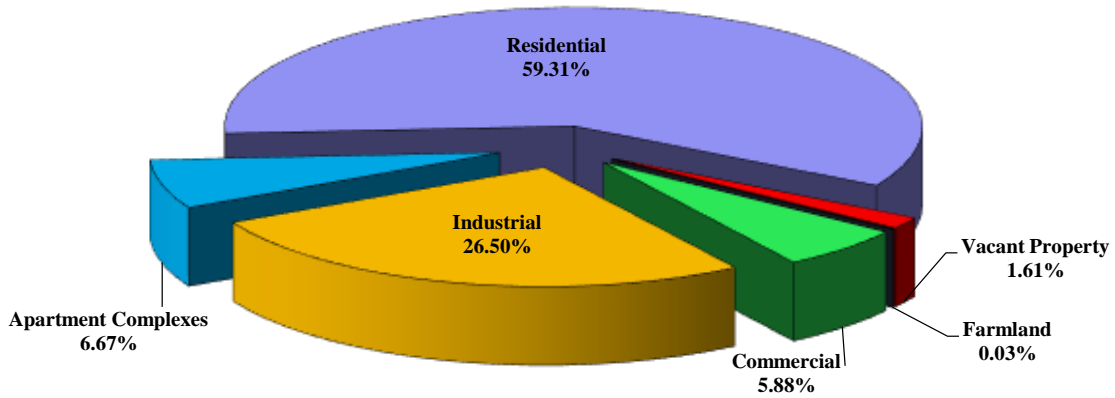
Piscataway is a community with a large residential area and pockets of industrial and warehouse facilities whose economy benefits from its proximity to New York City and an expansive road infrastructure near major roadways. Piscataway is the home of many well-known industrial concerns, research centers 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 \$210,868,800 from \$7,316,758,500 in 2018 to \$7,527,627,300 in 2019. The increase was spread across several classifications but was driven primarily by a 7% increase in industrial ratables and a 1.9% increase in residential ratables. Piscataway’s ratables are classified in the 2019 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 121,332,200
Residential	4,464,492,500
Farmland	2,159,000
Commercial	442,425,200
Industrial	1,994,936,500
Apartment Complexes	502,281,900
Total Ratables	\$ 7,527,627,300



### 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.

In July 2018, the Governor of the state of New Jersey signed school funding reform legislation that will move toward full funding of the School Funding Reform Act by 2024-2025. The legislation phases in a redistribution of state aid from overfunded school districts to underfunded school districts over six years. The Piscataway Township Schools received an additional \$1,822,282 in July 2018 for the 2018-2019 fiscal year. Based on the new legislation, the District's state aid is anticipated to increase each of the next six years.

In addition to the above, the New Jersey Department of Education has adopted the New Jersey Student Learning 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 without having to issue new debt. In the summer of 2018, the District completed two projects at Piscataway High School: replacement of a portion of the roof and replacement of the turf field and tennis courts. During the 2018-2019 school year, the District completed a four classroom addition at Grandview Elementary School that welcomed its first students in September 2019. Additional projects completed in the summer of 2019 included new entrance doors that established double-door vestibules in five buildings, a dropped ceiling and LED light installation in 20 classrooms at Piscataway High School, extensive paving and concrete work at Piscataway High School, and a new roof on the transportation building. All nine K-8 schools had marquees installed and the high school's marquee is set to be completed in the fall of 2019.

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 Principals and Supervisors Association that provides cost certainty through the 2021-2022 fiscal year. The agreement with the Piscataway Township Education Association is settled through the 2019-2020 fiscal year and negotiations on a new contract will begin in early 2020.

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 instability of state operating revenues and its potential impact on State Aid to schools, despite the legislation signed earlier this year, will continue to present a challenge for all New Jersey school districts. Another challenge is cost containment and the impact of inflation on salaries and contracted services. Bargaining units are negotiating 3-4% annual increases throughout the state even though the tax levy cap remains at 2% per annum.

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 District has contracted with an energy savings company to identify additional opportunities for cost

savings and is in the process of completing a local government energy audit to assess opportunities for an energy savings improvement program.

- 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, 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.

#### **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 transitioned to two new banks during fiscal 2018 to maximize the interest rate earned and minimize banking service fees. There has been a significant increase in interest earned that is fully reflected in this fiscal year 2019 financial report.

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 the District management.



As part of the District's Single Audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to evaluate whether the District has complied with applicable laws and regulations relating to its major programs. During the fiscal year 2018 audit, a material weakness was identified in the testing of the Extraordinary Aid state program resulting in a qualified opinion for that program. The District implemented additional internal controls to enhance its review process for the fiscal year 2019 extraordinary aid application and no findings or material weaknesses were identified. All major federal and state programs received an unmodified opinion.

## **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. In accordance with the New Jersey Quality Single Accountability Continuum, the District develops a budget calendar and reviews it with the Fiscal Planning and Operations Committee of the Board of Education to set the schedule of benchmarks for the budget.

Budget development begins with a review of personnel and new staffing requests, health benefit projections, district-wide instructional initiatives and capital projects. Departmental and school budget requests are reviewed to ensure compliance with educational objectives and budget thresholds. State aid allocations are announced late in the budget development process and budget adjustments are made accordingly. Budget requests are populated in the Department of Education budget software and are reviewed for compliance with regulations. The Fiscal Planning and Operations Committee receives monthly reports on the budget development process.

A preliminary budget is finalized and presented to the Board of Education for approval. The preliminary budget is then submitted to the New Jersey Department of Education Executive County Superintendent of Schools for comments and approval. The preliminary budget is modified as necessary and the annual budget is adopted by the Board of Education for the general fund, the special revenue fund, and the debt service fund. A copy of the approved user-friendly budget is posted to the District's website for easy access by the community. The final adopted appropriated budget as amended for the fiscal year is reflected in the financial section.

## **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 five years. At June 30, 2019, the District's outstanding debt issues included serial bonds in the amount of \$13,485,000.

## 9) OTHER INFORMATION

*A. 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.

*B. Awards:* The International Association of School Business Officials (ASBO) awarded a "Certificate of Excellence in Financial Reporting" to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This is the second consecutive year that the District has applied and received this prestigious award. Previously, the District received this award for seven consecutive years through June 30, 2012. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for fiscal year 2018/2019 certificate.

## 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,

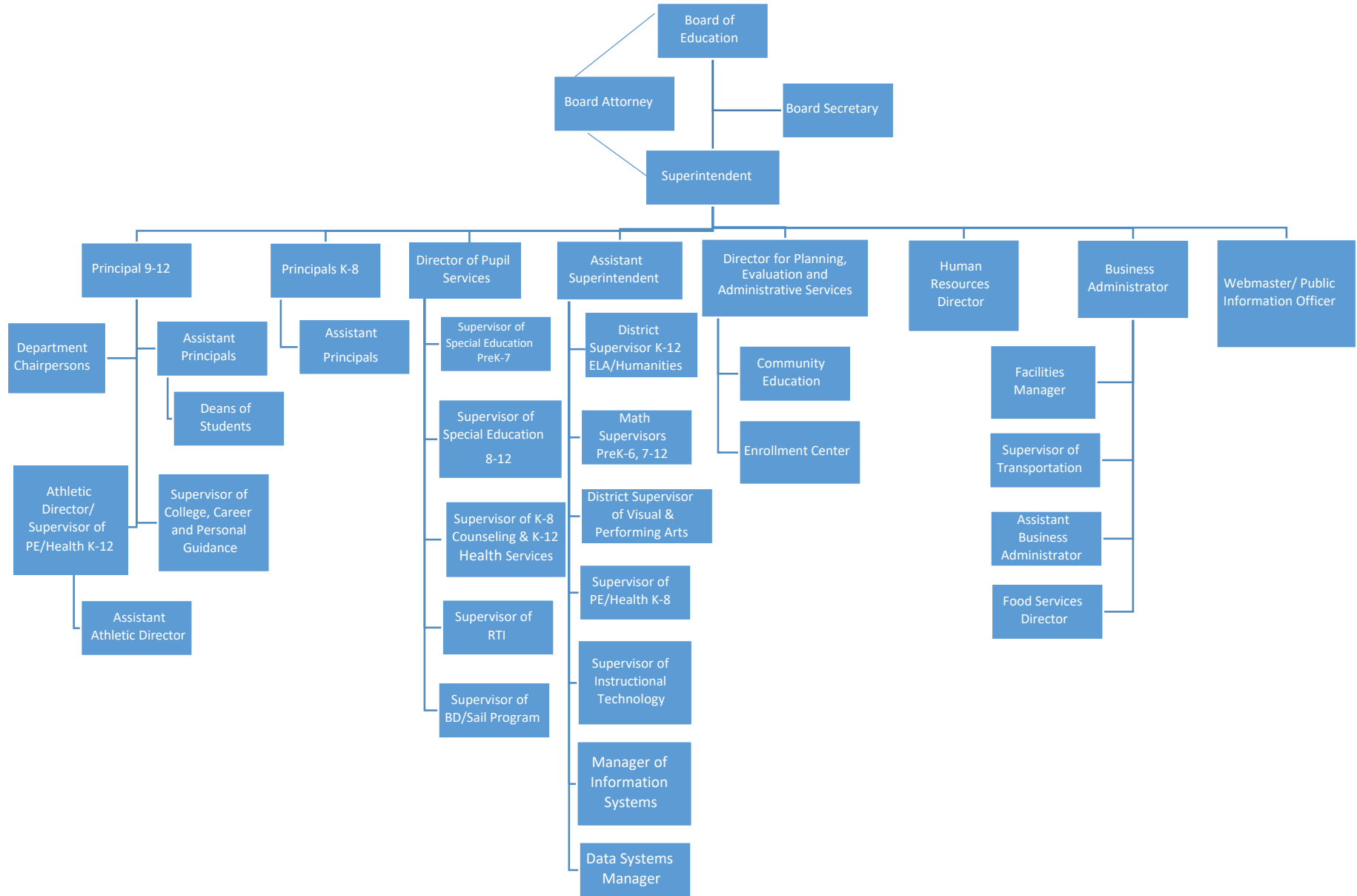


Dr. Frank Ranelli, Superintendent



David Oliveira, Business Administrator

# Piscataway Township Schools Organizational Chart 2019



Piscataway Township School District  
Piscataway, New Jersey

Roster of Officials

June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alexandra Lopez, President	2020
Adelita Deepan, Vice President	2019
Shantell Cherry	2020
Tom Connors	2020
William J. Irwin	2019
Ralph E. Johnson	2019
Jeffrey Fields, Sr.	2021
Shelia Hobson	2021
Nitang Patel	2021

Other Officials

Dr. Frank Ranelli, Superintendent of Schools (Effective July 1, 2019)

Teresa M. Rafferty, Superintendent of Schools (July 1, 2018 through June 30, 2019)

David Oliveira, School Business Administrator/ Board Secretary

David Rubin, Esq., Solicitor

Piscataway Township School District  
Piscataway, New Jersey

Independent Auditors and Advisors

**Architects**

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**

Investors Bank  
565 Stelton Road  
Piscataway, NJ 08854



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Piscataway Township Board of Education**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSR  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis  
Executive Director

## **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, 2019, 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



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

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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to 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, 2019, 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 schedule of post-employment benefits 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**

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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 December 2, 2019 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*

December 2, 2019  
Cranford, New Jersey

*David J. Gannon*

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, 2019

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, 2019. 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 (2018-2019) and the prior fiscal year (2017-2018) 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 28 - 29 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 30 - 32 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 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 33 - 35 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 36 - 37 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 38 - 77 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 78 – 121 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, 2019 and 2018:

	2019			2018		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 43,809,287	\$ 5,941,086	\$ 49,750,373	\$ 40,690,401	\$ 5,647,462	\$ 46,337,863
Capital assets, net	73,246,405	145,735	73,392,140	71,512,162	176,295	71,688,457
Total assets	117,055,692	6,086,821	123,142,513	112,202,563	5,823,757	118,026,320
Deferred outflows	10,026,318		10,026,318	14,056,914		14,056,914
Liabilities						
Current liabilities	13,542,617	1,722,773	15,265,390	12,842,341	1,628,044	14,470,385
Net pension liability	34,927,555		34,927,555	41,562,429		41,562,429
Long Term Liabilities	13,278,176		13,278,176	16,621,255		16,621,255
Total liabilities	61,748,348	1,722,773	63,471,121	71,026,025	1,628,044	72,654,069
Deferred inflows	12,413,832		12,413,832	9,029,416		9,029,416
Net position						
Net investment in capital assets	59,710,198	145,735	59,855,933	54,954,567	176,295	55,130,862
Restricted	29,490,749		29,490,749	27,445,978		27,445,978
Unrestricted (deficit)	(36,281,117)	4,218,313	(32,062,804)	(36,196,509)	4,019,418	(32,177,091)
Total net position	\$ 52,919,830	\$ 4,364,048	\$ 57,283,878	\$ 46,204,036	\$ 4,195,713	\$ 50,399,749

Key financial highlighted for the 2018-2019 fiscal year include the following:

- Governmental net position increased \$6,715,794. The increase was primarily driven by significant capital asset acquisitions in the amount of \$5,422,037. District-wide technology upgrades and completion of several capital projects attributed to this increase.
- Consistent with the prior year, the State withheld the school district's fiscal 2018-2019 last two state aid payments until July 2019.
- Increase to governmental current and other assets in the amount of \$3,118,886 resulted primarily from the overall increase of \$3,335,878 in governmental cash from the prior year. The increase in the cash balance was generated from revenues in excess of the original budget and excellent control over expenditures.
- 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 for the year ended June 30, 2019 from the prior year resulted from adjustments in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2018 and rolled forward to June 30, 2019. The net pension liability associated with the District's governmental activities at June 30, 2019 amounted to \$34,927,555, which decreased by \$6,634,874 from the prior year. This decrease, however, was offset by the changes in deferred outflows and inflows. Long-term liabilities mainly decreased by principal payments made in the amount of \$3,005,000 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, capital reserve, excess surplus and capital projects. Restricted net position increased by \$2,044,771 during the year ended June 30, 2019.
- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$36,281,117) 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, 2019 and 2018 are as follows:

	2019			2018		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 875,661	\$ 8,852,704	\$ 9,728,365	\$ 817,142	\$ 8,277,168	\$ 9,094,310
Operating grants and contributions	4,939,727	1,436,276	6,376,003	4,211,505	1,430,710	5,642,215
Capital grants and contributions	74,474		74,474	526,133		526,133
General revenues:						
Property taxes	94,003,198		94,003,198	92,993,062		92,993,062
State and federal aid not restricted to a specific purpose	51,017,261		51,017,261	58,879,012		58,879,012
Investment Income	1,034,654		1,034,654	639,884		639,884
Miscellaneous	222,117	92,302	314,419	368,615	16,326	384,941
Total revenue	152,167,092	10,381,282	162,548,374	158,435,353	9,724,204	168,159,557
<b>Expenses:</b>						
Instructional services	84,713,396		84,713,396	93,192,588		93,192,588
Support services	59,644,145		59,644,145	58,548,065		58,548,065
Charter school	551,071		551,071	328,975		328,975
Interest on long term debt	542,686		542,686	657,863		657,863
Business type activities		10,212,947	10,212,947		9,645,446	9,645,446
Total expenses	145,451,298	10,212,947	155,664,245	152,727,491	9,645,446	162,372,937
Increase in net position	6,715,794	168,335	6,884,129	5,707,862	78,758	5,786,620
Net position—beginning	46,204,036	4,195,713	50,399,749	40,496,174	4,116,955	44,613,129
Net position—ending	\$ 52,919,830	\$ 4,364,048	\$ 57,283,878	\$ 46,204,036	\$ 4,195,713	\$ 50,399,749

With the additional general state aid awarded, property tax revenue only increased \$1,010,136 to balance the budget for increases to salaries and health benefits. The total decrease from 2017/18 to 2018/19 in state and federal aid was \$7,861,751. This significant decrease was driven by a \$9,534,181 reduction in the total on-behalf retirement medical and pension amounts recognized in state source revenue and instructional expenditures above, offset by an increase in general state aid. Changes in assumptions and other variables including mortality rates and discount rates in the actuarial GASB 68 and 75 calculations resulted in this decrease.

### 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, 2019, and the increases in relation to the prior year:

<u>Revenue</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2018</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 96,357,597	69.60%	\$ 1,288,355	1.36%
State sources	39,962,714	28.87%	5,451,384	15.80%
Federal sources	2,117,760	1.53%	(826,151)	(0.28)
Total	<u>\$ 138,438,071</u>	<u>100.00%</u>	<u>\$ 5,913,588</u>	<u>4.46%</u>

The increase in local sources is primarily due to an increase in the tax levy of \$1,010,136. 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 and an increase in general state aid of \$1,822,282.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2019 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2018</u>	<u>Percent of (Decrease) Increase</u>
Current expenditures:				
Instruction	\$ 51,263,223	37.77%	\$ (558,332)	(1.08%)
Support services	80,295,481	59.16%	7,508,961	10.32%
Charter Schools	551,071	0.42%	222,096	67.51%
Debt service:				
Principal	3,005,000	2.21%	130,000	4.52%
Interest and Other Charges	602,274	0.44%	(115,101)	(16.04)
Total	<u>\$ 135,717,049</u>	<u>100.00%</u>	<u>\$ 7,187,624</u>	<u>5.76%</u>

The decrease in instruction and undistributed expenditures is mainly the result of a reduction in the enrollment for tuition to private schools for the handicapped within the state. The significant increase in support service expenditures was driven by increased school administration and extra student services costs as well as an increase in on-behalf TPAF pension and TPAF post-retirement medical 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 approximately \$3,400,000. Of the \$31,666,258 fund balance in the General Fund, \$5,499,867 is restricted for current year excess surplus, \$4,935,583 is restricted for the prior year excess surplus, \$16,185,099 is restricted in the capital reserve account, \$1,952,391 is restricted in the maintenance reserve, \$1,707,029 of encumbrances is assigned to other purposes, and \$1,386,289 is unassigned.

### Special Revenue Fund

Expenditures in the Special Revenue Fund increased primary due to the State awarding the District a \$1.8 million grant to expand its preschool program. Enrollment and tuition costs increased during the year ended June 30, 2019 as a result. The District has an unassigned deficit fund balance of \$230,146 in the Special Revenue Fund as of June 30, 2019 as a result of the State deferring the payment of the final two state aid payments until July 2019.

### 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 \$917,809 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, 2019, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2018</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 8,945,006	86.16%	\$ 651,512	7.86%
State sources	27,538	0.27%	(36)	-0.13%
Federal sources	1,408,738	13.57%	5,602	0.40%
Total	<u>\$ 10,381,282</u>	<u>100.00%</u>	<u>\$ 657,078</u>	<u>0.77%</u>

The increase in local sources is mainly attributable to an increase in the food service special function revenue and an increase in Community Education program revenue. The state sources is inline from year over year. The increase in federal source revenue was caused by increased participation in the food service program during the fiscal year ended June 30, 2019.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2019, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2018</u>	<u>Percent of Increase (Decrease)</u>
Salaries	\$ 5,331,946	52.21%	\$ 455,037	9.33%
Employee benefits	1,202,751	11.78%	52,713	4.58%
Other purchased services	1,223,567	11.98%	(6,390)	(0.52)
Supplies and materials	417,526	4.09%	25,335	6.46%
Cost of sales program	1,558,087	15.26%	30,749	2.01%
Other	479,070	4.68%	10,057	2.14%
	<u>\$ 10,212,947</u>	<u>100.00%</u>	<u>\$ 567,501</u>	<u>5.88%</u>

The increase in salaries and benefits is mainly attributable to general contractual salary increases, increased health benefit costs and an increase in program services. The increase in supplies and cost of sales is due to the District enhancing the food service program with a different mix of food purchases during the year that yielded higher costs.

#### Food Service Fund

The food service enterprise fund operated at a \$49,886 net loss this year. Revenues from daily food sales increased from the prior year by \$56,830 or 2.5% as a result of an increase in students which increase the meal claims from the prior year. The special function sales increased by \$96,226 or 11.2% as a result of the food service company providing more meals to outside organizations. Overall federal and state revenues remained inline from the prior year. Total operating expenses increased from the prior year by \$220,535 or 6.2% due to the increase in cost of sales and salaries.

The net position of the food service fund, \$154,450 is comprised of net position - investment in capital assets of \$57,890 and unrestricted net position of \$96,560.

#### Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$6,626,970 for the year ended June 30, 2019. Current year tuition revenues increased from the prior year by \$524,366 or 8.7% as a result of increased participation in the summer camp program along with increased participation in the preschool program, while operating expenses increased from the prior year by \$346,967 or 5.7% as a result of general contractual salary increases and an increase to health benefit costs. Overall, the fund generated a net operating profit of \$218,221. The fund maintains plenty of cash on hand to ensure the operational requirements of running the program are met at any time. Furthermore since the fund has substantial net position, the District has elected not to burden the residents of the community with any increases to tuition rates.

The net position of the adult and community education fund, \$4,209,598 is comprised of net position-net investment in capital assets of \$87,845 and unrestricted net position of \$4,121,753. 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, 2019, the District's governmental activities had capital assets of \$73,246,405 (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, 2019 and 2018:

	June 30,	
	2019	2018
	<u>          </u>	<u>          </u>
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	1,556,036	1,716,995
Buildings and building improvements, net	68,155,651	67,169,707
Machinery, equipment, and vehicles, net	1,991,751	1,082,493
Total capital assets, net	<u>\$ 73,246,405</u>	<u>\$ 71,512,162</u>

The increased in total capital assets is a result of capital asset additions exceeding depreciation expense during the fiscal year. See footnote 4 for further details on capital assets.

*Debt Administration.* During the 2019 fiscal year, the District had outstanding long-term liabilities of \$20,678,902 of which \$7,400,726 was classified as the current portion.

At June 30, 2019 and 2018, the District's long-term liabilities consisted of:

	June 30	
	2019	2018
	<u>          </u>	<u>          </u>
Bonds payable	\$ 13,485,000	\$ 16,490,000
Unamortized premium on bonds	693,690	915,672
Compensated absences payable	1,967,439	1,941,967
Accrued liability for insurance claims	4,532,773	5,528,795
Total long-term liabilities	<u>\$ 20,678,902</u>	<u>\$ 24,876,434</u>

Long-term liabilities decreased mainly due to the principal payments made on the bonds 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.

- Investment income are unbudgeted revenue sources and exceeded final budget amount by 100.0%
- Salaries for teachers grades 1 through 12 actual expenditures in total were \$2,211,384 lower than anticipated. The District has certain curriculum changes during fiscal year 2019 and wanted to ensure adequate funding was available.
- 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 tuition to private schools for the handicapped – within state did not exceed the actual expenditures by \$504,376 or 54% as a result of less kids being enrolled for special education tuition.
- The final budget for unallocated benefits exceeded the actual expenditures by \$2,792,388 or 18% as a result of lower claims costs in the current year.

## **Requests for Information**

This financial report is designed to provide a general overview of the Piscataway School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 1515 Stelton Road, Piscataway, New Jersey 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, 2019.

## Piscataway Township School District

## Statement of Net Position

June 30, 2019

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 20,014,780	\$ 5,194,585	\$ 25,209,365
Accounts receivable	4,928,230	425,623	5,353,853
Internal balances	(291,534)	291,534	-
Investments	1,020,321		1,020,321
Other assets		29,344	29,344
Restricted:			
Cash and cash equivalents	18,137,490		18,137,490
Capital assets, non-depreciable	3,099,003		3,099,003
Capital assets, depreciable, net	70,147,402	145,735	70,293,137
Total assets	<u>117,055,692</u>	<u>6,086,821</u>	<u>123,142,513</u>
<b>Deferred Outflows Of Resources</b>			
Deferred loss on advanced refunding	642,483		642,483
Pension deferrals	9,383,835		9,383,835
Total deferred outflows	<u>10,026,318</u>		<u>10,026,318</u>
<b>Liabilities</b>			
Accounts payable	4,539,965	682,987	5,222,952
Accrued interest payable	204,253		204,253
Intergovernmental payables - State	35,388		35,388
Unearned revenue	1,262,285	1,039,786	2,302,071
Other liabilities	100,000		100,000
Net pension liability	34,927,555		34,927,555
Current portion of long-term obligations	7,400,726		7,400,726
Noncurrent portion of long-term obligations	13,278,176		13,278,176
Total liabilities	<u>61,748,348</u>	<u>1,722,773</u>	<u>63,471,121</u>
<b>Deferred Inflow Of Resources</b>			
Pension deferrals	12,413,832		12,413,832
<b>Net Position</b>			
Net investment in capital assets	59,710,198	145,735	59,855,933
Restricted for:			
Capital projects	917,809		917,809
Excess surplus	10,435,450		10,435,450
Capital reserve	16,185,099		16,185,099
Maintenance reserve	1,952,391		1,952,391
Unrestricted (deficit)	(36,281,117)	4,218,313	(32,062,804)
Total net position	<u>\$ 52,919,830</u>	<u>\$ 4,364,048</u>	<u>\$ 57,283,878</u>

See accompanying notes to the basic financial statements.



## Statement of Activities

Year ended June 30, 2019

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	Business-type Activities	
<b>Governmental activities</b>							
Instruction	\$ 84,713,396	\$ 367,571	\$ 2,351,686		\$ (81,994,139)		\$ (81,994,139)
Support services:							
Attendance/social work	380,297				(380,297)		(380,297)
Health services	1,675,405				(1,675,405)		(1,675,405)
Other support services	16,475,337		2,540,871		(13,934,466)		(13,934,466)
Improvement of instruction	4,197,277				(4,197,277)		(4,197,277)
Other support: instructional staff	19,771				(19,771)		(19,771)
School library	942,322				(942,322)		(942,322)
General administration	2,357,608				(2,357,608)		(2,357,608)
School administration	7,016,584				(7,016,584)		(7,016,584)
Central services	1,878,902				(1,878,902)		(1,878,902)
Administrative information technology	1,469,273				(1,469,273)		(1,469,273)
Plant operation and maintenance	15,039,637		47,170	\$ 74,474	(14,917,993)		(14,917,993)
Student transportation	8,191,732	508,090			(7,683,642)		(7,683,642)
Charter schools	551,071				(551,071)		(551,071)
Interest on long-term debt	542,686				(542,686)		(542,686)
Total governmental activities	<u>145,451,298</u>	<u>875,661</u>	<u>4,939,727</u>	<u>74,474</u>	<u>(139,561,436)</u>		<u>(139,561,436)</u>
<b>Business-type activities</b>							
Food Service	3,804,198	2,310,963	1,436,276			\$ (56,959)	(56,959)
Adult and Community Education	6,408,749	6,541,741				132,992	132,992
Total business-type activities	<u>10,212,947</u>	<u>8,852,704</u>	<u>1,436,276</u>	<u>-</u>		<u>76,033</u>	<u>76,033</u>
Total primary government	<u>\$ 155,664,245</u>	<u>\$ 9,728,365</u>	<u>\$ 6,376,003</u>	<u>\$ 74,474</u>	<u>(139,561,436)</u>	<u>76,033</u>	<u>(139,485,403)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					90,395,923		90,395,923
Property taxes, levied for debt service					3,607,275		3,607,275
State and federal sources—unrestricted					51,017,261		51,017,261
Investment income					391,492		391,492
Interest Income					643,162		643,162
Miscellaneous					222,117	92,302	314,419
Total general revenues					<u>146,277,230</u>	<u>92,302</u>	<u>146,369,532</u>
Change in net position					6,715,794	168,335	6,884,129
Net Position—beginning					46,204,036	4,195,713	50,399,749
Net Position—ending					<u>\$ 52,919,830</u>	<u>\$ 4,364,048</u>	<u>\$ 57,283,878</u>

See accompanying notes to the basic financial statements.

## **Fund Financial Statements**

## **Governmental Funds**

Piscataway Township School District  
Governmental Funds

Balance Sheet

June 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 9,697,107	\$ 1,216,786	\$ 1,312,890	\$ 1	\$ 12,226,784
Investments	1,020,321				1,020,321
Accounts receivable:					
State	748,552	2,807	2,613,379		3,364,738
Federal		1,257,169			1,257,169
Other	288,381	17,942			306,323
Interfund	4,604,208				4,604,208
Restricted assets:					
Cash and cash equivalents	18,137,490				18,137,490
<b>Total assets</b>	<b>\$ 34,496,059</b>	<b>\$ 2,494,704</b>	<b>\$ 3,926,269</b>	<b>\$ 1</b>	<b>\$ 40,917,033</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,491,664	\$ 303,168	\$ 9,500		\$ 2,804,332
Intergovernmental payables:					
State		35,388			35,388
Interfunds payable		1,362,146	2,998,960		4,361,106
Unearned revenue	238,137	1,024,148			1,262,285
Other liabilities	100,000				100,000
<b>Total liabilities</b>	<b>2,829,801</b>	<b>2,724,850</b>	<b>3,008,460</b>		<b>8,563,111</b>
<b>Fund balances:</b>					
Restricted for:					
Excess surplus-current year	5,499,867				5,499,867
Excess surplus-prior year	4,935,583				4,935,583
Capital reserve account	16,185,099				16,185,099
Debt Service				\$ 1	1
Capital projects			917,809		917,809
Maintenance Reserve	1,952,391				1,952,391
Assigned to:					
Other purposes	1,707,029				1,707,029
Unassigned (deficit):	1,386,289	(230,146)	917,809	1	1,156,143
<b>Total fund balances</b>	<b>31,666,258</b>	<b>(230,146)</b>	<b>917,809</b>	<b>1</b>	<b>32,353,922</b>
<b>Total liabilities and fund balances</b>	<b>\$ 34,496,059</b>	<b>\$ 2,494,704</b>	<b>\$ 3,926,269</b>	<b>\$ 1</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 \$141,456,363 and the accumulated depreciation is \$68,209,958.	73,246,405
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.	(204,253)
Accounting loss on advanced refunding of debt	642,483
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.	(16,146,129)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(3,029,997)
Accrued pension contributions for the June 30, 2019 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.	(1,715,301)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(34,927,555)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 52,919,830</u></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, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 90,395,923			\$ 3,607,275	\$ 94,003,198
Tuition	367,571				367,571
Transportation	508,090				508,090
Rents and Royalties	36,767				36,767
Investment Income	391,492				391,492
Interest Income	643,162				643,162
Miscellaneous	185,350	\$ 221,967			407,317
Total local sources	92,528,355	221,967		3,607,275	96,357,597
State sources	37,241,573	2,721,141	\$ 74,474		40,037,188
Federal sources	121,141	1,996,619			2,117,760
Total revenues	129,891,069	4,939,727	74,474	3,607,275	138,512,545
<b>Expenditures</b>					
Current:					
Instruction	47,246,534	2,586,107			49,832,641
Undistributed-current:					
Instruction	1,430,582				1,430,582
Attendance/social work	214,204				214,204
Health services	966,978				966,978
Other support services	8,379,971	2,540,871			10,920,842
Improvement of instruction	2,515,908				2,515,908
Education media library	570,922				570,922
Other support: instructional staff	19,047				19,047
General administration	1,708,726				1,708,726
School administration	4,034,030				4,034,030
Central services	1,140,853				1,140,853
Administrative information technology	960,729				960,729
Required maintenance of plant services	2,382,603				2,382,603
Operation of plant	13,308,247				13,308,247
Student transportation	7,060,032				7,060,032
Unallocated benefits	17,086,777				17,086,777
On-behalf TPAF social security and pension contributions	17,358,413				17,358,413
Charter schools - current	551,071				551,071
Capital outlay		47,170	339,073		386,243
Debt Service:					
Principal				3,005,000	3,005,000
Interest				602,274	602,274
Total expenditures	126,935,627	5,174,148	339,073	3,607,274	136,056,122
Excess (deficiency) of revenues over (under) expenditures	2,955,442	(234,421)	(264,599)	1	2,456,423
Other financing sources (uses)					
Transfers in	484,822	48,495			533,317
Transfers out	(48,495)		(484,822)		(533,317)
Total other financing sources (uses)	436,327	48,495	(484,822)	-	-
Net change in fund balances	3,391,769	(185,926)	(749,421)	1	2,456,423
Fund balances (deficit), July 1	28,274,489	(44,220)	1,667,230	-	29,897,499
Fund balances (deficit), June 30	\$ 31,666,258	\$ (230,146)	\$ 917,809	\$ 1	\$ 32,353,922

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).

See accompanying notes to the basic financial statements.

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, 2019

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$ 2,456,423</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>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.</p>	
Capital outlays	\$ 5,422,039
Depreciation expense	<u>(3,687,796)</u>
	1,734,243
<p>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.</p>	
	3,005,000
<p>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.</p>	
Amortization of Premium on Bonds	221,982
Amortization of Deferred Accounting Loss	<u>(205,595)</u>
	16,387
<p>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.</p>	
	43,200
<p>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).</p>	
	(25,472)
<p>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</p>	
Pension expense	<u>(513,987)</u>
<b>Change in net position of governmental activities (A-2)</b>	<b><u><u>\$ 6,715,794</u></u></b>

See accompanying notes to the basic financial statements.

## **Proprietary Funds**

Piscataway Township School District  
Proprietary Funds

Statement of Net Position

June 30, 2019

	<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	\$ 504,995	\$ 4,689,590	\$ 5,194,585	\$ 7,787,996
Accounts receivable:				
State	1,771		1,771	
Federal	79,014		79,014	
Other	323,389	21,449	344,838	
Interfund		1,362,146	1,362,146	936,665
Other assets		29,344	29,344	
Total current assets	<u>909,169</u>	<u>6,102,529</u>	<u>7,011,698</u>	<u>8,724,661</u>
Capital assets:				
Equipment	995,260	745,950	1,741,210	
Accumulated depreciation	(937,370)	(658,105)	(1,595,475)	
Total capital assets, net	<u>57,890</u>	<u>87,845</u>	<u>145,735</u>	
Total assets	<u>967,059</u>	<u>6,190,374</u>	<u>7,157,433</u>	<u>8,724,661</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	626,237	56,750	682,987	20,332
Interfund payable	133,947	936,665	1,070,612	1,471,301
Accrued liability for insurance claims				4,532,773
Unearned revenue	52,425	987,361	1,039,786	
Total current liabilities	<u>812,609</u>	<u>1,980,776</u>	<u>2,793,385</u>	<u>6,024,406</u>
<b>Net Position</b>				
Net investment in capital assets	57,890	87,845	145,735	
Unrestricted	96,560	4,121,753	4,218,313	2,700,255
Total net position	<u>\$ 154,450</u>	<u>\$ 4,209,598</u>	<u>\$ 4,364,048</u>	<u>\$ 2,700,255</u>

See accompanying notes to the basic financial statements.



Piscataway Township School District  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Fund Net Position

Year ended June 30, 2019

	<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>	
<b>Operating revenues:</b>				
Local sources:				
Daily food sales-reimbursable programs	\$ 767,434		\$ 767,434	
Daily food sales non-reimbursable programs	589,715		589,715	
Tuition		\$ 6,541,741	6,541,741	
Charges for services				\$ 20,152,359
Special Function	953,814		953,814	
Miscellaneous	7,073	85,229	92,302	
Total operating revenues	<u>2,318,036</u>	<u>6,626,970</u>	<u>8,945,006</u>	<u>20,152,359</u>
<b>Operating expenses:</b>				
Salaries	1,299,043	4,032,903	5,331,946	
Purchased professional services	4,838		4,838	
Employee benefits	266,086	936,665	1,202,751	20,152,359
Purchased property services		161,883	161,883	
Other purchased services	123,250	933,596	1,056,846	
Supplies and materials	196,681	220,845	417,526	
Cost of sales - program	1,192,957		1,192,957	
Cost of sales - non-program	365,130		365,130	
Management Fee	338,269		338,269	
Depreciation	17,944	56,509	74,453	
Miscellaneous		66,348	66,348	
Total operating expenses	<u>3,804,198</u>	<u>6,408,749</u>	<u>10,212,947</u>	<u>20,152,359</u>
Operating (loss) income	(1,486,162)	218,221	(1,267,941)	-
<b>Nonoperating revenues:</b>				
State sources:				
State school lunch program	27,538		27,538	
Federal sources:				
School breakfast program	212,249		212,249	
National school lunch program	977,771		977,771	
Healthy Hunger Free Kids Act (HHFKA)	31,365		31,365	
Food donation program	187,353		187,353	
Total nonoperating revenues	<u>1,436,276</u>	<u>-</u>	<u>1,436,276</u>	<u>-</u>
Change in net position	(49,886)	218,221	168,335	-
Total net position-beginning	<u>204,336</u>	<u>3,991,377</u>	<u>4,195,713</u>	<u>2,700,255</u>
Total net position-ending	<u>\$ 154,450</u>	<u>\$ 4,209,598</u>	<u>\$ 4,364,048</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, 2019

	Major Funds			Internal Service Fund
	Business Type Activities - Enterprise Funds			
	Food Service	Adult and Community Education	Totals	
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 2,300,252	\$ 6,706,768	\$ 9,007,020	
Payments to employees	(1,299,043)	(4,032,903)	(5,331,946)	
Payments for employee benefits	(266,086)	(936,665)	(1,202,751)	
Payments to suppliers	(2,204,964)	(2,729,319)	(4,934,283)	
Receipts from services provided				\$ 20,152,359
Payments for insurance				(21,056,885)
Net cash (used in) operating activities	(1,469,841)	(992,119)	(2,461,960)	(904,526)
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds		936,665	936,665	
Cash received from state and federal reimbursements	1,439,848		1,439,848	
Net cash provided by noncapital financing activities	1,439,848	936,665	2,376,513	-
<b>Cash flows from investing activities</b>				
Acquisition of capital assets	-	(43,893)	(43,893)	
Net cash (used in) investing activities	-	(43,893)	(43,893)	-
Net (decrease) in cash and cash equivalents	(29,993)	(99,347)	(129,340)	(904,526)
Cash and cash equivalents, beginning of year	534,988	4,788,937	5,323,925	8,692,522
Cash and cash equivalents, end of year	\$ 504,995	\$ 4,689,590	\$ 5,194,585	\$ 7,787,996
<b>Reconciliation of operating (loss) income to net cash (used in) operating activities:</b>				
Operating (loss) income	\$ (1,486,162)	\$ 218,221	\$ (1,267,941)	\$ -
Adjustments to reconcile operating (loss) income to net cash (used in) operating activities:				
Depreciation	17,944	56,509	74,453	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(20,142)	19,087	(1,055)	(936,665)
Increase in accounts payable	16,161	15,498	31,659	19,863
Increase (decrease) in interfund payable		(1,362,146)	(1,362,146)	1,008,298
Increase in unearned revenue	2,358	60,712	63,070	
Decrease in accrued liability for insurance claims				(996,022)
Net cash (used in) operating activities	\$ (1,469,841)	\$ (992,119)	\$ (2,461,960)	\$ (904,526)

**Noncash noncapital financing activities:**

The District received \$187,353 of food commodities from the Department of Agriculture for the year ended June 30, 2019.

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, 2019

	<u>Private-Purpose Scholarship</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 22,651	\$ 1,779,606	\$ 445,844
Total assets	<u>\$ 22,651</u>	<u>\$ 1,779,606</u>	<u>\$ 445,844</u>
<b>Liabilities</b>			
Payroll deductions payable			\$ 9,310
Accounts payable		\$ 16,188	52,705
Due to student groups			383,829
Total liabilities		<u>\$ 16,188</u>	<u>\$ 445,844</u>
<b>Net position</b>			
Held in trust for unemployment claims		<u>\$ 1,763,418</u>	
Held in trust for scholarships	<u>\$ 22,651</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, 2019

	<b>Private-Purpose Scholarship Funds</b>	<b>Unemployment Compensation Trust</b>
<b>Additions</b>		
Contributions:		
Employee	\$ 1,420	\$ 154,816
Interest income	452	31,841
Total additions	1,872	186,657
<b>Deductions</b>		
Unemployment claims paid		184,914
Scholarship payments	3,725	
Total deductions	3,725	184,914
Change in net position	(1,853)	1,743
Net position-beginning of the year	24,504	1,761,675
Net position-end of the year	\$ 22,651	\$ 1,763,418

*See accompanying notes to the basic financial statements.*

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**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, 2019

**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. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility,

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one year availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District has reported the following major governmental funds:

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

*Special Revenue Fund:* The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations.

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

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

The District reports the following major proprietary funds:

*Enterprise Funds (Food Service, Adult and Community Education):* The enterprise funds account for all revenues and expenses pertaining to the cafeteria and the adult school and child care program operations. The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

*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 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

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.

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

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

**D. Budgets/Budgetary Control**

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

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.

**F. Inventories**

Enterprise fund inventories are recorded at acquisition value at the time of donation, which approximates current acquisition value, using the first-in, first-out (FIFO) method.

**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 2018-19 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**H. Capital Assets**

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

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

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

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

**I. Compensated Absences**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,967,439 and no liability existed for compensated absences in the enterprise funds.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**J. Unearned Revenue**

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

**K. Deferred Outflows/Inflows of Resources**

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

**L. Long-Term Obligations**

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**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, 2019, the District has recorded an unamortized balance of \$642,483 as a deferred outflow of resources and amortization expense for the year was \$205,595.

**N. Fund Balances**

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Of the \$31,666,258 of fund balance in the General Fund, \$16,185,099 (\$5,250,000 utilized in the 2019-2020 budget) has been restricted in the capital reserve account, \$1,952,391 has been restricted in the maintenance reserve account, \$5,499,867 is restricted for current year surplus, \$4,935,583 is restricted for prior year surplus, \$1,707,029 of encumbrances are assigned to other purposes and \$1,386,289 is unassigned.

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

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**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, 2019 was \$10,435,450. Of this amount, \$4,935,583 has been appropriated in the 2019-2020 budget and the remaining \$5,499,867 is required to be appropriated in the 2020-2021 budget.

**S. Cash, Cash Equivalents and Investments**

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." 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.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**T. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated 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.

**U. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2019 through December 2, 2019, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**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 and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$16,146,129 difference are as follows:

Bonds payable	\$ 13,485,000
Unamortized premium on bonds	693,690
Compensated absences	<u>1,967,439</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 16,146,129</u>

**3. Deposits and Investments**

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**Deposits**

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

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2019, the District's carrying amount of deposits was \$45,594,956 and the bank balance was \$48,734,737. Of the bank balance, \$750,000 was secured by federal depository insurance and \$47,265,234 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$719,502 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

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 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, 2019, the District's investment balances of \$1,020,321 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

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, 2019:

- Solar Renewable Energy Credits in the amount of \$1,020,321 are valued using quoted market prices (Level 1 inputs).

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2019:

	Beginning Balance	Increases	Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,542,967			\$ 1,542,967
Construction in progress	1,716,995	\$ 1,431,454	\$ (1,592,413)	1,556,036
Total capital assets, not being depreciated	3,259,962	1,431,454	-	3,099,003
Capital assets, being depreciated:				
Buildings and building improvements	124,007,860	2,718,812	1,592,413	128,319,085
Machinery, equipment and vehicles	8,766,502	1,271,773		10,038,275
Total capital assets being depreciated	132,774,362	3,990,585	-	138,357,360
Less accumulated depreciation for:				
Buildings and building improvements	56,838,153	3,325,280		60,163,433
Machinery, equipment and vehicles	7,684,009	362,516		8,046,525
Total accumulated depreciation	64,522,162	3,687,796	-	68,209,958
Total capital assets, being depreciated, net	68,252,200	302,789	-	70,147,402
Governmental activities capital assets, net	<u>\$ 71,512,162</u>	<u>\$ 1,734,243</u>	<u>\$ -</u>	<u>\$ 73,246,405</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2019 as follows:

Instruction	\$ 1,943,791
Attendance/social work	8,145
Health services	36,770
Other support services	415,272
Improvement of instruction	95,669
Education media library	21,710
Other support: Instruction staff	724
General administration	64,975
School administration	153,397
Central services	43,382
Administrative information technology	36,532
Plant operation and maintenance	598,967
Student transportation	268,462
Total depreciation expense - governmental activities	<u>\$ 3,687,796</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$ 1,697,317	\$ 43,893	\$ 1,741,210
Less accumulated depreciation for:			
Equipment	1,521,022	74,453	1,595,475
Total business-type activities capital assets, net	<u>\$ 176,295</u>	<u>\$ (30,560)</u>	<u>\$ 145,735</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**5. Long-Term Liabilities**

During the year ended June 30, 2019, 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	\$ 1,941,967	\$ 238,847	\$ 213,375	\$ 1,967,439	\$ 196,744
Bonds payable	16,490,000		3,005,000	13,485,000	3,145,000
Unamortized premium on bonds	915,672		221,982	693,690	221,982
Accrued liability for insurance claims	5,528,795	19,156,337	20,152,359	4,532,773	3,837,000
Subtotal	24,876,434	19,395,184	23,592,716	20,678,902	7,400,726
Net pension liability	41,562,429		6,634,874	34,927,555	
Governmental activity long-term liabilities	<u>\$ 66,438,863</u>	<u>\$ 19,395,184</u>	<u>\$ 30,227,590</u>	<u>\$ 55,606,457</u>	<u>\$ 7,400,726</u>

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**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:			
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>\$ 13,485,000</u>	<u>\$ 1,040,888</u>	<u>\$ 14,525,888</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, 2019

**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, 2019

**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, 2019, the State of New Jersey contributed \$13,692,795 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 \$3,665,618 during the year ended June 30, 2019 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, 2019, 2018 and 2017 were \$1,775,857, \$1,686,752, and \$1,617,220 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, 2019

**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, 2019, the District reported a liability of \$34,927,555 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.1773917708 percent, which was a decrease of 0.0011532572 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized full accrual pension expense of \$2,289,845 in the government-wide financial statements. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 666,074	\$ 180,098
Changes of assumptions	5,755,483	11,167,975
Net difference between projected and actual earnings on pension plan investments		327,622
Changes in proportion		738,137
Changes in proportion and differences between District contributions and proportionate share of contributions	1,246,977	
District contributions subsequent to the measurement date	1,715,301	
	<u>\$ 9,383,835</u>	<u>\$ 12,413,832</u>

\$1,715,301 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, 2019

**6. Pension Plans (continued)**

<b>Year ended June 30:</b>	
2020	\$ 587,828
2021	(47,522)
2022	(2,365,291)
2023	(2,223,018)
2024	(697,295)
	<u>\$ (4,745,298)</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.25%
Salary increases Through 2026	1.65 - 4.15% based on age
Thereafter	2.65- 5.15% based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2017 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 service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**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. In addition, tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

*Discount rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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, 2018 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:

	<b>At 1% Decrease (4.66%)</b>	<b>At Current Discount Rate (5.66%)</b>	<b>At 1% Increase (6.66%)</b>
District's proportionate share of the net pension liability	\$ 43,917,376	\$ 34,927,555	\$ 27,385,670

*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, 2019

**6. Pension Plans (continued)**

*Additional Information*

Collective balances at June 30, 2018 are as follows:

Deferred outflows of resources	\$ 4,684,852,302
Deferred inflows of resources	\$ 7,646,736,226
Net pension liability	\$ 19,689,501,539
District's Proportion	0.1773917708%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,099,708,157.

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, 2018, 2017, 2016, 2015 and 2014 is 5.63, 5.48, 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, 2018 was \$304,396,046. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4784758303 percent, which was an increase of 0.0132070024% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$17,745,225 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	2.25%
Salary increases	
2011-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%

Investment rate of return	7.00%
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*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality. The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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 TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% of the actuarially determined contributions.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**6. Pension Plans (continued)**

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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*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, 2018 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% Decrease (3.86%)</b>	<b>At Current Discount Rate (4.86%)</b>	<b>At 1% Increase (5.86%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 359,790,346	\$ 304,396,046	\$ 258,475,521

*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, 2018 are as follows:

Deferred outflows of resources	\$ 12,675,037,111
Deferred inflows of resources	\$ 16,381,811,884
Net pension liability	\$ 63,806,350,446
State's proportionate share associated with the District	0.4784758303%

Collective pension expense for the plan for the measurement period ended June 30, 2018 is \$3,720,032,991

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, 2018, 2017, 2016, 2015 and 2014 is 8.3, 8.3, 8.3, 8.3 and 8.5 years, respectively.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**7. Post-retirement Benefits**

**Plan Description**

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

**Funding Policy**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the 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, c.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 state employees and retired educational employees. 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's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2019, 2018 and 2017 were \$4,269,841, \$4,661,472, and \$4,360,578, respectively, which equaled the required contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

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 provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Total OPEB Liability*

The net OPEB liability from New Jersey's plan is \$46,110,832,982.

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2018</u>
Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>362,181</u></u>

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2018 was \$214,148,862, or 0.46%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

Inflation rate	2.50%	
	<u>TPA/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 4.55% based in years of service	2.15 - 4.15% based in age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based in age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based in the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvements projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Healthcare Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For Medicare Advantage trend rate is 4.5% and will continue in all future years.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

**Discount Rate**

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

**Changes in the Total Nonemployer OPEB Liability**

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

Balance at June 30, 2018		\$	250,957,214
Increased by:			
Service cost	\$	9,174,245	
Interest cost		9,214,619	
Member contributions		<u>197,909</u>	
			<u>18,586,773</u>
			269,543,987
Decreased by:			
Diff. between expected and actual exp.		25,094,207	
Changes of assumptions		24,574,654	
Gross benefit payments		<u>5,726,264</u>	
			<u>(55,395,125)</u>
Balance at June 30, 2019		\$	<u>214,148,862</u>

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

	1% Decrease (2.87%)	At Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 253,167,548	\$ 214,148,862	\$ 183,133,036

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 177,006,507	\$ 214,148,862	\$ 263,271,049

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

For the year ended June 30, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$9,592,427 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 1,377,313,892
Deferred inflows of resources	\$ 16,189,378,926
Collective OPEB expense	\$ 2,129,660,368

**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:

1. AXA Equitable Financial Services, LLC.
2. Foresters Financial
3. Lincoln Investment Planning Inc.
4. Metropolitan Life and Affiliated Company
5. The Vanguard Group, Inc.
6. The Variable Annuity Life Insurance Company

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**9. Interfund Receivables and Payables**

The total interfund receivables and payables for the District at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,604,208	
Special Revenue Fund		\$ 1,362,146
Capital Projects Fund		2,998,960
Food Service Enterprise Fund		133,947
Self Insurance Internal Service Fund	936,665	1,471,301
Community Education Program	1,362,146	936,665
	<u>\$ 6,903,019</u>	<u>\$ 6,903,019</u>

The interfund receivable in the general fund represents funds for capital reserve balances from capital projects fund and a receivable from the self-insurance internal service fund for costs originally paid by the general fund.

The interfund receivable in the community education program and the related interfund payable in the special revenue fund was directly related to the expansion of the preschool program. Funds from the preschool expansion aid that were received in the special revenue fund were owed to the community education program from the special revenue fund at June 30, 2019 for the classroom costs incurred by the community education program that were associated with the preschool expansion aid.

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.



## Piscataway Township School District

### Notes to the Basic Financial Statements

Year ended June 30, 2019

#### **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. If necessary, the District has made adequate provisions for any potential questioned costs related to its grant programs. 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 \$4,532,773 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**12. Risk Management (continued)**

In addition, the District has an unrestricted net position of \$2,700,255 for future medical, dental, and prescription claims.

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2018, 2017, and 2016 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>
2018-19	\$ 5,528,795	\$ 19,156,337	\$ 20,152,359	\$ 4,532,773
2017-18	5,361,348	17,989,744	17,822,297	5,528,795
2016-17	5,785,758	17,172,083	17,596,493	5,361,348

The District has estimated the short-term liability to be \$3,837,000, 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, and maintenance reserve fund that are restricted pursuant to enabling legislation.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**15. Transfers – Reconciliation**

The following presents a reconciliation of transfers during the 2019 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 484,822	\$ 48,495
Special Revenue Fund	48,495	
Capital Projects Fund		484,822
	<u>\$ 533,317</u>	<u>\$ 533,317</u>

The transfer from the capital projects fund to the general fund represents a transfer of unspent funds from prior year capital reserve funds. The transfer from the general fund to the special revenue fund represents the preschool inclusion children charged to the special revenue fund.

**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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$ 12,833,344
Increase:	
Interest Earned	201,933
Transfer from Capital Projects	484,822
Deposit approved at the June 2019 Board meeting	8,000,000
Withdrawals:	
Budget	5,335,000
Ending balance, June 30, 2019	<u>\$ 16,185,099</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

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

The June 30, 2019 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$5,250,000 from the capital reserve account in its 2019-2020 budget.

**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 2017 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).

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$ 2,009,821
Increase:	
Interest Earned	42,570
Withdrawals:	
Budget	<u>100,000</u>
Ending balance, June 30, 2019	<u>\$ 1,952,391</u>

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, 2019.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2019

**18. Deficit Fund Balance**

The District has an unassigned deficit fund balance of \$230,146 in the Special Revenue Fund as of June 30, 2019 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, and 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 \$19,453 of contractual commitments at June 30, 2019 to vendors related to ongoing construction projects which is reported as restricted for capital projects in the Capital Projects Fund. There were contractual commitments in the general fund in the amount of \$1,707,029 at June 30, 2019 which are reported as assigned to other purposes.

**Required Supplementary Information – Part II**

**Pension and OPEB 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset) - Local Group	0.1773917708%	0.1785450280%	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 34,927,555	\$ 41,562,429	\$ 53,915,115	\$ 38,337,367	\$ 32,105,624	\$ 31,810,285	n/a	n/a	n/a	n/a
District's covered-employee payroll	\$ 12,425,585	\$ 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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	281.09%	336.30%	446.84%	318.71%	284.96%	277.44%	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%	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 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

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

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 1,775,857	\$ 1,686,752	\$ 1,617,220	\$ 1,468,276	\$ 1,413,651	\$ 1,241,996	\$ 1,313,280	\$ 1,404,154	\$ 1,330,802	\$ 965,041
Contributions in relation to the contractually required contribution	(1,775,857)	(1,686,752)	(1,617,220)	(1,468,276)	(1,413,651)	(1,241,996)	(1,313,280)	(1,404,154)	(1,330,802)	(965,041)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,713,224	\$ 12,425,585	\$ 12,358,725	\$ 12,065,765	\$ 12,029,023	\$ 11,266,523	\$ 11,465,806	\$ 11,316,748	\$ 11,521,743	\$ 12,492,320
Contributions as a percentage of covered-employee payroll	13.97%	13.57%	13.09%	12.17%	11.75%	11.02%	11.45%	12.41%	11.55%	7.73%



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\*

	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.478475830%	0.465268828%	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	\$ 304,396,046	\$ 313,701,021	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>\$ 304,396,046</u>	<u>\$ 313,701,021</u>	<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	26.49%	25.41%	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 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

Piscataway Township School District  
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District  
State Health Benefit Local Education Retired Employees Plan

Last Ten Fiscal Years\*

	Year Ended June 30, 2018	Year Ended June 30, 2019
State's proportion of the OPEB Liability associated with the District -	0.47%	0.46%
District's proportionate share of the OPEB liability	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 250,957,214	\$ 214,148,862
Total proportionate share of the OPEB liability associated with the District	\$ 250,957,214	\$ 214,148,862
Beginning Balance	\$ 270,987,900	\$ 250,957,214
Increased by:		
Service cost	\$ 11,094,997	\$ 9,174,245
Interest cost	7,960,142	9,214,619
Member contributions	214,038	197,909
	19,269,177	18,586,773
Decreased by:		
Diff. between expected and actual exp.		(25,094,207)
Changes of assumptions	(33,487,161)	(24,574,654)
Gross benefit payments	(5,812,702)	(5,726,264)
	\$ (39,299,863)	\$ (55,395,125)
Balance	\$ 250,957,214	\$ 214,148,862
Covered by employee payroll	\$ 63,103,173	\$ 63,917,207
Total OPEB liability as a percentage of covered employee payroll.	397.69%	335.04%

\* 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.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

## **Required Supplementary Information – Part III**

Budgetary Comparison Schedules

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 91,188,701	\$ (792,778)	\$ 90,395,923	\$ 90,395,923	
Tuition from Individuals	25,000		25,000	16,602	\$ (8,398)
Tuition from LEAs within state	275,000		275,000	350,969	75,969
Transportation Fees from Individuals	300,000		300,000	345,165	45,165
Transportation Fees from Other LEAs	100,000		100,000	162,925	62,925
Rents and royalties	40,000		40,000	36,767	(3,233)
Investment Income				565,815	565,815
Interest Income	100,000		100,000	398,659	298,659
Interest Earned on Capital Reserve Funds	25,000		25,000	201,933	176,933
Interest Earned on Maintenance Reserve Funds	10,000		10,000	42,570	32,570
Miscellaneous	600,000		600,000	185,350	(414,650)
<b>Total revenues - local sources</b>	<b>92,663,701</b>	<b>(792,778)</b>	<b>91,870,923</b>	<b>92,702,678</b>	<b>831,755</b>
State sources:					
Categorical Special Education Aid	4,407,101		4,407,101	4,407,101	
Categorical Transportation Aid	2,048,130	1,140,617	3,188,747	3,188,747	
Equalization Aid	10,682,561		10,682,561	10,682,561	
Extraordinary Aid	900,000		900,000	490,496	(409,504)
Categorical Security Aid	613,955	681,665	1,295,620	1,295,620	
Additional non public transportation aid				79,437	79,437
On-behalf TPAF pension contributions (non-budgeted)				9,413,264	9,413,264
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,269,841	4,269,841
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				9,690	9,690
Reimbursed TPAF social security contributions (non-budgeted)				3,665,618	3,665,618
<b>Total - state sources</b>	<b>18,651,747</b>	<b>1,822,282</b>	<b>20,474,029</b>	<b>37,502,375</b>	<b>17,028,346</b>
Federal sources:					
Medicaid reimbursement	109,427		109,427	121,141	11,714
<b>Total Federal sources</b>	<b>109,427</b>	<b>-</b>	<b>109,427</b>	<b>121,141</b>	<b>11,714</b>
<b>Total revenues</b>	<b>111,424,875</b>	<b>1,029,504</b>	<b>112,454,379</b>	<b>130,326,194</b>	<b>17,871,815</b>
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,737,900		1,737,900	1,541,155	196,745
Grades 1-5	11,950,140	(163,949)	11,786,191	10,819,748	966,443
Grades 6-8	7,996,422	(15,849)	7,980,573	7,352,976	627,597
Grades 9-12	11,180,386	(55,945)	11,124,441	10,507,097	617,344
Home instruction - regular programs:					
Salaries of teachers	70,000	(4,000)	66,000	52,275	13,725
Purchased professional-educational services	48,000	4,000	52,000	40,555	11,445
Undistributed instruction - regular programs:					
Other salaries for instruction	275,317	1,105	276,422	261,816	14,606
Purchased professional-educational services	1,601,750	(40,691)	1,561,059	1,310,783	250,276
Other purchased services	44,730	(394)	44,336	35,109	9,227
General supplies	1,492,650	43,863	1,536,513	1,430,651	105,862
Textbooks	31,014	(7,290)	23,724	20,904	2,820
Other objects	321,508	5,828	327,336	284,598	42,738
<b>Total instruction - regular programs</b>	<b>36,749,817</b>	<b>(233,322)</b>	<b>36,516,495</b>	<b>33,657,667</b>	<b>2,858,828</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Cognitive-mild:					
Salaries of teachers	\$ 344,526	\$ 149,587	\$ 494,113	\$ 467,321	\$ 26,792
Other salaries for instruction	142,669	(68,232)	74,437	72,175	2,262
Purchased professional ed services	284,400	(183,834)	100,566	88,591	11,975
Other purchased services	350		350	138	212
General supplies	10,550		10,550	9,714	836
Total cognitive-mild	782,495	(102,479)	680,016	637,939	42,077
Learning and/or language disabilities:					
Salaries of teachers	848,443	(40,423)	808,020	800,619	7,401
Other salaries for instruction	462,931	(167,868)	295,063	279,239	15,824
Purchased professional ed services	156,000	(20,617)	135,383	124,578	10,805
General supplies	3,000	(835)	2,165	2,045	120
Total learning and/or language disabilities	1,470,374	(229,743)	1,240,631	1,206,481	34,150
Behavioral disabilities:					
Salaries of teachers	761,558	(125,492)	636,066	612,557	23,509
Other salaries for instruction	78,857	(34,206)	44,651	44,651	
Purchased professional ed services	273,600	(1,164)	272,436	247,495	24,941
General supplies	9,200	12,988	22,188	20,932	1,256
Total behavioral disabilities	1,123,215	(147,874)	975,341	925,635	49,706
Multiple disabilities:					
Salaries of teachers	107,639	(16,565)	91,074	90,777	297
Other salaries for instruction	36,088	(35,732)	356		356
Purchased professional ed services		1,137	1,137	986	151
General supplies	1,000		1,000	874	126
Total multiple disabilities	144,727	(51,160)	93,567	92,637	930
Resource room/center:					
Salaries of teachers	4,611,969	(247,272)	4,364,697	4,269,885	94,812
Other salaries for instruction	632,244	115,428	747,672	722,019	25,653
Purchased professional ed services	450,000	(165,936)	284,064	249,966	34,098
General supplies	7,950	(2,792)	5,158	4,303	855
Total resource room/center	5,702,163	(300,572)	5,401,591	5,246,173	155,418
Autism:					
Salaries of teachers	834,025	(45,613)	788,412	779,749	8,663
Other salaries for instruction	318,844	(125,936)	192,908	192,043	865
Purchased professional-educational services	340,800	(73,220)	267,580	244,912	22,668
General supplies	38,000	3,200	41,200	35,550	5,650
Total autism	1,531,669	(241,569)	1,290,100	1,252,254	37,846
Preschool disabilities - part time:					
Salaries of teachers	353,904	(94,795)	259,109	227,162	31,947
Other salaries for instruction	108,463	(72,016)	36,447	36,116	331
Purchased professional-educational services	60,000	(1,069)	58,931	50,630	8,301
General supplies	3,500	(1,565)	1,935	1,302	633
Total preschool disabilities - part time	525,867	(169,445)	356,422	315,210	41,212
Preschool disabilities - full time:					
Salaries of teachers	252,943	(46,544)	206,399	122,235	84,164
Other salaries for instruction	139,027	(69,829)	69,198	69,198	
Purchased professional-educational services	172,200	61,321	233,521	173,940	59,581
General supplies		2,842	2,842	1,495	1,347
Total preschool disabilities - full time	564,170	(52,210)	511,960	366,868	145,092
Total special education	11,844,680	(1,295,052)	10,549,628	10,043,197	506,431

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	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	\$ 1,173,825	\$ (19,000)	\$ 1,154,825	\$ 1,133,595	\$ 21,230
General supplies	6,320	(114)	6,206	1,867	4,339
Total basic skills/remedial - instruction	1,180,145	(19,114)	1,161,031	1,135,462	25,569
Bilingual education - instruction:					
Salaries of teachers	494,835	50,445	545,280	532,956	12,324
General supplies	9,586	200	9,786	5,837	3,949
Total bilingual education - instruction	504,421	50,645	555,066	538,793	16,273
School - sponsored cocurricular activities:					
Salaries	330,760	1,870	332,630	325,570	7,060
Purchased services	32,320	(238)	32,082	30,852	1,230
Supplies and materials	67,265	43,258	110,523	91,401	19,122
Other objects	5,750	742	6,492	6,338	154
Total school spn. cocurricular activities	436,095	45,632	481,727	454,161	27,566
School - sponsored athletics - instruction:					
Salaries	890,185	(8,473)	881,712	864,132	17,580
Purchased services	137,320	3,499	140,819	121,664	19,155
Supplies and materials	116,000	71,020	187,020	186,033	987
Other objects	28,600	7,500	36,100	35,956	144
Total school - sponsored athletics - instruction	1,172,105	73,546	1,245,651	1,207,785	37,866
Other supplemental / At Risk programs:					
Salaries of tutors	31,260	5,120	36,380	28,545	7,835
Purchased professional ed services	225,000	(43,597)	181,403	180,103	1,300
General supplies	2,800		2,800	821	1,979
Total Other supplemental / At Risk programs	259,060	(38,477)	220,583	209,469	11,114
Total instruction	52,146,323	(1,416,142)	50,730,181	47,246,534	3,483,647
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.		32,520	32,520	24,598	7,922
Tuition to other LEAs w/in the state - sp.	840,000	30,020	870,020	848,403	21,617
Tuition to private schools for the handicapped - within state	1,200,000	(266,663)	933,337	428,961	504,376
Tuition - state facilities	128,620		128,620	128,620	
Total instruction	2,168,620	(204,123)	1,964,497	1,430,582	533,915

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 232,891		\$ 232,891	\$ 211,864	\$ 21,027
Other purchased services	4,000		4,000	2,340	1,660
Supplies and materials	1,000		1,000		1,000
Total attendance and social work service	237,891		237,891	214,204	23,687
Health services:					
Salaries	913,014	\$ (2,879)	910,135	900,931	9,204
Purchased professional and technical services	27,000	15,938	42,938	28,642	14,296
Other purchased services	300	(150)	150	127	23
Supplies and materials	28,000	10,136	38,136	37,278	858
Total health services	968,314	23,045	991,359	966,978	24,381
Speech, OT, PT, and related services related services:					
Salaries	1,636,753	(111,258)	1,525,495	1,413,495	112,000
Purchased professional educational services	4,000	111,258	115,258	115,258	
Supplies and materials	30,000	(5,360)	24,640	16,155	8,485
Total Speech, OT, PT, and related services	1,670,753	(5,360)	1,665,393	1,544,908	120,485
Other support services - students - extra services:					
Salaries	9,000	525,525	534,525	534,524	1
Purchased professional educational services	496,000	441,656	937,656	846,593	91,063
Supplies and materials	3,000	8,610	11,610	8,510	3,100
Total other support services - students - extra services	508,000	975,791	1,483,791	1,389,627	94,164
Guidance:					
Salaries of other professional staff	1,991,866	(155,303)	1,836,563	1,713,343	123,220
Salaries of secretarial and clerical assistants	354,040		354,040	354,040	
Other Salaries	46,490	(5,400)	41,090	40,174	916
Purchased professional - educational services	272,500	233,365	505,865	365,889	139,976
Other purchased professional - technical services	2,000		2,000	25	1,975
Other purchased services	2,300	1,100	3,400	1,936	1,464
Supplies and materials	41,575	(1,527)	40,048	34,056	5,992
Other objects	960		960	938	22
Total guidance	2,711,731	72,235	2,783,966	2,510,401	273,565
Child Study Team:					
Salaries of other professional staff	2,631,982	(36,174)	2,595,808	2,501,292	94,516
Salaries of secretarial and clerical assistants	281,091		281,091	278,587	2,504
Other Salaries	77,000	(17,958)	59,042	58,225	817
Purchased professional - educational services	50,000	66,950	116,950	83,024	33,926
Other purchased services (400-500 series)	8,500	(1,945)	6,555	3,169	3,386
Supplies and materials	17,000	(6,230)	10,770	10,738	32
Total child study team	3,065,573	4,643	3,070,216	2,935,035	135,181

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	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	\$ 1,461,500	\$ (14,900)	\$ 1,446,600	\$ 1,255,830	\$ 190,770
Salaries of secretarial and clerical assistants	175,132	(44,990)	130,142	130,142	
Other Salaries	105,200	(7,015)	98,185	96,453	1,732
Salaries of facilitators, math & literacy coaches	660,946	59,890	720,836	644,573	76,263
Purchased professional - educational services	26,600	18,403	45,003	43,803	1,200
Other purchased services	5,200	(2,500)	2,700	1,183	1,517
Supplies and materials	336,658	5,393	342,051	336,912	5,139
Other objects	8,070	(900)	7,170	7,012	158
Total improvement of instructional services	2,779,306	13,381	2,792,687	2,515,908	276,779
Educational media services/school library:					
Salaries	486,234		486,234	469,062	17,172
Salaries of Technology Coordinators	58,411		58,411	46,854	11,557
Purchased professional and technical services	13,360		13,360	13,149	211
Supplies and materials	46,514	(2,752)	43,762	41,857	1,905
Total educational media services/school library	604,519	(2,752)	601,767	570,922	30,845
Instructional staff training services:					
Other purchased services	33,600	1,062	34,662	19,047	15,615
Total instructional staff training services	33,600	1,062	34,662	19,047	15,615
Support services-general administration:					
Salaries	651,022	100,000	751,022	649,737	101,285
Salaries of attorneys	133,890		133,890	133,527	363
Legal services	60,000	46,887	106,887	32,966	73,921
Audit fees	80,000		80,000	73,440	6,560
Architectural / engineering services	125,000	(15,975)	109,025	34,470	74,555
Other purchased professional services	60,000		60,000	42,086	17,914
Purchased technical services	40,000		40,000		40,000
Communications/telephone	475,000	6,000	481,000	276,990	204,010
BOE Other purchased services	8,000	3,000	11,000	6,852	4,148
Misc Purch Services	470,412	(14,875)	455,537	312,674	142,863
General supplies	158,500	(1,928)	156,572	98,292	58,280
Judgments against the school district	75,000	121,722	196,722	5,000	191,722
Miscellaneous expenditures	30,000		30,000	10,446	19,554
BOE membership dues and fees	38,000	(96)	37,904	32,246	5,658
Total support services-general administration	2,404,824	244,735	2,649,559	1,708,726	940,833



Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	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	\$ 2,430,125	\$ 325,447	\$ 2,755,572	\$ 2,733,936	\$ 21,636
Salaries of other prof staff	133,000		133,000	133,000	
Salaries of secretarial and clerical assistants	928,821		928,821	907,777	21,044
Other salaries	130,050	(14,442)	115,608	20,189	95,419
Purchased professional and technical services	20,000	1,814	21,814	4,920	16,894
Other purchased services	9,000	(2,590)	6,410	1,759	4,651
Supplies and materials	151,303	15,490	166,793	158,787	8,006
Other objects	47,574	35,167	82,741	73,662	9,079
<b>Total support services-school administration</b>	<b>3,849,873</b>	<b>360,886</b>	<b>4,210,759</b>	<b>4,034,030</b>	<b>176,729</b>
Central services:					
Salaries	953,486	37,659	991,145	931,801	59,344
Purchased technical services	55,000		55,000	42,716	12,284
Misc. purchased services	146,500	16,258	162,758	135,740	27,018
Supplies and materials	38,000	(7,150)	30,850	15,750	15,100
Other objects	10,000	5,150	15,150	14,846	304
<b>Total central services</b>	<b>1,202,986</b>	<b>51,917</b>	<b>1,254,903</b>	<b>1,140,853</b>	<b>114,050</b>
Administrative information technology:					
Salaries	709,489	86,000	795,489	633,148	162,341
Purchased technical services	62,000		62,000	29,772	32,228
Other purchased services	20,000		20,000	448	19,552
Supplies and Materials	71,500		71,500	62,501	8,999
Other objects	239,617	64,000	303,617	234,860	68,757
<b>Total administrative information technology</b>	<b>1,102,606</b>	<b>150,000</b>	<b>1,252,606</b>	<b>960,729</b>	<b>291,877</b>
Required maintenance for school facilities:					
Salaries	1,073,910		1,073,910	1,065,085	8,825
Cleaning, repair and maintenance services	944,939	307,884	1,252,823	1,067,364	185,459
General supplies	292,936	(30,819)	262,117	250,154	11,963
<b>Total required maintenance for school facilities</b>	<b>2,311,785</b>	<b>277,065</b>	<b>2,588,850</b>	<b>2,382,603</b>	<b>206,247</b>
Custodial Services:					
Salaries	2,935,163	(24,315)	2,910,848	2,826,505	84,343
Purchased professional and technical services	45,000	114,261	159,261	83,036	76,225
Cleaning, repair and maintenance services	246,272	35,519	281,791	273,660	8,131
Other purchased property services	260,000	(25,000)	235,000	200,105	34,895
Insurance	945,000	(133,500)	811,500	810,138	1,362
Miscellaneous purchased services	5,000		5,000	3,058	1,942
General supplies	338,000	(7,213)	330,787	308,466	22,321
Energy - Natural gas	545,000	64,785	609,785	526,796	82,989
Energy - Electricity	1,775,000	(134,785)	1,640,215	1,440,299	199,916
Energy - Gasoline	150,000	(78,100)	71,900	22,826	49,074
<b>Total custodial services</b>	<b>7,244,435</b>	<b>(188,348)</b>	<b>7,056,087</b>	<b>6,494,889</b>	<b>561,198</b>
Care & upkeep of grounds:					
Salaries	404,826		404,826	397,494	7,332
Cleaning, repair and maintenance services	92,500	32,973	125,473	120,658	4,815
General supplies	91,500	(4,817)	86,683	83,451	3,232
<b>Total care &amp; upkeep of grounds</b>	<b>588,826</b>	<b>28,156</b>	<b>616,982</b>	<b>601,603</b>	<b>15,379</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 1,025,888	\$ (101,000)	\$ 924,888	\$ 792,324	\$ 132,564
Purchased professional and technical services	200,000	6,629	206,629	167,753	38,876
Cleaning, repair and maintenance services	10,000		10,000		10,000
Travel - All other		1,000	1,000	595	405
General supplies	122,000	170,000	292,000	216,159	75,841
Other objects	10,000	(5,043)	4,957		4,957
Total Security	1,367,888	71,586	1,439,474	1,176,831	262,643
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	11,000		11,000	9,484	1,516
Between home and school - regular	1,143,248	(61,224)	1,082,024	1,050,170	31,854
Between home and school - special	60,000	(21,326)	38,674	38,674	
Other than between home & school	70,000		70,000	59,840	10,160
Between home and school - non public	25,000	(25,000)			
Other purchased professional services	600,000		600,000	593,711	6,289
Cleaning, repair and maintenance	350,000	25,000	375,000	311,023	63,977
Rental payment - school buses	20,000	12,000	32,000	15,485	16,515
Contracted services:					
Between home & school - regular	2,650,000	10,000	2,660,000	2,659,895	105
Other between home & school - regular	440,995	111,832	552,827	331,718	221,109
Between home & school - jointures	100,000	(91,256)	8,744	7,975	769
Vendors - special ed	25,000		25,000	7,157	17,843
ESCs & CTSAs - regular ed	400,000	75,000	475,000	450,645	24,355
ESCs & CTSAs - special ed	1,220,000	(95,000)	1,125,000	988,383	136,617
Aid in lieu - nonpublic	135,000	46,100	181,100	181,100	
Aid in lieu - charter	20,000	11,500	31,500	31,500	
Miscellaneous purchased services	55,000		55,000	43,494	11,506
General Supplies	70,000	(15,455)	54,545	50,724	3,821
Transportation Supplies and materials	300,000	(500)	299,500	228,954	70,546
Miscellaneous expenditures		100	100	100	
Total student transportation services	7,695,243	(18,229)	7,677,014	7,060,032	616,982
Unallocated benefits:					
Social security contributions	1,450,000		1,450,000	1,386,447	63,553
Other retirement contributions - PERS	1,900,000	(108,024)	1,791,976	1,789,004	2,972
Worker's compensation	510,000	(102,900)	407,100	375,496	31,604
Health insurance	15,853,000		15,853,000	13,060,612	2,792,388
Tuition reimbursement	100,000	250,514	350,514	228,767	121,747
PSA tuition reimbursement	20,000		20,000		20,000
Other tuition reimbursement	20,000		20,000	574	19,426
Other employee benefits	325,000	(27,603)	297,397	245,877	51,520
Total unallocated benefits	20,178,000	11,987	20,189,987	17,086,777	3,103,210
On-behalf TPAF pension contributions (non-budgeted)					
				9,413,264	(9,413,264)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)					
				4,269,841	(4,269,841)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)					
				9,690	(9,690)
Reimbursed TPAF social security contributions (non-budgeted)					
				3,665,618	(3,665,618)
Total personal services: benefits	20,178,000	11,987	20,189,987	34,445,190	(14,255,203)
Interest deposit to maintenace reserve					
	10,000		10,000		10,000
Total undistributed expenditures	62,704,773	1,867,677	64,572,450	74,103,098	(9,530,648)
Total current expenditures	114,851,096	451,535	115,302,631	121,349,632	(6,047,001)

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 1-5	\$ 150,000	\$ 24,452	\$ 174,452	\$ 127,703	\$ 46,749
Grades 6-8	150,000	300,000	450,000	47,966	402,034
Grades 9-12	450,000		450,000	399,922	50,078
Admin Info Tech	200,000		200,000		200,000
Required maintenance for school facilities	159,250	350,000	509,250	237,566	271,684
Undistributed expenditure Security	60,000	13,516	73,516	7,000	66,516
School buses - special	60,000	100,000	160,000	158,474	1,526
Total equipment	1,229,250	787,968	2,017,218	978,631	1,038,587
Facilities acquisition and construction services:					
Other objects - assessment of debt service	243,505		243,505	243,505	
Construction services	6,185,000	212,590	6,397,590	3,812,788	2,584,802
Total facilities acquisition and construction services	6,428,505	212,590	6,641,095	4,056,293	2,584,802
Interest deposit to capital reserve	25,000		25,000		25,000
Total expenditures - capital outlay	7,682,755	1,000,558	8,683,313	5,034,924	3,648,389
Transfer of funds to charter schools	326,024	254,123	580,147	551,071	29,076
Total expenditures	122,859,875	1,706,216	124,566,091	126,935,627	(2,369,536)
(Deficiency) excess of revenues (under) over expenditures	(11,435,000)	(676,712)	(12,111,712)	3,390,567	15,502,279
Other financing sources (uses):					
Transfers in (Capital Projects Fund)				484,822	484,822
Transfers out (Special Revenue Fund)				(48,495)	(48,495)
Total other financing sources (uses)	-	-	-	436,327	436,327
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(11,435,000)	(676,712)	(12,111,712)	3,826,894	15,938,606
Fund balances, July 1	28,725,026		28,725,026	28,725,026	
Fund balances, June 30	\$ 17,290,026	\$ (676,712)	\$ 16,613,314	\$ 32,551,920	\$ 15,938,606
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (6,000,000)		\$ (6,000,000)	\$ 9,938,606	\$ 15,938,606
Withdrawal from capital reserve	(5,335,000)		(5,335,000)	(5,335,000)	
Withdrawal from maintenance reserve	(100,000)		(100,000)	(100,000)	
Adjustment for prior year encumbrances		\$ (676,712)	(676,712)	(676,712)	
Total	\$ (11,435,000)	\$ (676,712)	\$ (12,111,712)	\$ 3,826,894	\$ 15,938,606
Recapitulation of fund balance:					
Restricted for:					
Capital reserve				\$ 16,185,099	
Maintenance reserve				1,952,391	
Excess surplus - prior year				4,935,583	
Excess surplus - current year				5,499,867	
Assigned to:					
Year end encumbrances				1,707,029	
Unassigned fund balance				2,271,951	
				32,551,920	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(1,905,983)	
Solar Renewable Energy Credits (SREC) Income				1,020,321	
Fund balance per Government Funds (GAAP) (B-1)				\$ 31,666,258	

Piscataway Township School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 892,200	\$ 2,295,405	\$ 3,187,605	\$ 2,141,955	\$ (1,045,650)
Federal sources	2,441,028	552,451	2,993,479	2,761,731	(231,748)
Other sources		305,770	305,770	220,937	(84,833)
Total revenues	3,333,228	3,153,626	6,486,854	5,124,623	(1,362,231)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	338,350	(6,194)	332,156	312,858	19,298
Other salaries for instruction		80,480	80,480	63,715	16,765
Purchased professional technical services		185,527	185,527	155,611	29,916
Purchased professional educational services		975	975		975
Tuition	1,591,028	138,232	1,729,260	1,729,260	
Travel		23,981	23,981	14,823	9,158
Supplies and materials	146,650	112,869	259,519	113,148	146,371
Other objects		29,200	29,200	2,860	26,340
Total instruction	2,076,028	565,070	2,641,098	2,392,275	248,823
Support services:					
Salaries of other professional staff	120,000	(109,600)	10,400	7,219	3,181
Personal services—employee benefits	100,000	15,559	115,559	115,011	548
Purchased professional technical services	1,037,200	2,459,930	3,497,130	2,487,306	1,009,824
Other purchased professional services		81,705	81,705	60,411	21,294
Supplies and materials		91,212	91,212	63,726	27,486
Total support services	1,257,200	2,538,806	3,796,006	2,733,673	1,062,333
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment		49,750	49,750	47,170	2,580
Total facilities acquisition and construction services		49,750	49,750	47,170	2,580
Total expenditures	3,333,228	3,153,626	6,486,854	5,173,118	1,313,736
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(48,495)	(48,495)
Other financing sources (uses)					
Transfers in				48,495	48,495
Total other financing sources (uses)	-	-	-	48,495	48,495
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2019

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 130,326,194	\$ 5,124,623
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		
Prior year		1,030
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,645,181	44,220
Current year	(1,905,983)	(230,146)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis	(174,323)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 129,891,069	\$ 4,939,727
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 126,935,627	\$ 5,173,118
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		1,030
Current year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 126,935,627	\$ 5,174,148

## **Supplementary Information**

## **Special Revenue Fund**

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2019

	Title I Regular Part A	I.D.E.A. Part B Regular	Part B Preschool	Title II Part A Regular	Title III Regular	Title III Immigrant	Title IV Drug Free Regular
Revenues:							
State sources							
Federal sources	\$ 591,336	\$ 1,819,690	\$ 53,657	\$ 148,828	\$ 62,498	\$ 8,658	\$ 34,990
Other sources							
Total revenues	\$ 591,336	\$ 1,819,690	\$ 53,657	\$ 148,828	\$ 62,498	\$ 8,658	\$ 34,990
Expenditures:							
Current expenditures:							
Instruction:							
Salaries of teachers	\$ 277,025				\$ 35,833		
Other salaries	63,715						
Tuition		\$ 1,675,603	\$ 53,657				
Purchased professional technical services	7,396				11,192		\$ 4,150
Travel							
Supplies and materials	31,861				2,878	\$ 8,658	25,099
Other objects	2,860						
Total instruction	382,857	1,675,603	53,657		49,903	8,658	29,249
Support services:							
Salaries of other professional staff	4,039						
Personal services—employee benefits	102,416				12,595		
Purchased professional educational services		144,087		\$ 148,828			5,741
Other purchased professional services	51,842						
Supplies and materials	22,567						
Total support services	180,864	144,087		148,828	12,595		5,741
Capital outlay:							
Equipment:							
Instructional equipment	27,615						
Total Equipment	27,615						
Total expenditures	\$ 591,336	\$ 1,819,690	\$ 53,657	\$ 148,828	\$ 62,498	\$ 8,658	\$ 34,990
Other financing sources (uses)							
Transfers in							
Total other financing sources (uses)							



Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2019

	New Jersey Non-Public Aid										
	Comp Ed Regular Program	ESL Regular Program	Transpor- tation Regular Program	Exam & Class Regular Program	Corrective Speech Regular Program	Supple- mentary Instruction Regular Program	Nursing Regular Program	Technology Initiative Regular Program	Home Instruction Regular Program	Text - books Regular Program	Security Regular Program
Revenues:											
State sources	\$ 146,363	\$ 19,671	\$ 19,803	\$ 70,057	\$ 38,390	\$ 35,683	\$ 130,704	\$ 48,694	\$ 1,007	\$ 71,781	\$ 195,856
Federal sources											
Other sources											
Total revenues	\$ 146,363	\$ 19,671	\$ 19,803	\$ 70,057	\$ 38,390	\$ 35,683	\$ 130,704	\$ 48,694	\$ 1,007	\$ 71,781	\$ 195,856
Expenditures:											
Current expenditures:											
Instruction:											
Salaries of teachers											
Other salaries											
Tuition											
Purchased professional technical services											
Travel											
Supplies and materials											
Other objects											
Total instruction											
Support services:											
Salaries of other professional staff											
Personal services—employee benefits											
Purchased professional educational services	\$ 146,363	\$ 19,671	\$ 19,803	\$ 70,057	\$ 38,390	\$ 35,683	\$ 130,704	\$ 48,694	\$ 1,007	\$ 71,781	\$ 195,856
Other purchased professional services											
Supplies and materials											
Total support services	146,363	19,671	19,803	70,057	38,390	35,683	130,704	48,694	1,007	71,781	195,856
Capital outlay:											
Equipment:											
Instructional equipment											
Total Equipment											
Total expenditures	\$ 146,363	\$ 19,671	\$ 19,803	\$ 70,057	\$ 38,390	\$ 35,683	\$ 130,704	\$ 48,694	\$ 1,007	\$ 71,781	\$ 195,856
Other financing sources (uses)											
Transfers in											
Total other financing sources (uses)											

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2019

	Carl Perkins	Preschool Education Aid Inclusion	Preschool Education Aid	NJ Advanced Computer Science Competitive Grant	Local Programs	Totals
<b>Revenues:</b>						
State sources			\$ 1,362,146	\$ 1,800		\$ 2,141,955
Federal sources	\$ 42,074					2,761,731
Other sources					\$ 220,937	220,937
<b>Total revenues</b>	<b>\$ 42,074</b>		<b>\$ 1,362,146</b>	<b>\$ 1,800</b>	<b>\$ 220,937</b>	<b>\$ 5,124,623</b>
<b>Expenditures:</b>						
<b>Current expenditures:</b>						
<b>Instruction:</b>						
Salaries of teachers						312,858
Other salaries						63,715
Tuition						1,729,260
Purchased professional technical services	\$ 239				\$ 132,634	155,611
Travel					14,823	14,823
Supplies and materials	28,702				15,950	113,148
Other objects						2,860
<b>Total instruction</b>	<b>28,941</b>				<b>163,407</b>	<b>2,392,275</b>
<b>Support services:</b>						
Salaries of other professional staff	1,380			\$ 1,800		7,219
Personal services—employee benefits						115,011
Purchased professional educational services		\$ 48,495	\$ 1,362,146			2,487,306
Other purchased professional services	8,569					60,411
Supplies and materials					41,159	63,726
<b>Total support services</b>	<b>9,949</b>	<b>48,495</b>	<b>1,362,146</b>	<b>1,800</b>	<b>41,159</b>	<b>2,733,673</b>
<b>Capital outlay:</b>						
<b>Equipment:</b>						
Instructional equipment	3,184				16,371	47,170
<b>Total Equipment</b>	<b>3,184</b>				<b>16,371</b>	<b>47,170</b>
<b>Total expenditures</b>	<b>\$ 42,074</b>	<b>\$ 48,495</b>	<b>\$ 1,362,146</b>	<b>\$ 1,800</b>	<b>\$ 220,937</b>	<b>\$ 5,173,118</b>
<b>Other financing sources (uses)</b>						
Transfers in		\$ 48,495				\$ 48,495
<b>Total other financing sources (uses)</b>		<b>\$ 48,495</b>				<b>\$ 48,495</b>

Piscataway Township School District  
Special Revenue Fund

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

Year ended June 30, 2019

	<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	\$ 1,859,263	\$ 2,301,463	\$ 1,362,146	\$ 939,317
<b>Total support services</b>	<u>442,200</u>	<u>1,859,263</u>	<u>2,301,463</u>	<u>1,362,146</u>	<u>939,317</u>
<b>Total Expenditures</b>	<u>\$ 442,200</u>	<u>\$ 1,859,263</u>	<u>\$ 2,301,463</u>	<u>\$ 1,362,146</u>	<u>\$ 939,317</u>

Calculation of Budget and Carryover

Total revised 2018-19 Preschool Education Aid Allocation	\$ 2,301,463
Add: Actual Preschool Education Aid Carryover June 30, 2018	<u>-</u>
Total Preschool Education Aid Funds Available for 2018-19 Budget	2,301,463
Less: 2018-19 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(2,301,463)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended Preschool Education Aid	939,317
2018-19 Carryover - Preschool Education Aid/Preschool	<u>\$ 939,317</u>
2018-19 Preschool Education Aid Carryover	939,317
Budgeted for Preschool Programs 2019-20	<u>\$ 939,317</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, 2019

<b>Revenues and other financing sources</b>	
State Sources - SDA Grant	\$ 2,447
Total revenues	<u>2,447</u>
<b>Expenditures and Other Financing Uses</b>	
Construction and professional technical services	<u>339,073</u>
Total expenditures	339,073
(Deficiency) of revenues (under) expenditures	<u>(336,626)</u>
<b>Other Financing (uses)</b>	
Transfers to General Fund	(484,822)
Cancellation of SDA grant awards	<u>(11,204)</u>
Total other financing (uses)	(496,026)
(Deficiency) of revenues (under) expenditures and other financing (uses)	(832,652)
Fund Balance, July 1	<u>2,359,582</u>
Fund Balance, June 30	<u>\$ 1,526,930</u>
Fund balance, budgetary-basis	\$ 1,526,930
Less difference in grant revenue recognized	<u>(609,121)</u>
Fund balance, GAAP-basis	<u>\$ 917,809</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, 2019

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 2,381,226	\$ (8,757)	\$ 2,372,469	\$ 2,372,469
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	<u>4,617,728</u>		<u>4,617,728</u>	<u>4,617,728</u>
Total revenues	6,998,954	(8,757)	6,990,197	<u>\$ 6,990,197</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services	240,293		240,293	
Land and improvements				
Construction services	4,399,079	339,073	4,738,152	
Equipment				
Transfers to General Fund		<u>484,822</u>	<u>484,822</u>	
Total expenditures	4,639,372	823,895	5,463,267	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,359,582</u>	<u>\$ (832,652)</u>	<u>\$ 1,526,930</u>	

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, 2019

	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	\$ 73,646	\$ -	\$ 73,646	\$ 73,646
Total revenues	<u>73,646</u>	<u>-</u>	<u>73,646</u>	<u>\$ 73,646</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	42,840		42,840	
Equipment				
Transfers to General Fund		30,806	30,806	
Total expenditures	<u>42,840</u>	<u>30,806</u>	<u>73,646</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 30,806</u>	<u>\$ (30,806)</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	\$ 73,646			
Additional Authorized Cost				
Revised Authorized Cost	\$ 73,646			
Percentage Decrease over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
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 Replacement: Fellowship Farms

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 245,696	\$ -	\$ 245,696	\$ 245,696
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	435,084		435,084	435,084
Total revenues	<u>680,780</u>	<u>-</u>	<u>680,780</u>	<u>\$ 680,780</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	614,239		614,239	
Equipment				
Transfers to General Fund		66,541	66,541	
Total expenditures	<u>614,239</u>	<u>66,541</u>	<u>680,780</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 66,541</u>	<u>\$ (66,541)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	100.00%			
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)

Upgrade HVAC Controls: Piscataway High School

From Inception and for the year ended June 30, 2019

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 65,784	\$ -	\$ 65,784	\$ 65,784
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	100,680		100,680	100,680
	<u>166,464</u>	<u>-</u>	<u>166,464</u>	<u>\$ 166,464</u>
Total revenues				
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	164,459		164,459	
Equipment				
Transfers to General Fund		2,005	2,005	
Total expenditures	<u>164,459</u>	<u>2,005</u>	<u>166,464</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,005</u>	<u>\$ (2,005)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-13-2027			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 167,800			
Additional Authorized Cost	(1,336)			
Revised Authorized Cost	\$ 166,464			
Percentage Increase over Original Authorized Cost	-0.80%			
Percentage completion	100.00%			
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)

HVAC Renovations: Conackamack Middle School  
From Inception and for the year ended June 30, 2019

	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	178,620		178,620	178,620
Total revenues	<u>287,700</u>	<u>-</u>	<u>287,700</u>	<u>\$ 287,700</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	282,371		282,371	
Equipment				
Transfers to General Fund		5,329	5,329	
Total expenditures	<u>282,371</u>	<u>5,329</u>	<u>287,700</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,329</u>	<u>\$ (5,329)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	100.00%			
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)

HVAC Renovations: Arbor Elementary School

From Inception and for the year ended June 30, 2019

	<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	\$ 20,490	\$ -	\$ 20,490	\$ 20,490
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	58,290		58,290	58,290
Total revenues	<u>78,780</u>	<u>-</u>	<u>78,780</u>	<u>\$ 78,780</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	51,226		51,226	
Equipment				
Transfers to General Fund		27,554	27,554	
Total expenditures	<u>51,226</u>	<u>27,554</u>	<u>78,780</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,554</u>	<u>\$ (27,554)</u>	<u>\$ -</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	100.00%			
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)

HVAC Renovations: Eisenhower Elementary School

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 31,910	\$ -	\$ 31,910	\$ 31,910
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	174,330		174,330	174,330
	<u>206,240</u>	<u>-</u>	<u>206,240</u>	<u>\$ 206,240</u>
Total revenues				
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	79,776		79,776	
Equipment				
Transfers to General Fund		126,464	126,464	
Total expenditures	<u>79,776</u>	<u>126,464</u>	<u>206,240</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 126,464</u>	<u>\$ (126,464)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-065-13-1011			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 290,550			
Additional Authorized Cost	(84,310)			
Revised Authorized Cost	\$ 206,240			
Percentage Increase over Original Authorized Cost	-29.02%			
Percentage completion	100.00%			
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)

HVAC Renovations: Grandview Elementary School

From Inception and for the year ended June 30, 2019

	<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	\$ 52,490	\$ 2,447	\$ 54,937	\$ 54,937
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	116,940		116,940	116,940
Total revenues	<u>169,430</u>	<u>2,447</u>	<u>171,877</u>	<u>\$ 171,877</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	131,226		131,226	
Equipment				
Transfers to General Fund		40,651	40,651	
Total expenditures	<u>131,226</u>	<u>40,651</u>	<u>171,877</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 38,204</u>	<u>\$ (38,204)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-080-13-2012			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 194,900			
Additional Authorized Cost	(23,023)			
Revised Authorized Cost	\$ 171,877			
Percentage Increase over Original Authorized Cost	-11.81%			
Percentage completion	100.00%			
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, 2019

	<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	\$ 47,730	\$ -	\$ 47,730	\$ 47,730
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	111,090		111,090	111,090
	<u>158,820</u>	<u>-</u>	<u>158,820</u>	<u>\$ 158,820</u>
Total revenues				
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	119,326		119,326	
Equipment				
Transfers to General Fund		39,494	39,494	
Total expenditures	<u>119,326</u>	<u>39,494</u>	<u>158,820</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 39,494</u>	<u>\$ (39,494)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	100.00%			
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)

HVAC Renovations: Martin Luther King Elementary School

From Inception and for the year ended June 30, 2019

	<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	\$ 31,710	\$ -	\$ 31,710	\$ 31,710
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	169,530		169,530	169,530
	<u>201,240</u>	<u>-</u>	<u>201,240</u>	<u>\$ 201,240</u>
Total revenues				
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	79,276		79,276	
Equipment				
Transfers to General Fund		121,964	121,964	
Total expenditures	<u>79,276</u>	<u>121,964</u>	<u>201,240</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 121,964</u>	<u>\$ (121,964)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	100.00%			
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)

HVAC Renovations: Randolphville Elementary School

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 52,690	\$ -	\$ 52,690	\$ 52,690
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	104,550	(10,968)	93,582	93,582
Total revenues	<u>157,240</u>	<u>(10,968)</u>	<u>146,272</u>	<u>\$ 146,272</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	131,724		131,724	
Equipment				
Transfers to General Fund		14,548	14,548	
Total expenditures	<u>131,724</u>	<u>14,548</u>	<u>146,272</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 25,516</u>	<u>\$ (25,516)</u>	<u>\$ -</u>	

**Additional project information**

Project number	4130-120-13-1022
Grant date	4/14/2016
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 174,250
Additional Authorized Cost	(27,978)
Revised Authorized Cost	\$ 146,272
Percentage Increase over Original Authorized Cost	-16.06%
Percentage completion	100.00%
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)

Replace Chillers: Piscataway High School

From Inception and for the year ended June 30, 2019

	<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	\$ 309,048	\$ -	\$ 309,048	\$ 309,048
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	583,572		583,572	583,572
	<u>892,620</u>	<u>-</u>	<u>892,620</u>	<u>\$ 892,620</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	886,754		886,754	
Equipment				
Transfers to General Fund		5,866	5,866	
Total expenditures	<u>886,754</u>	<u>5,866</u>	<u>892,620</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,866</u>	<u>\$ (5,866)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
Project number	4130-050-14-1028			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 772,620			
Additional Authorized Cost	120,000			
Revised Authorized Cost	\$ 892,620			
Percentage Increase over Original Authorized Cost	15.53%			
Percentage completion	100.00%			
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)

Replacement of Exterior Metal Panels: Piscataway High School

From Inception and for the year ended June 30, 2019

	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
Total revenues	<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/tech services				
Land and improvements				
Construction services	28,035		28,035	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>28,035</u>	<u>-</u>	<u>28,035</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,513,965</u>	<u>\$ -</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 2020			

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

Predevelopment Costs: Grandview Elementary School

From Inception and for the year ended June 30, 2019

	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	\$ 205,000	\$ -	\$ 205,000	\$ 205,000
	205,000	-	205,000	<u>\$ 205,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services	96,548		96,548	
Land and improvements				
Construction services		101,851	101,851	
Equipment				
Transfers to General Fund			-	
Total expenditures	96,548	101,851	198,399	
Excess (deficiency) of revenues over (under) expenditures	\$ 108,452	\$ (101,851)	\$ 6,601	
<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	\$ 205,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 205,000			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		96.78%		
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)

Predevelopment Costs: Piscataway High School

From Inception and for the year ended June 30, 2019

	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	\$ 184,500	\$ -	\$ 184,500	\$ 184,500
Total revenues	<u>184,500</u>	<u>-</u>	<u>184,500</u>	<u>\$ 184,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services	143,745		143,745	
Land and improvements				
Construction services		34,391	34,391	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>143,745</u>	<u>34,391</u>	<u>178,136</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 40,755</u>	<u>\$ (34,391)</u>	<u>\$ 6,364</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	\$ 184,500			
Additional Authorized Cost				
Revised Authorized Cost	\$ 184,500			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		96.55%		
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)

Bathroom ADA Renovations: Piscataway High School

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 662,200	\$ (236)	\$ 661,964	\$ 661,964
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	993,300		993,300	993,300
Total revenues	<u>1,655,500</u>	<u>(236)</u>	<u>1,655,264</u>	<u>\$ 1,655,264</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	1,448,833	202,831	1,651,664	
Equipment				
Transfers to General Fund		3,600	3,600	
Total expenditures	<u>1,448,833</u>	<u>206,431</u>	<u>1,655,264</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 206,667</u>	<u>\$ (206,667)</u>	<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	\$ 1,655,264			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,655,264			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
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)

Security and Communications System Upgrade: High School

From Inception and for the year ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 135,598	\$ (10,968)	\$ 124,630	\$ 124,630
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	203,396	10,968	214,364	214,364
Total revenues	<u>338,994</u>	<u>(10,968)</u>	<u>338,994</u>	<u>\$ 338,994</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	338,994		338,994	
Equipment				
Transfers to General Fund				
Total expenditures	<u>338,994</u>	<u></u>	<u>338,994</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (10,968)</u>	<u>\$ -</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	(48,506)			
Revised Authorized Cost	\$ 338,994			
Percentage Increase over Original Authorized Cost		100.00%		
Percentage completion		0.00%		
Original target completion date		N/A		
Revised target completion date		December 2018		

Piscataway Township School District  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
(Budgetary Basis)  
June 30, 2019

Issue/Project Title	Expenditures to Date			Closed Out Projects Transfers Out	Unexpended Balance
	Appropriations	Prior Years	Current Year		
High School Security & Locks	\$ 73,646	\$ 42,840		\$ 30,806	
Roof Replacement: Fellowship Farms	680,780	614,239		66,541	
Upgrade HVAC Controls: Piscataway High School	166,464	164,459		2,005	
HVAC Renovations: Conackamack Middle School	287,700	282,371		5,329	
HVAC Renovations: Arbor Elementary School	78,780	51,226		27,554	
HVAC Renovations: Eisenhower Elementary School	206,240	79,776		126,464	
HVAC Renovations: Grandview Elementary School	171,877	131,226		40,651	
HVAC Renovations: Knollwood Elementary School	158,820	119,326		39,494	
HVAC Renovations: Martin Luther King Elementary School	201,240	79,276		121,964	
HVAC Renovations: Randolphville Elementary School	146,272	131,724		14,548	
Replace Chillers: Piscataway High School	892,620	886,754		5,866	
Replacement of Exterior Metal Panels: Piscataway High School	1,542,000	28,035			\$ 1,513,965
Predevelopment Costs: Grandview Elementary School	205,000	96,548	\$ 101,851		6,601
Predevelopment Costs: Piscataway High School	184,500	143,745	34,391		6,364
Bathroom ADA Renovations: Piscataway High School	1,655,264	1,448,833	202,831	3,600	
Security and Communications System Upgrade: High School	338,994	338,994			
	<u>\$ 6,990,197</u>	<u>\$ 4,639,372</u>	<u>\$ 339,073</u>	<u>\$ 484,822</u>	<u>\$ 1,526,930</u>

## **Fiduciary Funds**



Piscataway Township School District  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2019

	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	\$ 22,651	\$ 1,779,606	\$ 1,802,257	\$ 383,829	\$ 52,705	\$ 9,310	\$ 445,844
Total assets	<u>22,651</u>	<u>1,779,606</u>	<u>1,802,257</u>	<u>\$ 383,829</u>	<u>\$ 52,705</u>	<u>\$ 9,310</u>	<u>\$ 445,844</u>
<b>Liabilities</b>							
Payroll deductions payable						\$ 9,310	\$ 9,310
Accounts payable		16,188	16,188		\$ 52,705		52,705
Due to student groups				\$ 383,829			383,829
Total liabilities		<u>16,188</u>	<u>16,188</u>	<u>\$ 383,829</u>	<u>\$ 52,705</u>	<u>\$ 9,310</u>	<u>\$ 445,844</u>
<b>Net position</b>							
Held in trust for unemployment claims		1,763,418	1,763,418				
Held in trust for scholarships	\$ 22,651		22,651				
Total net position	<u>\$ 22,651</u>	<u>\$ 1,763,418</u>	<u>\$ 1,786,069</u>				

Piscataway Township School District  
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2019

	<b>Private- Purpose Scholarship Funds</b>	<b>Unemployment Compensation</b>	<b>Totals</b>
<b>Additions:</b>			
Interest income	\$ 452	\$ 31,841	\$ 32,293
Contributions	1,420	154,816	156,236
Total additions	<u>1,872</u>	<u>186,657</u>	<u>188,529</u>
<b>Deductions:</b>			
Scholarship payments	3,725		3,725
Unemployment claims paid		184,914	184,914
Total deductions	<u>3,725</u>	<u>184,914</u>	<u>188,639</u>
Change in net position	(1,853)	1,743	(110)
Net position, beginning	24,504	1,761,675	1,786,179
Net position, ending	<u>\$ 22,651</u>	<u>\$ 1,763,418</u>	<u>\$ 1,786,069</u>

Piscataway Township School District  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

	<b>Balance July 1, 2018</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2019</b>
<b>Assets:</b>				
Cash and cash equivalents				
Student Activity Fund	\$ 347,984	\$ 630,581	\$ 594,736	\$ 383,829
Total assets	\$ 347,984	\$ 630,581	\$ 594,736	\$ 383,829
<b>Liabilities:</b>				
Due to student groups				
Student Activity Fund	\$ 347,984	\$ 630,581	\$ 594,736	\$ 383,829
Total liabilities	\$ 347,984	\$ 630,581	\$ 594,736	\$ 383,829

Piscataway Township School District  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

	<b>Balance July 1, 2018</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2019</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 9,543	\$ 77,302,260	\$ 77,302,493	\$ 9,310
Total assets	<u>\$ 9,543</u>	<u>\$ 77,302,260</u>	<u>\$ 77,302,493</u>	<u>\$ 9,310</u>
<b>Liabilities</b>				
Payroll deductions payable	\$ 9,543	\$ 77,302,260	\$ 77,302,493	\$ 9,310
Total liabilities	<u>\$ 9,543</u>	<u>\$ 77,302,260</u>	<u>\$ 77,302,493</u>	<u>\$ 9,310</u>

Piscataway Township School District  
Bond and Interest Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

	<b>Balance July 1, 2018</b>	<b>Cash Receipts</b>	<b>Balance June 30, 2019</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 51,612	\$ 1,093	\$ 52,705
Total assets	<u>\$ 51,612</u>	<u>\$ 1,093</u>	<u>\$ 52,705</u>
<b>Liabilities</b>			
Accounts payable	\$ 51,612	\$ 1,093	\$ 52,705
Total liabilities	<u>\$ 51,612</u>	<u>\$ 1,093</u>	<u>\$ 52,705</u>

## **Long-Term Debt**

Piscataway Township School District  
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Retired	Balance June 30, 2019
			Date	Amount				
Refunding Bonds	8/15/2011	\$ 27,280,000	8/15/2019	\$ 3,145,000	3.00 - 5.00 %	\$ 16,490,000	\$ 3,005,000	\$ 13,485,000
			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>\$ 16,490,000</u>	<u>\$ 3,005,000</u>	<u>\$ 13,485,000</u>

Piscataway Township School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2019

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Revenues:					
Local sources:					
Local tax levy	\$ 3,607,275		\$ 3,607,275	\$ 3,607,275	
Total revenues	<u>3,607,275</u>		<u>3,607,275</u>	<u>3,607,275</u>	
Expenditures:					
Principal on bonds	3,005,000		3,005,000	3,005,000	
Interest on bonds	<u>602,275</u>		<u>602,275</u>	602,274	\$ 1
Total expenditures	<u>3,607,275</u>		<u>3,607,275</u>	<u>3,607,274</u>	<u>1</u>
Excess of revenues over expenditures	-		-	1	(1)
Fund balance, July 1					
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 28,198,700	\$ 31,456,738	\$ 32,762,787	\$ 39,725,755	\$ 39,279,317	\$ 43,578,893	\$ 47,368,890	\$ 50,418,186	\$ 54,954,567	\$ 59,710,198
Restricted	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558	27,445,978	29,490,749
Unrestricted (deficit)	367,286	1,425,411	1,697,656	1,471,112	(34,485)	(29,739,991)	(29,523,581)	(34,632,570)	(36,196,509)	(36,281,117)
<b>Total governmental activities net position</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>\$ 46,204,036</b>	<b>\$ 52,919,830</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 442,029	\$ 291,576	\$ 161,558	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642	\$ 176,295	\$ 145,735
Unrestricted	886,660	898,181	1,450,891	1,992,178	3,123,809	3,838,372	3,816,947	3,900,313	4,019,418	4,218,313
<b>Total business-type activities net position</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>\$ 4,195,713</b>	<b>\$ 4,364,048</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 28,640,729	\$ 31,748,314	\$ 32,924,345	\$ 39,830,700	\$ 39,477,057	\$ 43,928,186	\$ 47,646,696	\$ 50,634,828	\$ 55,130,862	\$ 59,855,933
Restricted	7,321,081	9,179,425	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558	27,445,978	29,490,749
Unrestricted (deficit)	1,253,946	2,323,592	3,148,547	3,463,290	3,089,324	(25,901,619)	(25,706,634)	(30,732,257)	(32,177,091)	(32,062,804)
<b>Total district net position</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>	<b>\$ 50,399,749</b>	<b>\$ 57,283,878</b>

Source: CAFR Schedule A-1 and District records.

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

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

	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
<b>Expenses</b>																				
<b>Governmental activities</b>																				
Instruction	\$ 64,923,571	\$ 62,003,904	\$ 66,804,688	\$ 65,703,718	\$ 68,779,098	\$ 77,321,991	\$ 79,833,314	\$ 89,968,357	\$ 93,192,588	\$ 84,713,396										
Support services:																				
Attendance/social work	324,692	297,537	389,436	386,990	386,649	413,128	349,747	395,547	446,750	380,297										
Health services	1,054,626	1,115,912	1,228,077	1,107,455	1,130,834	1,364,664	1,305,701	1,711,586	1,732,288	1,675,405										
Other support services	10,362,999	9,878,738	11,044,283	10,532,024	11,073,440	12,502,593	13,014,264	14,532,158	15,288,999	16,475,337										
Improvement of instruction	2,233,277	1,975,003	2,028,453	1,727,319	2,443,075	2,859,447	3,242,545	3,374,490	4,527,558	4,197,277										
Instructional staff training	8,157	19,428	34,678	23,696	28,802	40,621	24,087	15,643	15,308	19,771										
School library	1,612,180	920,202	939,383	940,495	795,633	847,588	894,189	957,837	1,039,347	942,322										
General administration	2,038,025	2,083,907	2,391,805	2,210,487	1,750,525	2,128,147	2,162,703	2,395,134	2,680,268	2,357,608										
School administration	4,650,168	4,082,524	4,483,429	4,439,586	4,470,236	5,132,407	5,377,268	6,470,688	6,790,088	7,016,584										
Central Services	1,463,236	1,127,166	1,254,987	1,317,738	1,320,438	1,638,412	1,652,159	1,839,812	1,881,095	1,878,902										
Administrative Information Technology	1,267,336	1,287,976	1,314,406	1,431,895	1,332,345	1,476,401	1,578,090	1,700,568	1,544,286	1,469,273										
Required maintenance	1,808,401	1,589,585	1,706,514	1,873,916	1,576,489	1,938,605	2,359,775	1,821,362	1,951,446	3,357,714										
Operation of plant	9,574,611	9,359,065	9,176,467	8,734,717	9,762,472	10,519,322	10,255,675	12,190,650	12,612,858	11,681,923										
Student transportation	5,669,244	5,420,574	5,340,628	5,575,060	5,582,896	6,402,215	6,895,374	7,506,675	8,037,774	8,191,732										
Charter schools	13,240	62,234	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071										
Interest on debt	1,495,832	1,427,261	1,220,708	1,154,735	1,245,698	950,025	874,589	768,766	657,863	542,686										
Total governmental activities	108,499,595	102,651,016	109,424,628	107,285,086	111,938,990	125,733,426	130,063,134	145,944,767	152,727,491	145,451,298										
Business-type activities:																				
Food service	2,912,286	2,983,876	3,056,902	2,946,234	3,324,079	3,137,286	3,286,061	3,721,154	3,583,663	3,804,198										
Adult and Community Education	2,700,793	3,104,067	3,236,349	3,487,640	3,686,829	4,401,422	5,540,610	6,055,972	6,061,783	6,408,749										
Total business-type activities expense	5,613,079	6,087,943	6,293,251	6,433,874	7,010,908	7,538,708	8,826,671	9,777,126	9,645,446	10,212,947										
Total district expenses	\$ 114,112,674	\$ 108,738,959	\$ 115,717,879	\$ 113,718,960	\$ 118,949,898	\$ 133,272,134	\$ 138,889,805	\$ 155,721,893	\$ 162,372,937	\$ 155,664,245										
<b>Program Revenues</b>																				
<b>Governmental activities:</b>																				
Charges for services - tuition and transportation	\$ 953,713	\$ 880,416	\$ 944,938	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606	\$ 817,142	\$ 875,661										
Operating grants and contributions	4,781,715	4,902,770	3,995,376	4,029,949	3,708,584	3,764,771	4,132,846	4,053,975	4,211,505	4,939,727										
Capital grants and contributions	380,160	1,480,037	659,323	485,203		986,815	827,637	462,836	526,133	74,474										
Total governmental activities program revenues	6,115,588	7,263,223	5,599,637	5,381,870	4,476,923	5,395,343	5,800,052	5,373,417	5,554,780	5,889,862										
Business-type activities:																				
Charges for services																				
Food service	1,688,316	1,778,428	1,745,828	1,526,259	1,460,187	1,293,675	1,346,214	2,389,851	2,259,793	2,310,963										
Adult and Community Education	2,678,152	2,963,287	3,551,369	4,086,372	4,939,284	5,298,893	5,491,128	6,007,406	6,017,375	6,541,741										
Operating grants and contributions	1,120,706	1,170,997	1,266,860	1,305,917	1,302,461	1,340,201	1,302,126	1,389,213	1,430,710	1,436,276										
Total business-type activities program revenues	5,487,174	5,912,712	6,564,057	6,918,548	7,701,932	7,932,769	8,139,468	9,786,470	9,707,878	10,288,980										
Total district program revenues	\$ 11,602,762	\$ 13,175,935	\$ 12,163,694	\$ 12,300,418	\$ 12,178,855	\$ 13,328,112	\$ 13,939,520	\$ 15,159,887	\$ 15,262,658	\$ 16,178,842										
<b>Net (Expense)/Revenue</b>																				
Governmental activities	\$ (102,384,007)	\$ (95,387,793)	\$ (103,824,991)	\$ (101,903,216)	\$ (107,462,067)	\$ (120,338,083)	\$ (124,263,082)	\$ (140,571,350)	\$ (147,172,711)	\$ (139,561,436)										
Business-type activities	(125,905)	(175,231)	270,806	484,674	691,024	394,061	(687,203)	9,344	62,432	76,033										
Total district-wide net expense	\$ (102,509,912)	\$ (95,563,024)	\$ (103,554,185)	\$ (101,418,542)	\$ (106,771,043)	\$ (119,944,022)	\$ (124,950,285)	\$ (140,562,006)	\$ (147,110,279)	\$ (139,485,403)										

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes	\$ 75,955,122	\$ 77,398,270	\$ 78,946,236	\$ 79,851,482	\$ 81,648,512	\$ 83,790,619	\$ 86,150,602	\$ 88,623,454	\$ 89,400,687	\$ 90,395,923
Taxes levied for debt service	3,073,095	3,165,921	2,682,684	3,454,719	3,468,813	3,541,625	3,525,880	3,569,675	3,592,375	3,607,275
Unrestricted grants and contributions	23,292,650	20,283,429	22,402,736	25,642,335	25,641,495	37,613,620	42,310,229	52,271,257	58,879,012	51,017,261
Investment earnings	116,259	48,820	12,753	18,898			296,015	300,695	639,884	1,034,654
Miscellaneous income	492,512	697,370	617,694	534,778	89,711	931,991	416,278	402,888	368,615	222,117
Transfers	150,000	(31,510)	(150,000)							
Total governmental activities	<u>103,079,638</u>	<u>101,562,300</u>	<u>104,512,103</u>	<u>109,502,212</u>	<u>110,848,531</u>	<u>125,877,855</u>	<u>132,699,004</u>	<u>145,167,969</u>	<u>152,880,573</u>	<u>146,277,230</u>
Business-type activities:										
Investment earnings	18,655	4,789	1,886							
Miscellaneous income	8,913				533,402	472,055	594,291	12,858	16,326	92,302
Transfers	(150,000)	31,510	150,000							
Total business-type activities	<u>(122,432)</u>	<u>36,299</u>	<u>151,886</u>	<u>-</u>	<u>533,402</u>	<u>472,055</u>	<u>594,291</u>	<u>12,858</u>	<u>16,326</u>	<u>92,302</u>
Total district-wide	<u>\$ 102,957,206</u>	<u>\$ 101,598,599</u>	<u>\$ 104,663,989</u>	<u>\$ 109,502,212</u>	<u>\$ 111,381,933</u>	<u>\$ 126,349,910</u>	<u>\$ 133,293,295</u>	<u>\$ 145,180,827</u>	<u>\$ 152,896,899</u>	<u>\$ 146,369,532</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 695,631	\$ 6,174,507	\$ 687,112	\$ 7,598,996	\$ 3,386,464	\$ 5,539,772	\$ 8,435,922	\$ 4,596,619	\$ 5,707,862	\$ 6,715,794
Business-type activities	(248,337)	(138,932)	422,692	484,674	1,224,426	866,116	(92,912)	22,202	78,758	168,335
Total district	<u>\$ 447,294</u>	<u>\$ 6,035,575</u>	<u>\$ 1,109,804</u>	<u>\$ 8,083,670</u>	<u>\$ 4,610,890</u>	<u>\$ 6,405,888</u>	<u>\$ 8,343,010</u>	<u>\$ 4,618,821</u>	<u>\$ 5,786,620</u>	<u>\$ 6,884,129</u>

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 758,931									
Restricted		\$ 189,286	\$ 189,286	\$ 2,855,345	\$ 7,963,374	\$ 13,070,314	\$ 15,148,489	\$ 22,398,112	\$ 25,778,748	\$ 28,572,940
Assigned		3,149,897	2,973,382	3,226,887	1,578,004	840,473	1,235,982	546,031	676,712	1,707,029
Unreserved	2,587,914									
Unassigned		496,763	1,074,418	467,339	798,369	630,402	1,904,116	1,724,788	1,819,029	1,386,289
Total general fund	<u>\$ 3,346,845</u>	<u>\$ 3,339,183</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>	<u>\$ 28,274,489</u>	<u>\$ 31,666,258</u>
All Other Governmental Funds										
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	\$ 1,667,230	\$ 917,809
Debt service fund		822	33,120	33,120	33,120	33,120				1
Unreserved (deficit), reported in:										
Special revenue fund	(44,220)									
Capital projects fund	2,128,496									
Debt service fund	821									
Unassigned (deficit), reported in:										
Special revenue fund		(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(230,146)
Total all other governmental funds	<u>\$ 2,085,097</u>	<u>\$ 4,170,465</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>	<u>\$ 1,623,010</u>	<u>\$ 687,664</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.

Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years

(modified accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Local sources:										
Local tax levy	\$ 79,028,217	\$ 80,564,191	\$ 81,628,920	\$ 83,306,201	\$ 85,117,325	\$ 87,332,244	\$ 89,676,482	\$ 92,193,129	\$ 92,993,062	\$ 94,003,198
Transportation	549,957	543,042	275,071	274,235	363,671	430,554	496,367	447,735	437,238	508,090
Tuition charges	403,756	337,374	669,867	592,483	404,668	213,203	343,202	408,871	379,904	367,571
Investment income	116,259	48,820	12,753	18,898			296,015	300,695	639,884	1,034,654
Miscellaneous	701,614	825,031	973,400	649,013	214,095	481,673	580,045	605,226	619,154	444,084
Total local sources	80,799,803	82,318,458	83,560,011	84,840,830	86,099,759	88,457,674	91,392,111	93,955,656	95,069,242	96,357,597
State sources	22,846,261	22,072,190	23,670,800	26,886,948	26,333,181	28,306,728	30,516,255	31,579,819	35,037,463	40,037,188
Federal sources	5,399,162	4,466,385	3,030,929	3,156,304	2,892,514	2,873,396	3,181,211	2,864,366	2,943,911	2,117,760
Total revenue	109,045,226	108,857,033	110,261,740	114,884,082	115,325,454	119,637,798	125,089,577	128,399,841	133,050,616	138,512,545
<b>Expenditures</b>										
Current										
Instruction	44,836,130	44,231,144	44,953,844	46,440,754	47,820,196	48,416,513	48,811,527	49,340,453	50,144,073	49,832,641
Undistributed - current										
Instruction	1,975,680	1,625,882	1,502,034	1,211,916	1,306,489	1,155,472	1,243,140	1,418,931	1,677,482	1,430,582
Attendance/social work	226,171	212,657	259,050	271,308	264,650	251,914	207,483	206,467	229,448	214,204
Health services	743,831	802,596	822,246	751,384	785,102	855,552	788,452	909,762	907,223	966,978
Other support services	7,923,643	7,675,185	8,145,728	7,967,371	8,314,309	8,333,412	8,509,262	8,593,868	8,931,894	10,920,842
Improvement of instruction	1,677,111	1,518,930	1,688,180	1,432,142	1,746,766	1,850,147	1,982,236	1,831,024	2,531,767	2,515,908
Education media library	1,136,118	664,947	634,932	670,020	553,768	527,027	546,424	515,058	585,155	570,922
Other support: instructional staff	7,677	18,049	32,495	22,044	27,779	39,121	23,173	14,729	15,051	19,047
General administration	1,811,507	1,836,994	2,070,356	1,926,132	1,560,791	1,729,765	1,723,752	1,799,452	1,894,352	1,708,726
School administration	3,265,925	2,951,953	3,010,227	3,132,792	3,092,143	3,154,443	3,224,026	3,401,075	3,525,883	4,034,030
Central services	1,041,708	817,520	869,824	973,106	949,034	1,088,981	1,062,601	1,053,185	1,043,699	1,140,853
Administrative information technology	955,640	1,006,570	952,811	1,105,734	996,954	999,244	1,057,088	1,044,932	917,410	960,729
Required maintenance of plant services	1,450,059	1,297,575	1,333,486	1,534,453	1,254,364	1,475,018	1,659,224	1,821,362	1,951,446	2,382,603
Operation of plant	7,715,179	7,780,772	7,376,281	9,184,254	10,358,466	10,418,892	9,935,967	10,024,329	11,411,809	13,308,247
Student transportation	5,414,707	5,209,381	5,134,486	5,365,664	5,384,713	5,542,190	5,943,880	6,211,257	6,674,178	7,060,032
Unallocated benefits	18,028,030	16,998,903	17,453,199	14,255,809	15,923,313	17,038,018	14,817,771	16,289,735	16,601,498	17,086,777
On-behalf TPAF social security and pension contributions	6,414,494	6,393,770	7,702,707	9,561,537	8,623,799	9,659,124	11,678,010	13,140,117	15,540,513	17,358,413
Charter schools	13,240	62,234	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071
Capital outlay	2,050,730	4,702,774	2,896,085	8,107,493	3,344,076	2,474,029	2,256,726	1,478,739	1,586,365	386,243
Debt Service:										
Principal	1,630,000	1,750,000	1,290,000	2,270,000	2,380,000	2,540,000	2,635,000	2,740,000	2,875,000	3,005,000
Interest	1,528,145	1,457,504	1,260,385	1,184,719	1,088,813	1,001,625	924,000	829,675	717,375	602,274
Bond issuance costs			253,257							
Total expenditures	109,845,725	109,015,340	109,708,299	117,493,887	116,035,885	118,748,347	119,273,396	122,959,966	130,090,274	138,056,122
(Deficiency) excess of revenues (under) over expenditures	(800,499)	(158,307)	553,441	(2,609,805)	(710,431)	889,451	5,816,181	5,439,875	2,960,342	2,456,423
<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	2,149,772	2,130,879	2,012,389	2,700,439	1,171,550	2,920,930	4,012,210	30,000	389,500	533,317
Transfers out	(1,999,772)	(2,162,389)	(2,162,389)	(2,700,439)	(126)	(2,920,930)	(4,012,210)	(30,000)	(389,500)	(533,317)
Total other financing sources (uses)	150,000	(31,510)	8,188,256	-	1,171,424	-	-	-	-	-
Net change in fund balances	(650,499)	(189,817)	8,741,697	(2,609,805)	460,993	889,451	5,816,181	5,439,875	2,960,342	2,456,423
Fund balance, July 1, as restated	8,442,486	7,791,987	7,602,170	16,343,867	13,734,062	14,195,055	15,681,101	21,497,282	21,497,282	29,897,499
Fund balance, June 30	\$ 7,791,987	\$ 7,602,170	\$ 16,343,867	\$ 13,734,062	\$ 14,195,055	\$ 15,084,506	\$ 21,497,282	\$ 26,937,157	\$ 24,457,624	\$ 32,353,922
Debt service as a percentage of noncapital expenditures	2.93%	3.07%	2.39%	3.16%	3.08%	3.05%	3.04%	2.94%	2.80%	2.66%
Source: District records										

Note: Noncapital expenditures are total expenditures less capital outlay.

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
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
2018		379,904	297,777	69,128		342,107	299,487	437,238	1,825,641
2019	30,865	367,571	643,162	36,767	129,106	391,492	25,379	508,090	2,132,432

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>
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	3,746,125,500	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
2018	133,530,800	4,381,483,800	1,986,200	90,000	455,062,100	1,865,243,300	479,362,300	7,316,758,500	1,678,280,800	21,532,368	7,338,290,868	1.283
2019	121,332,200	4,464,492,500	2,067,500	91,500	442,425,200	1,994,936,500	502,281,900	7,527,627,300	1,701,275,400	20,893,032	7,548,520,332	1.293

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

\* Revaluations were performed during 2014 and 2018.

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	
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
2018	1.23	0.05	1.28	0.66	0.37	2.31
2019	1.24	0.05	1.29	0.66	0.40	2.35

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.

\* Revaluations were performed during 2014 and 2018.

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

Unaudited

	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 420,710,300	5.57%		
Whale Ventures, LLC	150,000,000	1.99%		
US Real Estate Holdings No 2 LTD	125,000,000	1.66%		
Pleasant View Gardens Owner LLC	125,620,000	1.66%		
Colgate Palmolive Co.	126,952,600	1.68%	\$ 23,400,000	1.05%
Royal Gardens Apts LLC	77,000,000	1.02%		
Home PropertiesWMF LLC			15,920,100	0.71%
H'Y2 Knightsbridge LLC	56,217,500	0.74%	42,750,000	1.92%
Centennial Square LLC	53,914,500	0.71%	26,161,400	1.17%
Carlton Club Apartments LLC	51,884,000	0.69%	11,600,300	0.52%
South Washington Pk LLC	49,050,000	0.65%		
Telcordia			46,272,000	2.08%
Western Union Int.			15,592,200	0.70%
Mariner One Centennial LLC			10,350,000	0.46%
Felcor Suites			8,760,000	0.39%
Cosmair Cosmetics			8,385,000	0.38%
<b>Total</b>	<b>\$ 1,236,348,900</b>	<b>16.38%</b>	<b>\$ 209,191,000</b>	<b>9.38%</b>

Source: District CAFR & Piscataway Municipal Tax Assessor.

\* Revaluations were performed in 2014 and 2018.

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
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%
2018	92,993,062	92,993,062	100.00%		92,993,062	100.00%
2019	94,003,198	94,003,198	100.00%		94,003,198	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			
2010	\$ 34,152,000	\$ 845,000		\$ 34,997,000	1.40%	\$ 668.01
2011	33,247,000			33,247,000	1.29%	593.77
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%	636.00
2014	27,280,000		4,967,650	32,247,650	1.06%	562.07
2015	24,740,000		3,331,946	28,071,946	0.96%	487.81
2016	22,105,000		1,676,145	23,781,145	0.79%	411.18
2017	19,365,000			19,365,000	0.62%	335.17
2018	16,490,000			16,490,000	0.51%	284.87
2019	13,485,000			13,485,000	0.41%	236.90

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

Year Ended June 30,	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding			
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%	477	
2015	24,740,000	116,756	33,120	24,823,636	0.40%	431	
2016	22,105,000	100,369		22,205,369	0.35%	384	
2017	19,365,000	83,982		19,448,982	0.31%	337	
2018	16,490,000	67,595		16,557,595	0.23%	286	
2019	13,485,000	51,208		13,536,208	0.18%	238	

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, 2019

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Piscataway	\$ 131,905,436	100.000%	\$ 131,905,436
Middlesex County General Obligation Debt - Township's share	465,543,163	7.008%	32,626,196
Middlesex County Utility Authority	115,703,741	6.680%	<u>7,729,010</u>
Subtotal, overlapping debt			172,260,642
Piscataway School District Direct Debt			<u>13,536,208</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 185,796,850</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 2019**

Equalized valuation basis

2017	\$	6,292,969,610
2018		7,338,290,868
2019		<u>7,548,520,332</u>
<b>[A]</b>	\$	<u>21,179,780,810</u>

Average equalized valuation of taxable property

<b>[A/3]</b>	\$	7,059,926,937
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Debt limit (4 % of average equalization value)

<b>[B]</b>		282,397,077	<sup>a</sup>
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Total Net Debt Applicable to Limit

<b>[C]</b>		<u>13,536,208</u>
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Legal debt margin

<b>[B-C]</b>	\$	<u>268,860,869</u>
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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 273,165,650	\$ 270,285,462	\$ 254,428,781	\$ 249,064,535	\$ 248,933,772	\$ 246,649,261	\$ 247,832,352	\$ 249,859,642	\$ 265,641,557	\$ 282,397,077
Total net debt applicable to limit	<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>	<u>16,490,000</u>	<u>13,536,208</u>
Legal debt margin	<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>	<u>\$ 249,151,557</u>	<u>\$ 268,860,869</u>
Total net debt applicable to the limit as a percentage of debt limit	12.50%	12.30%	12.55%	14.60%	12.95%	10.06%	8.96%	7.75%	6.21%	4.79%

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

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



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

Unaudited

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2010	\$ 52,390	\$ 2,505,761,310	\$ 47,829	8.20%
2011	55,993	2,576,685,874	46,018	8.30%
2012	56,354	2,662,726,500	47,250	8.20%
2013	56,987	2,880,863,811	50,553	6.60%
2014	57,373	3,037,842,977	52,949	5.10%
2015	57,547	2,922,064,019	50,777	5.20%
2016	57,836	3,011,578,356	52,071	5.20%
2017	57,777	3,125,562,369	54,097	4.60%
2018	57,887	3,240,514,260	55,980	4.30%
2019	56,923	3,278,650,954	57,598	3.80%

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	2019			2010		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
University of Medicine and Dentistry	11,000			3,000		
Rutgers University				8,000		
GE Healthcare	3855-4000					
Telcordia				2,000		
Piscataway Township Schools	1460-1470			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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Instruction	613.0	620.0	626.0	621.0	625.0	617.5	611.5	608.1	601.9	601.6
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.5
Health services	13.0	13.0	13.0	11.0	14.0	14.0	13.0	13.0	13.0	13.3
Other support services	35.0	35.0	35.0	45.0	37.0	40.0	42.5	41.0	43.6	42.6
Child study team	37.0	37.0	37.0	39.0	33.0	31.0	31.0	32.0	31.0	31.0
Improvement of instruction	14.6	14.6	14.6	14.6	15.0	14.5	17.0	19.0	22.2	22.2
School library	18.7	18.7	18.7	10.0	16.0	9.7	9.5	8.7	10.4	10.4
General administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administration	40.0	40.0	40.0	40.0	41.0	41.0	39.5	41.5	41.5	45.0
Operations and maintenance	61.0	61.0	61.0	64.0	67.0	76.5	75.0	78.5	77.5	89.5
Student transportation	53.0	32.0	34.0	34.0	34.0	34.0	36.0	32.4	31.8	31.3
Other support services - administrative and professional	25.0	25.0	25.0	25.0	22.0	30.0	35.0	38.8	41.8	41.8
Total	<u>919.3</u>	<u>905.3</u>	<u>913.3</u>	<u>912.6</u>	<u>913.0</u>	<u>917.7</u>	<u>919.5</u>	<u>922.5</u>	<u>924.2</u>	<u>938.2</u>

Source: District Personnel Records

Piscataway Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
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%
2018	7,110	124,911,534	17,568	8.16%	602	1:14	1:12	1:11	1:12	7,131	6,838	-1.83%	95.88%
2019	7,118	132,062,605	18,553	5.61%	602	1:14	1:12	1:11	1:12	7,125	6,827	-0.09%	95.82%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>District Building</b>										
<u>Elementary</u>										
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	522	556	556	589	581	568	522	508	548	559
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 <sup>a</sup>	507	530	530	541	545	537	563	547	530	508
Grandview Elementary School (1953/1968/2002)										
Square Feet	59,282	59,282	59,282	59,282	59,282	59,282	59,282	59,282	59,282	59,282
Capacity (students)	451	451	451	451	451	451	451	451	451	451
Enrollment	593	610	610	622	788	777	770	747	738	788
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	484	552	552	533	503	524	532	528	510	472
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	499	500	500	501	505	495	494	505	492	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	543	558	558	598	496	567	551	532	466	470
<u>Middle Schools</u>										
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	461	433	433	437	457	482	490	527	472	484
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	568	578	578	564	555	577	562	541	513	496
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	550	606	606	611	605	613	583	579	569	576
<u>High School</u>										
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	440,024
Capacity (students)	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341	4,341
Enrollment	2,571	2,465	2,465	2,230	2,187	2,168	2,168	2,245	2,272	2,260
<u>Other</u>										
Maintenance Building (unknown)										
Square Feet	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035
Central Administration (1949)										
Square Feet	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440

Number of Schools at June 30, 2019  
 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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Arbor	\$ 349,007	\$ 91,698	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661	\$ 22,469	\$ 120,452	\$ 117,208	\$ 130,982
Conackamack	198,006	135,146	161,019	112,556	67,609	123,684	19,571	95,922	93,339	104,308
Eisenhower	99,795	43,690	59,842	29,999	63,378	120,586	6,897	190,211	185,088	206,839
Grandview	134,886	94,065	147,803	124,274	81,185	76,398	17,370	64,911	63,163	70,586
High School	930,416	916,985	568,204	675,695	600,006	278,893	448,798	333,135	324,164	362,258
King	196,685	67,238	85,522	44,545	68,436	117,073	8,099	37,412	36,405	40,683
Knollwood	97,433	76,504	82,670	85,744	100,377	102,970	26,033	97,531	94,904	106,057
Quibbletown	193,304	183,851	218,992	166,470	144,284	97,987	22,719	63,100	61,401	68,616
Randolphville	60,560	133,208	106,345	91,275	108,150	102,970	20,593	58,707	57,126	63,839
Schor	87,611	97,586	182,486	94,989	52,371	67,520	18,035	159,740	155,438	173,704
<b>Total School Facilities</b>	<b>2,347,703</b>	<b>1,839,971</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>
Other Facilities-Fellowship Farms	34,900	111,475	50,179	76,354	108,737	64,622	6,510	112,364	109,338	122,187
<b>Grand Total</b>	<b>\$ 2,382,603</b>	<b>\$ 1,951,446</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>

\* 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, 2019

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Property</b>		
Real and Personal Property	\$ 271,290,016	\$ 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	11,000,000	
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	
Limit of liability - Aggregate	1,000,000	

Source: District Records and Insurance Company.

Piscataway Township School District  
Insurance Schedule  
Year ended June 30, 2019

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	455,000	
<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	



## **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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2019.

**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

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

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Page 2

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

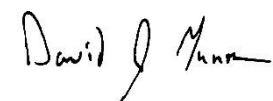
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

December 2, 2019  
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, 2019. 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 and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state 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.

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

### ***Unmodified Opinion on Major Federal and State Programs***

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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### **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 weakness. However, material weaknesses may exist that have not been weaknesses may exist that have not been identified.

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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*

December 2, 2019  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant  
No. 2305

Schedule of Expenditures of Federal Awards  
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2018	Cash Received	Budgetary Expenditures	Balance June 30, 2019		
				From	To				(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Health and Human Services</b>											
<b>Passed Through State Department of Education</b>											
General Fund:											
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	\$ 121,141	7/1/2018	6/30/2019		\$ 121,141	\$ (121,141)			
Total General Fund							121,141	(121,141)			
<b>U.S. Department of Education—Passed-Through State</b>											
<b>Department of Education</b>											
Special Revenue Fund:											
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A190030	631,212	7/1/2018	6/30/2019		276,302	(591,336)	\$ (315,034)		
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A180030	734,434	7/1/2017	6/30/2018	\$ (257,829)	257,829				
Title I Subtotal:						(257,829)	534,131	(591,336)	(315,034)		
Title II A, Improving Teacher Quality State Grants	84.367A	S367A190029	162,585	7/1/2018	6/30/2019			(148,828)	(148,828)		
Title II A, Improving Teacher Quality State Grants	84.367A	S367A180029	168,987	7/1/2017	6/30/2018	(57,166)	57,166				
Title II Subtotal:						(57,166)	57,166	(148,828)	(148,828)		
Title III English Language Acquisition Grants	84.365A	S365A190030	88,136	7/1/2018	6/30/2019			(62,498)	(58,941)		
Title III English Language Acquisition Grants	84.365A	S365A180030	97,500	7/1/2017	6/30/2018	(36,809)	36,809				
Title III, Supplemental Immigrant Student Aid	84.365A	S365A190030	13,155	7/1/2018	6/30/2019			(8,658)	(8,658)		
Title III, Supplemental Immigrant Student Aid	84.365A	S365A180030	33,876	7/1/2017	6/30/2018	(19,867)	16,311		(3,556)		
Title III Subtotal:						(56,676)	56,677	(71,156)	(71,155)		
Title IV	84.424A	S424A190031	38,034	7/1/2018	6/30/2019			(34,990)	(34,990)		
Special Education Cluster:											
IDEA Special Education Grants to States	84.027	S027A190100	1,835,716	7/1/2018	6/30/2019		1,133,927	(1,819,690)	(685,763)		
IDEA Special Education Grants to States	84.027	S027A180100	1,866,790	7/1/2017	6/30/2018	(438,003)	438,003				
IDEA Preschool Grants for Children with Disabilities	84.173	S173A190114	54,247	7/1/2018	6/30/2019		53,657	(53,657)			
Subtotal of Special Education Cluster:						(438,003)	1,625,587	(1,873,347)	(685,763)		
Carl D. Perkins Vocational Education	84.048	S048A190030	42,088	7/1/2018	6/30/2019		40,675	(42,074)	(1,399)		
Carl D. Perkins Vocational Education	84.048	S048A180030	37,287	7/1/2017	6/30/2018	(9,088)	9,088				
Carl D. Perkins Vocational Education Subtotal:						(9,088)	49,763	(42,074)	(1,399)		
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C180005	4,250	7/1/2017	6/30/2018	(4,250)	4,250				
Total Special Revenue Fund						(823,012)	2,327,574	(2,761,731)	(1,257,169)		
<b>U.S. Department of Agriculture—Passed-Through State</b>											
<b>Department of Education</b>											
Enterprise Fund:											
Child Nutrition Cluster:											
Food Donation Program (NC)	10.555	191NJ304N1099	187,353	7/1/2018	6/30/2019		187,353	(187,353)			
School Breakfast Program	10.553	191NJ304N1099	212,249	7/1/2018	6/30/2019		197,001	(212,249)	(15,248)		
School Breakfast Program	10.553	181NJ304N1099	206,680	7/1/2017	6/30/2018	(15,344)	15,344				
National School Lunch Program	10.555	191NJ304N1099	977,771	7/1/2018	6/30/2019		916,025	(977,771)	(61,746)		
National School Lunch Program	10.555	181NJ304N1099	977,593	7/1/2017	6/30/2018	(65,003)	65,003				
Healthy Hunger-Free Kids Act	10.555	191NJ304N1099	31,365	7/1/2018	6/30/2019		29,345	(31,365)	(2,020)		
Healthy Hunger-Free Kids Act	10.555	181NJ304N1099	31,356	7/1/2017	6/30/2018	(2,135)	2,135				
Subtotal Child Nutrition Cluster:						(82,482)	1,412,206	(1,408,738)	(79,014)		
Total Enterprise Fund						(82,482)	1,412,206	(1,408,738)	(79,014)		
Total Federal Awards						\$ (905,494)	\$3,860,921	\$ (4,291,610)	\$ (1,336,183)	\$ -	\$ -

NC - non-cash expenditures

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

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Prior Years'		Balance June 30, 2019			Memo			
			From	To	Unearned Rev. Due to Grantor (Accts Rec)	Walkover			Years' Balances	Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures		
<b>State Department of Education</b>																	
<i>General Fund:</i>																	
Special Education Cateoerial Aid	495-034-5120-089	\$ 4,407,101	7/1/2018	6/30/2019	\$		\$ 3,977,968	\$ (4,407,101)							\$ (429,133)	\$ (4,407,101)	
Special Education Cateoerial Aid	495-034-5120-089	4,407,101	7/1/2017	6/30/2018			428,859										
Cateoerial Transportation Aid	495-034-5120-014	3,188,747	7/1/2018	6/30/2019			2,878,249	(3,188,747)							(310,498)	(3,188,747)	
Cateoerial Transportation Aid	495-034-5120-014	580,045	7/1/2017	6/30/2018		(56,445)	56,445										
Equalization Aid	495-034-5120-078	10,682,561	7/1/2018	6/30/2019			9,642,367	(10,682,561)							(1,040,194)	(10,682,561)	
Equalization Aid	495-034-5120-078	10,682,561	7/1/2017	6/30/2018		(1,039,531)	1,039,531										
Securiv Aid	495-034-5120-084	1,295,620	7/1/2018	6/30/2019			1,169,462	(1,295,620)							(126,158)	(1,295,620)	
Securiv Aid	495-034-5120-084	613,955	7/1/2017	6/30/2018		(59,745)	59,745										
Educational Adequacy Aid	495-034-5120-083	403,614	7/1/2017	6/30/2018		(39,276)	39,276										
PARCC Readiness Aid	495-034-5120-098	73,450	7/1/2017	6/30/2018		(7,147)	7,147										
Per Pupil Growth Aid	495-034-5120-097	73,450	7/1/2017	6/30/2018		(7,147)	7,147										
Professional Learning Community Aid	495-034-5120-101	72,250	7/1/2017	6/30/2018		(7,031)	7,031										
Extraordinary Aid	100-034-5120-473	490,496	7/1/2018	6/30/2019								\$	(490,496)			(490,496)	
Extraordinary Aid	100-034-5120-473	972,023	7/1/2017	6/30/2018		(972,023)	972,023										
Additional NP Transportation Aid	Not Available	79,437	7/1/2018	6/30/2019											(79,437)	(79,437)	
Additional NP Transportation Aid	Not Available	86,052	7/1/2017	6/30/2018		(86,052)	86,052										
Reimbursed TPAF - Social Security	495-034-5094-003	3,665,618	7/1/2018	6/30/2019			3,486,999	(3,665,618)							(178,619)	(3,665,618)	
Reimbursed TPAF - Social Security	495-034-5094-003	3,650,937	7/1/2017	6/30/2018		(178,537)	178,537										
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-002	9,413,264	7/1/2018	6/30/2019			9,413,264	(9,413,264)								(9,413,264)	
Post-Retirement Medical Contribution	495-034-5094-001	4,269,841	7/1/2018	6/30/2019			4,269,841	(4,269,841)								(4,269,841)	
Long-Term Disability Insurance Contributions	495-034-5094-004	9,690	7/1/2018	6/30/2019			9,690	(9,690)								(9,690)	
<b>Total General Fund</b>						(2,881,793)	37,729,633	(37,502,375)					(748,552)		(1,905,983)	(37,502,375)	
<i>Special Revenue Fund:</i>																	
Preschool Education Aid	495-034-5120-086	2,301,463	7/1/2018	6/30/2019			2,071,317	(1,362,146)				\$	939,317		(230,146)	(1,362,146)	
Preschool Education Aid	495-034-5120-086	442,200	7/1/2017	6/30/2018		(44,220)	44,220										
<i>New Jersey Non-Public Aid:</i>																	
Nursing Aid	100-034-5120-070	134,539	7/1/2018	6/30/2019			134,539	(130,704)				\$	3,835			(130,704)	
Nursing Aid	100-034-5120-070	132,114	7/1/2017	6/30/2018		3,875											
Textbook Aid	100-034-5120-064	73,104	7/1/2018	6/30/2019			73,104	(71,781)							1,323	(71,781)	
Textbook Aid	100-034-5120-064	74,227	7/1/2017	6/30/2018		2,285											
Technology Initiative	100-034-5120-070	49,284	7/1/2018	6/30/2019			49,284	(48,694)							590	(48,694)	
Technology Initiative	100-034-5120-070	50,135	7/1/2017	6/30/2018		1,675											
Securiv Aid	100-034-5120-509	208,050	7/1/2018	6/30/2019			208,050	(195,856)							12,194	(195,856)	
Securiv Aid	100-034-5120-509	102,150	7/1/2017	6/30/2018		3,045											
<i>Non Public Auxiliary Services (Ch. 192):</i>																	
Home Instruction		1,007	7/1/2018	6/30/2019												(1,007)	
English as a Second Language		19,671	7/1/2018	6/30/2019			19,671	(19,671)								(19,671)	
Compensatory Education		148,055	7/1/2018	6/30/2019			148,055	(146,363)							1,692	(146,363)	
Transportation	100-034-5120-068	19,803	7/1/2018	6/30/2019			19,803	(19,803)								(19,803)	
<i>Non Public Handicapped Services (Ch. 193):</i>																	
Supplemental Instruction		42,027	7/1/2018	6/30/2019			42,027	(35,683)							6,344	(35,683)	
Examination and Classification		75,895	7/1/2018	6/30/2019			75,895	(70,057)							5,838	(70,057)	
Examination and Classification		77,891	7/1/2017	6/30/2018		11,456										(11,456)	
Corrective Speech		41,962	7/1/2018	6/30/2019			41,962	(38,390)							3,572	(38,390)	
Corrective Speech		45,533	7/1/2017	6/30/2018		6,250											
NJ Advanced Computer Science Competitive Grant	19E00147	72,744	7/1/2018	6/30/2019				(1,800)							(1,800)	(1,800)	
<b>Total Special Revenue Fund</b>						(15,634)	2,927,927	(2,141,955)	(28,586)				939,317	(2,807)	35,388	(230,146)	(2,141,955)
<i>Capital Projects Fund:</i>																	
NJ Schools Development Authority	2940-045-02-	3,231,257	7/1/2002	Completion		(2,538,905)		(74,474)								(74,474)	
<b>Total Capital Projects Fund</b>						(2,538,905)		(74,474)								(74,474)	
<b>State Department of Agriculture</b>																	
<i>Enterprise Fund:</i>																	
State School Lunch Program (State share)	100-010-3360-067	27,538	7/1/2018	6/30/2019			25,767	(27,538)						(1,771)		(27,538)	
State School Lunch Program (State share)	100-010-3360-067	27,574	7/1/2017	6/30/2018		(1,875)	1,875										
<b>Total Enterprise Fund</b>						(1,875)	27,642	(27,538)					(1,771)			(27,538)	
<b>Total State Awards</b>						(5,438,207)	\$ 40,685,202	\$(39,746,342)	\$(28,586)				\$ 939,317	\$(3,366,509)	\$ 35,388	\$(2,136,129)	\$(39,746,342)
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																	
<i>General Fund:</i>																	
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-006	9,413,264	7/1/2018	6/30/2019			(9,413,264)	9,413,264								9,413,264	
Post-Retirement Medical Contribution	495-034-5094-001	4,269,841	7/1/2018	6/30/2019			(4,269,841)	4,269,841								4,269,841	
Long-Term Disability Insurance Contributions	495-034-5094-004	9,690	7/1/2018	6/30/2019			(9,690)	9,690								9,690	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>						(5,438,207)	\$ 26,992,407	\$(26,053,547)	\$(28,586)				\$ 939,317	\$(3,366,509)	\$ 35,388	\$(2,136,129)	\$(26,053,547)

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, 2019

**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, 2019

**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 (\$260,802) for the general fund and (\$184,896) 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	\$ 121,141	\$ 37,241,573	\$ 37,362,714
Special Revenue Fund	1,996,619	2,721,141	4,717,760
Capital Projects Fund		74,474	74,474
Food Service Enterprise Fund	1,408,738	27,538	1,436,276
Total financial award revenues	<u>\$ 3,526,498</u>	<u>\$ 40,064,726</u>	<u>\$ 43,591,224</u>

Piscataway Township School District

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

Year ended June 30, 2019

**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.

**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, 2019.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2019 amounted to \$13,692,795. Since on-behalf post retirement pension, 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, 2019

**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
		<b>Special Education Cluster:</b>
84.027	S027A190100	IDEA Special Education Grants to States
84.173	S173A190114	IDEA Preschool Grants for Children with Disabilities

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, 2019

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  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>
495-034-5120-078	<b>State Aid Cluster:</b> Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
100-034-5120-473	<b>Extraordinary Aid</b>
495-034-5120-014	<b>Transportation Aid</b>
495-034-5120-086	<b>Preschool Education Aid</b>

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_ \$781,606

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No

Piscataway Township School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2019

**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, 2019

**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

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2019

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

Status of Prior Year Findings:

Finding 2018-001 Allowable Costs - (Material Weakness)

**State Programs**

Extraordinary Aid

Grant #18-100-034-5120-473

New Jersey Department of Education

Condition:

The District received more extraordinary aid than it was entitled to, based on an unintentional overstatement of eligible costs. The District used an estimated tuition rate to calculate qualified classroom costs for in-district students. The 2016-2017 certified tuition rate was made available before the final extraordinary aid submission deadline of May 24, 2018 and should have been used to determine the eligible costs. Since the actual 2016-2017 certified tuition rates were less than the estimated rates utilized by the District in the aid application, costs were submitted on the application in excess of the amount permitted.

Current Status

As required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, the extraordinary aid award was tested as a major program for the year ended June 30, 2019. Our testing over this major program did not reveal any findings. The District has implemented the required corrective action over the prior year finding.