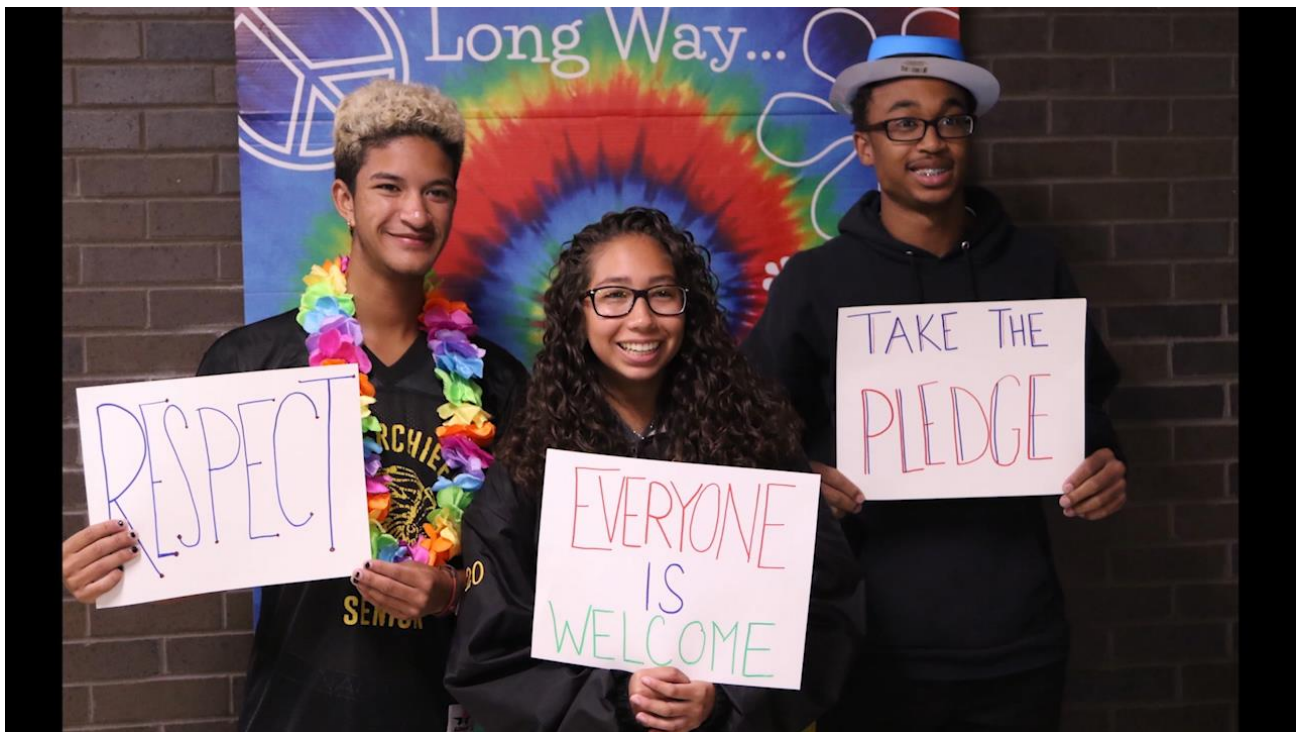




PISCATAWAY TOWNSHIP SCHOOLS

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



Year Ended June 30, 2020

Piscataway Township School District

Piscataway, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

Prepared by

Business Office

Piscataway Township School District

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organization Chart	11
Roster of Officials	12
Independent Auditors and Advisors	13
Certificate of Excellence	14
FINANCIAL SECTION	
Independent Auditors' Report	15
Required Supplementary Information – Part I	
Management's Discussion and Analysis	18
Basic Financial Statements	
Government-wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	33
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Basic Financial Statements	39

Table of Contents (continued)

FINANCIAL SECTION (continued)	Page
Required Supplementary Information – Part II	
Pension Schedules:	
Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employee's Retirement System (PERS) And Notes to Required Supplementary Information	80
Schedule of District Contributions – Public Employee's Retirement System (PERS)	81
Schedule of the State's Proportionate Share of the Net Pension Liability Associated with the District – Teacher's Pension and Annuity Fund (TPAF) and Notes to Required Supplementary Information	82
Schedule of State's Proportionate Share of the OPEB Liability Associated with the District – State Health Benefit Local Education Retired Employees Plan	83
Required Supplementary Information – Part III	
Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule (Budgetary Basis) – General Fund	84
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Budgetary Comparison Schedule – Community Development Block Grant – Budgetary Basis	N/A
C-2 Budgetary Comparison Schedule (Budgetary Basis) – Special Revenue Fund	92
C-3 Note to Required Supplementary Information – Budget to GAAP Reconciliation	93
Supplementary Information	
D School Level Schedules	N/A
Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	94
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis	97

Table of Contents (continued)

FINANCIAL SECTION (continued)	Page
Supplementary Information (continued)	<hr/>
Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	98
F-1a to F-1g Schedule(s) of Project Revenues, Expenditures, and Changes in Fund Balance, and Project Status – Budgetary Basis	99
F-2 Summary Schedule of Project Expenditures – Budgetary Basis	106
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	107
H-2 Combining Statement of Changes in Fiduciary Net Position	108
H-3 Statement of Cash Receipts and Cash Disbursements – Student Activity Agency Fund	109
H-4 Statement of Cash Receipts and Cash Disbursements – Payroll Agency Fund	110
H-5 Statement of Cash Receipts and Cash Disbursements – Bond and Interest Agency Fund	111
Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	112
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule – Debt Service Fund	113

Table of Contents (continued)

STATISTICAL SECTION (Unaudited) – Other Information

	<u>Page</u>
Financial Trends:	
J-1 Net Position by Component	114
J-2 Changes in Net Position	115
J-3 Fund Balances– Governmental Funds	117
J-4 Changes in Fund Balances – Governmental Funds	118
J-5 General Fund – Other Local Revenue by Source	119
Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	120
J-7 Property Tax Rates – Direct and Overlapping Governments	121
J-8 Principal Property Tax Payers	122
J-9 Property Tax Levies and Collections	123
J-10 Ratios of Outstanding Debt by Type	124
J-11 Ratios of Net General Bonded Debt Outstanding	125
J-12 Direct and Overlapping Governmental Activities Debt	126
J-13 Legal Debt Margin Information	127
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	128
J-15 Principal Employers	129
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	130
J-17 Operating Statistics	131
J-18 School Building Information	132
J-19 Schedule of Required Maintenance for School Facilities	133
J-20 Insurance Schedule	134

Table of Contents (continued)

SINGLE AUDIT SECTION	<u>Page</u>
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	136
K-2 Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by OMB Uniform Guidance and New Jersey OMB 15-08	138
K-3 Schedule A – Schedule of Expenditures of Federal Awards – Supplementary Information	141
K-4 Schedule B – Schedule of Expenditures of State Financial Assistance – Supplementary Information	142
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	143
K-6 Summary of Findings and Questioned Costs	147
K-7 Schedule of Prior Year Findings	151

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

Introductory Section



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Dr. Frank Ranelli
Superintendent of Schools

David Oliveira
Business Administrator/Board Secretary

January 22, 2021

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, 2020 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 and non major fund and the aggregate remaining fund information at June 30, 2020 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 7,000 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 has been expanding its preschool program in order to provide our students the earliest opportunities for academic success as well as a full-day kindergarten program. Elementary school students are welcomed into a nurturing environment that offers a wide curriculum including a flourishing program in visual and performing arts. The intermediate and middle schools encourage students to become active learners and appreciate diverse learning opportunities.

Piscataway High School provides a comprehensive range of academic opportunities to meet all of our students' needs including Advanced Placement and honors courses, and an Academy Program with curricula focused on specific career paths. Academy students follow a four year recommended sequence of courses in one of five academies: Biomedical Science, Engineering, Performing Arts, Visual Arts, or 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-12 schools. Supplemental classes and programs such as Math Potential and Jump Ahead to assist average students in reaching higher goals 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. Piscataway is one of the few districts that

provide on-site counseling services at no charge to families through a partnership with Rutgers University.

The conclusion of the 2019-2020 school year was unlike any other in recent memory as the District transitioned to a 100% virtual learning environment to combat the spread of COVID-19 in our community. Out of this challenge arose an amazing opportunity as the District reallocated resources and invested heavily in technology. The District’s one-to-one iPad initiative had been in place at the middle school level for many years and was gradually expanding into Piscataway High School on an annual basis. Due to the transition to virtual learning in March 2020, the District has been purchasing iPads for all students and has a one-to-one iPad program in place for all students in grades PK-12.

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.

School	Grades	Address	Age of Building
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.

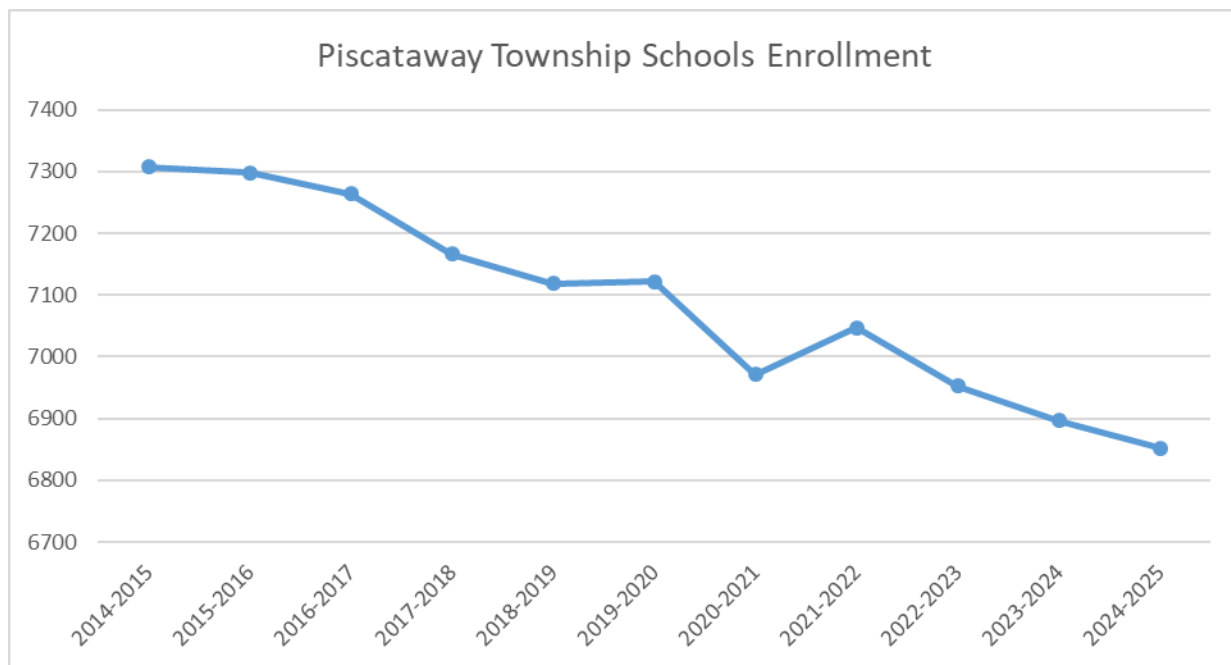
There are no charter schools located within the borders of Piscataway Township; however, during the 2019-2020 school year, the District had 46 students attend seven charter schools in surrounding communities. These charter schools offer education in grades K through 12. Students enrolled in charter schools 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 2019-2020, the District paid \$625,995.

The table below details charter school enrollment for the previous five years with projected enrollment for 2020-2021.

Fiscal Year	Enrollment
2015-2016	23
2016-2017	25
2017-2018	30
2018-2019	42
2019-2020	46
2020-2021	51

Enrollment

The exhibit below illustrates the District’s actual enrollment based on the annual October 15th count required by the New Jersey Department of Education, as well as projected enrollments through 2024-2025. Starting with a base year of 2014-2015 to the 2019-2020 school year, enrollment decreased from 7,307 to 7,122, a decrease of 185 students or approximately 2.5%. Enrollment projections show that enrollment is expected to decrease to 6,852 during the 2024-2025 school year. That is a projected decrease of 270 students, or approximately 3.8%.



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, 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 and has thus far yielded 56 students. Next to the Avalon Bay project is a site identified as the Intervenor tract that

will yield 110 new residential units upon completion later this year. Another large property on the other side of the Avalon Bay housing development has been approved for 161 additional residential units and construction has begun.

The previously approved mixed-use development project on the Karczynski Redevelopment Tract that proposed 495 market-rate apartments and 100 age-restricted apartments has been repurposed as a commercial project. The Township has 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 has retained Dr. Ross Haber to assess the impact of all of the potential housing redevelopment projects listed above as well as to monitor potential enrollment from other projects in the Township. Our most recent enrollment projections detailed above include the projected impact of housing developments that were recently completed or are in the planning/construction stages.

2) ECONOMIC CONDITION AND OUTLOOK

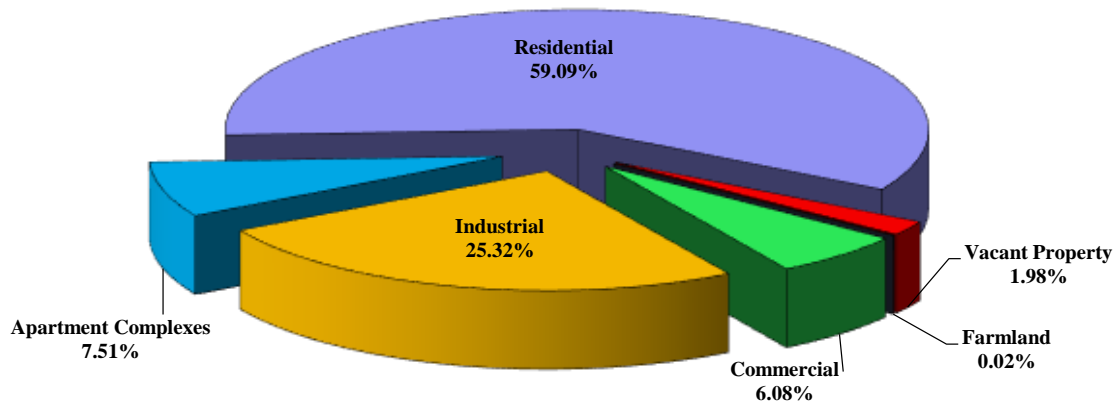
Piscataway is a community with a large residential area and pockets of industrial and warehouse facilities whose economy benefits from its proximity to New York City and an expansive road infrastructure near major roadways. Piscataway is the home of many well-known industrial concerns, research centers 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 \$312,620,900 from \$7,527,627,300 in 2019 to \$7,840,248,200 in 2020. The increase was spread across several classifications but was driven primarily by a 3.8% increase in the value of residential ratables and a 17.3% increase in apartment ratables, which is indicative of the property developments discussed earlier. Piscataway’s ratables are classified in the 2020 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 155,018,000
Residential	4,632,537,500
Farmland	1,613,100
Commercial	476,944,300
Industrial	1,985,129,900
Apartment Complexes	589,005,400
Total Ratables	<u>\$ 7,840,248,200</u>



3) LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES

As a public school district, we are faced with never ending challenges resulting from an ever-changing educational landscape. The State of New Jersey has not fully funded the School Funding Reform Act, which has resulted in the Piscataway Township Schools being short changed over the past several years and local taxpayers having to cover a disproportionate share of the cost of education compared to communities that are more affluent. 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 increase of \$1,063,533 in state aid for the 2019-2020 fiscal year. Although the District was originally scheduled to receive a further increase of \$1,562,896 in state aid for the 2020-2021 school year, the COVID-19 crisis significantly impacted the State of NJ's budget. In July 2020, the District was notified that its 2020-2021 state aid amount would be reduced to \$21,134,229. The Governor and legislature have affirmed their commitment to school funding reform by 2024-2025, but the ability of the State to implement those plans remains subject to the impact of the COVID-19 pandemic.

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 over the past decade 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 grant funded projects allowed the District to implement a multi-year facilities improvement plan that were completed in 2018.

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. 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. Replacement of the Piscataway High School bleachers, press box, and field lighting as well as ADA upgrades to the SBA building entrance will be completed in the Fall of 2020.

These building and facilities 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.

Personnel costs are a significant component of the annual budget. The Piscataway Board of Education maintains positive working relationships with the two local bargaining units and has a history of negotiating successor agreements before the expiration of the prior agreement. The District recently completed the negotiation of a new three-year agreement with the Piscataway Township Education Association that provides cost certainty through the 2022-2023 fiscal year. The agreement with the Piscataway Township Principals and Supervisors Association is settled through the 2021-2022 fiscal year and negotiations on a new contract will begin in early 2022.

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 school funding reform legislation, 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 guiding principles:

- 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 to be kept below the levy cap.
- 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.

- Energy – The District has moderated the impact of energy costs through efficiencies and the installation of solar panels on many of the District’s buildings. In April 2019, the District contracted with an energy savings company to identify additional opportunities for cost savings that yielded efficiencies in 2019-2020. The District continues to take advantage of state programs that encourage energy efficiency and is in the project identification phase of an energy savings improvement program (ESIP).
- Technology – Hardware and software purchases will continue to increase and will replace traditional school supply and textbook purchases.
- Despite the 2% tax levy cap, the District will work to maintain a capital reserve account in order to address any building improvement needs that do not require a referendum.

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. Interest revenue increased significantly in fiscal year 2019. Although there was a slight decrease in interest revenue in fiscal year 2020 due to lower interest rates, the amount earned still reflected the benefit of the District’s banking changes in 2018.

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. 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 three years. At June 30, 2020, the District's outstanding debt issues included serial bonds in the amount of \$10,340,000.

9) OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Federal Uniform Guidance and New Jersey OMB Circular 15-08, as amended. The auditors' report on the basic financial statements, required supplementary information, and supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS

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

Respectfully submitted,

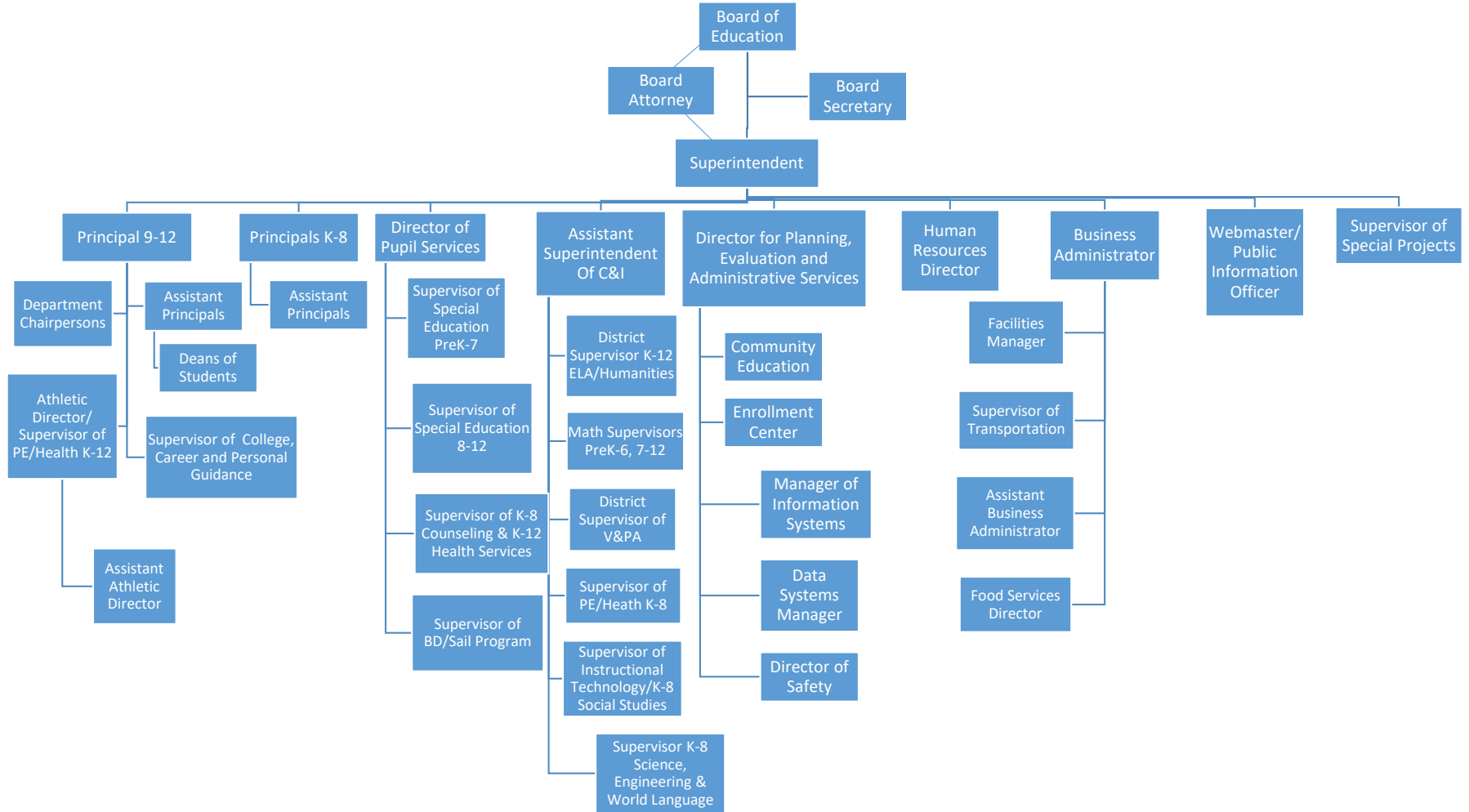


Dr. Frank Ranelli, Superintendent



David Oliveira, Business Administrator

Piscataway Township Schools Organizational Chart 2020



Piscataway Township School District
Piscataway, New Jersey

Roster of Officials

June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Shelia Hobson, President	2021
Nitang Patel, Vice President	2021
Shantell Cherry	2020
Tom Connors	2020
Jeffrey Fields, Sr.	2021
Ralph E. Johnson	2022
Kimberly Lane	2020
Calvin Laughlin	2022
Brenda Smith	2022

Other Officials

Dr. Frank Ranelli, Superintendent of Schools

David Oliveira, School Business Administrator/ Board Secretary

David Rubin, Esq., Solicitor

Piscataway Township School District
Piscataway, New Jersey

Independent Auditors and Advisors

Architects

El Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Spiezle Architectural Group, Inc.
1395 Yardville Hamilton Square Road
Suite 2A
Hamilton, NJ 08691

Independent Auditors

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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, 2019.

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading '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, 2020, 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**

Page 2

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, 2020, 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**

Page 3

Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

January 22, 2021
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, 2020

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, 2020. 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 (2019 - 2020) and the prior fiscal year (2018 - 2019) 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 29 - 30 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 31 - 33 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 34 - 36 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 37 - 38 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 39 - 79 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 80 - 113 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2020 and 2019:

	2020			2019		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 51,831,265	\$ 5,050,436	\$ 56,881,701	\$ 43,809,287	\$ 5,941,086	\$ 49,750,373
Capital assets, net	75,671,431	94,859	75,766,290	73,246,405	145,735	73,392,140
Total assets	127,502,696	5,145,295	132,647,991	117,055,692	6,086,821	123,142,513
Deferred outflows	6,826,012		6,826,012	10,026,318		10,026,318
Liabilities						
Current liabilities	12,531,953	711,042	13,242,995	13,542,617	1,722,773	15,265,390
Net pension liability	31,596,744		31,596,744	34,927,555		34,927,555
Long term liabilities	10,938,221		10,938,221	13,278,176		13,278,176
Total liabilities	55,066,918	711,042	55,777,960	61,748,348	1,722,773	63,471,121
Deferred inflows	12,507,286		12,507,286	12,413,832		12,413,832
Net position						
Net investment in capital assets	65,296,610	94,859	65,391,469	59,710,198	145,735	59,855,933
Restricted	33,554,320		33,554,320	29,490,749		29,490,749
Unrestricted (deficit)	(32,096,426)	4,339,394	(27,757,032)	(36,281,117)	4,218,313	(32,062,804)
Total net position	\$ 66,754,504	\$ 4,434,253	\$ 71,188,757	\$ 52,919,830	\$ 4,364,048	\$ 57,283,878

Key financial highlighted for the 2019 - 2020 fiscal year include the following:

- Governmental net position increased \$13,834,674. The increase was primarily driven by significant capital asset acquisitions in the amount of \$5,169,375. District-wide technology upgrades and completion of several capital projects also contributed to this increase.
- Consistent with the prior year, the State withheld the school district's fiscal 2019-2020 last two state aid payments until July 2020.
- Increase to governmental current and other assets in the amount of \$8,021,978 resulted primarily from the overall increase of \$12,278,088 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. This significant increase was offset by a reduction of approximately \$3,200,000 to the governmental accounts receivable balance from the prior year that resulted primarily from a \$2,600,000 capital projects fund accounts receivable balance that remained at June 30, 2019 from the final close out of the SDA projects that occurred during fiscal year 2019. Based on the prior year close out of SDA projects, only a trivial accounts receivable balance in the amount of \$11,214 remained at June 30, 2020 in the capital projects fund.
- 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, 2020 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, 2019 and rolled forward to June 30, 2020. The net pension liability associated with the District's governmental activities at June 30, 2020 amounted to \$31,596,744, which decreased by \$3,330,811 from the prior year. Long-term liabilities mainly decreased by principal payments made in the amount of \$3,145,000 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 investment 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 \$4,063,571 during the year ended June 30, 2020.

- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$32,096,426) 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, 2020 and 2019 are as follows:

	2020			2019		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 810,662	\$ 8,237,008	\$ 9,047,670	\$ 875,661	\$ 8,852,704	\$ 9,728,365
Operating grants and contributions	6,203,462	1,484,481	7,687,943	4,939,727	1,436,276	6,376,003
Capital grants and contributions	3,772		3,772	74,474		74,474
General revenues:						
Property taxes	95,817,141		95,817,141	94,003,198		94,003,198
State and federal aid not restricted to a specific purpose	46,391,614		46,391,614	51,017,261		51,017,261
Investment Income	943,729		943,729	1,034,654		1,034,654
Miscellaneous	319,466	125,174	444,640	222,117	92,302	314,419
Total revenue	150,489,846	9,846,663	160,336,509	152,167,092	10,381,282	162,548,374
Expenses:						
Instructional services	78,654,198		78,654,198	84,713,396		84,713,396
Support services	56,980,346		56,980,346	59,644,145		59,644,145
Charter school	625,995		625,995	551,071		551,071
Interest on long term debt	394,633		394,633	542,686		542,686
Business type activities		9,776,458	9,776,458		10,212,947	10,212,947
Total expenses	136,655,172	9,776,458	146,431,630	145,451,298	10,212,947	155,664,245
Increase in net position	13,834,674	70,205	13,904,879	6,715,794	168,335	6,884,129
Net position—beginning	52,919,830	4,364,048	57,283,878	46,204,036	4,195,713	50,399,749
Net position—ending	\$ 66,754,504	\$ 4,434,253	\$ 71,188,757	\$ 52,919,830	\$ 4,364,048	\$ 57,283,878

With the additional general state aid awarded, property tax revenue only increased \$1,813,943 to balance the budget for increases to salaries and health benefits. The overall total decrease from 2018/19 to 2019/20 in state and federal aid was \$8,562,286. This significant decrease was primarily driven by the reduction of approximately \$5,000,000 in the total full accrual TPAF on-behalf retirement, medical and pension amounts recognized in state source revenue and instructional expenditures above based on changes in assumptions and other variables including mortality rates and discount rates in the actuarial GASB 68 and 75 calculations. This significant reduction was offset by the increase in general state aid of approximately \$1,000,000.

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, 2020, and the increases in relation to the prior year:

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase from 2019</u>	<u>Percent of Increase</u>
Local sources	\$ 98,096,236	68.35%	\$ 1,738,639	1.80%
State sources	42,598,335	29.68%	2,635,621	6.60%
Federal sources	2,816,918	1.96%	699,158	33.01%
Total	<u>\$ 143,511,489</u>	<u>100.00%</u>	<u>\$ 5,073,418</u>	<u>3.66%</u>

The increase in local sources is primarily due to an increase in the tax levy of \$1,813,943. 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 or approximately \$830,000 and an increase in general state aid of approximately \$1,000,000. Additionally, there was an increase in the special revenue fund state aid of approximately \$530,000 based on increases to preschool aid resulting from expansion of its preschool programs.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2019</u>	<u>Percent of (Decrease) Increase</u>
Current expenditures:				
Instruction	\$ 51,035,698	37.74%	\$ (227,525)	-0.44%
Support services	79,962,105	59.13%	(333,376)	-0.42%
Charter Schools	625,995	0.42%	74,924	13.60%
Debt service:				
Principal	3,145,000	2.33%	140,000	4.66%
Interest and Other Charges	468,300	0.35%	(133,974)	-22.24%
Total	<u>\$ 135,237,098</u>	<u>100.00%</u>	<u>\$ (479,951)</u>	<u>-0.35%</u>

There was an overall slight decrease in total expenditures in 2020 from 2019 based on conservative budgeting measures and the unknown of how the COVID-19 pandemic would impact future budgets of the District.

General Fund

Fund balance in the General Fund increased by approximately \$8,350,000. Of the \$40,016,281 fund balance in the General Fund, \$7,166,570 is restricted for current year excess surplus, \$5,499,867 is restricted for the prior year excess surplus, \$17,001,755 is restricted in the capital reserve account, \$2,975,347 is restricted in the maintenance reserve, \$5,749,038 of encumbrances is assigned to other purposes, and \$1,623,704 is unassigned.

Special Revenue Fund

Expenditures in the Special Revenue Fund increased primary due to increased funding mentioned above to expand the District's preschool programs. Prior to the global pandemic, COVID-19, which temporarily closed down the schools there was a significant spike in enrollment. Tuition costs also increased during the year ended June 30, 2020. The District has an unassigned deficit fund balance of \$305,778 in the Special Revenue Fund as of June 30, 2020 as a result of the State deferring the payment of the final two state aid payments until July 2020.

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 \$910,781 is the result of the unspent proceeds from transfers from capital reserve and state grant money that is being used for ongoing capital projects within 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, 2020, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2019</u>	<u>Percent of (Decrease) Increase</u>
Local sources	\$ 8,362,182	84.92%	\$ (582,824)	-6.52%
State sources	30,088	0.31%	2,550	9.26%
Federal sources	1,454,393	14.77%	45,655	3.24%
Total	<u>\$ 9,846,663</u>	<u>100.00%</u>	<u>\$ (534,619)</u>	<u>-5.15%</u>

The decrease in local sources is mainly attributable to a decrease in the food service special function revenue and a decrease in Community Education program revenue due to the COVID-19 pandemic. 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, 2020 resulting mainly from the global pandemic, COVID-19, which resulted in additional aid as the district offered free meals to all participants during the temporary closure from March 2020 through June 2020.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2020, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2019</u>	<u>Percent of (Decrease) Increase</u>
Salaries	\$ 5,144,088	52.62%	\$ (187,858)	-3.52%
Employee benefits	1,087,794	11.13%	(114,957)	-9.56%
Other purchased services	1,304,007	13.34%	80,440	6.57%
Supplies and materials	311,023	3.18%	(106,503)	-25.51%
Cost of sales program	1,668,969	17.07%	110,882	7.12%
Other	260,577	4.68%	(218,493)	-45.61%
	<u>\$ 9,776,458</u>	<u>100.00%</u>	<u>\$ (436,489)</u>	<u>-4.27%</u>

The overall decrease in in the majority of the line items is the result of the COVID-19 pandemic emergency that the State of New Jersey declared on March 11, 2020 requiring the school district to close down in-person operations for the remainder of the 2019-2020 school year duration. This resulted in a significant reduction in expenditures for the period the schools were closed.

Food Service Fund

The food service enterprise fund operated at a \$161,313 net gain this year. Revenues from daily food sales decreased from the prior year by \$454,728 or 33.5% as a result of a decrease in students purchasing ala carte menu items from the prior year. The special function sales decreased by \$238,835 or 25.0% as a result of the food service company providing less meals to outside organizations due to the global pandemic, COVID-19. Overall federal and state revenues remained inline from the prior year. Total operating expenses decreased from the prior year by \$838,044 or 22.0% due to the COVID-19 pandemic that started in March 11, 2020 resulting in Food Service operations being halted due to the school transitioning to a remote learning environment.

The net position of the food service fund, \$315,763 is comprised of net position - investment in capital assets of \$41,762 and unrestricted net position of \$274,001.

Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$6,719,196 for the year ended June 30, 2020. Current year tuition revenues increased from the prior year by \$77,867 or 1.2% 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 \$401,555 or 6.3% as a result of general contractual salary increases and an increase to health benefit costs. Overall, the fund generated a net operating loss of \$91,108. 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, \$4,118,490 is comprised of net position-net investment in capital assets of \$53,097 and unrestricted net position of \$4,065,393. 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, 2020, the District's governmental activities had capital assets of \$75,671,431 (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, 2020 and 2019:

	June 30,	
	2020	2019
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	2,472,000	1,556,036
Buildings and building improvements, net	69,524,445	68,155,651
Machinery, equipment, and vehicles, net	2,132,019	1,991,751
Total capital assets, net	<u>\$ 75,671,431</u>	<u>\$ 73,246,405</u>

The increase 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 2020 fiscal year, the District had outstanding long-term liabilities of \$17,451,288 of which \$6,513,067 was classified as the current portion.

At June 30, 2020 and 2019, the District's long-term liabilities consisted of:

	June 30	
	2020	2019
Bonds payable	\$ 10,340,000	\$ 13,485,000
Unamortized premium on bonds	471,709	693,690
Compensated absences payable	2,030,848	1,967,439
Accrued liability for insurance claims	4,608,731	4,532,773
Total long-term liabilities	<u>\$ 17,451,288</u>	<u>\$ 20,678,902</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.

- Instruction – regular program - salaries for teachers' grades 1 through 12 actual expenditures in total were \$1,563,254 lower than anticipated based on changes in assignments from the time the budget was put together to the time school started.
- Instruction – regular program - purchased professional-educational services actual expenditures in total were \$706,298 lower than anticipated. The District did not anticipate the economic impact of the COVID-19 pandemic occurring in March 2020 resulting in schools being required to transition to a fully remote learning method.
- Instruction – regular program - general supplies actual expenditures in total were \$1,007,337 lower than anticipated. There is also encumbered purchase orders approximating \$800,000 for goods or services that were not received until after year end.
- Undistributed expenditures – Tuition to private schools for the handicapped – within State actual expenditures \$766,921 lower than anticipated based on student needs and child study team placements.
- Custodial services – Energy – electricity actual expenditures in total were \$545,285 lower than anticipated based on a district wide effort to conserve electricity and the effects of the district moving towards a fully remote environment due to COVID-19.
- Unallocated benefits – health insurance actual expenditures in total were \$3,849,025 lower than anticipated based on less claims being made during a year in which much of the State of New Jersey was locked down due to the COVID-19 pandemic.
- 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%.
- Construction services expenditures in total were \$3,527,749 lower than anticipated. There is also encumbered purchase orders approximating \$3,500,000 for goods or services that were not received until after year end.

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, 2020.

Piscataway Township School District

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 30,453,255	\$ 2,680,223	\$ 33,133,478
Accounts receivable	1,736,243	534,396	2,270,639
Internal balances	(1,806,474)	1,806,474	-
Investments	1,471,140		1,471,140
Other assets		29,343	29,343
Restricted:			
Cash and cash equivalents	19,977,102		19,977,102
Capital assets, non-depreciable	4,014,967		4,014,967
Capital assets, depreciable, net	71,656,464	94,859	71,751,323
Total assets	<u>127,502,697</u>	<u>5,145,295</u>	<u>132,647,992</u>
Deferred Outflows Of Resources			
Deferred loss on advanced refunding	436,888		436,888
Pension deferrals	6,389,124		6,389,124
Total deferred outflows	<u>6,826,012</u>		<u>6,826,012</u>
Liabilities			
Accounts payable	3,976,903	572,114	4,549,017
Accrued interest payable	146,974		146,974
Intergovernmental payables - State	66,893		66,893
Unearned revenue	1,728,117	138,928	1,867,045
Other liabilities	100,000		100,000
Net pension liability	31,596,744		31,596,744
Current portion of long-term obligations	6,513,067		6,513,067
Noncurrent portion of long-term obligations	10,938,221		10,938,221
Total liabilities	<u>55,066,919</u>	<u>711,042</u>	<u>55,777,961</u>
Deferred Inflow Of Resources			
Pension deferrals	<u>12,507,286</u>		<u>12,507,286</u>
Net Position			
Net investment in capital assets	65,296,610	94,859	65,391,469
Restricted for:			
Capital projects	910,781		910,781
Excess surplus	12,666,437		12,666,437
Capital reserve	17,001,755		17,001,755
Maintenance reserve	2,975,347		2,975,347
Unrestricted (deficit)	(32,096,426)	4,339,394	(27,757,032)
Total net position	<u>\$ 66,754,504</u>	<u>\$ 4,434,253</u>	<u>\$ 71,188,757</u>

See accompanying notes to the basic financial statements.

Piscataway Township School District

Statement of Activities

Year ended June 30, 2020

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	
Governmental activities							
Instruction	\$ 78,654,198	\$ 496,164	\$ 2,357,808		\$ (75,800,226)		\$ (75,800,226)
Support services:							
Attendance/social work	366,032				(366,032)		(366,032)
Health services	1,577,821				(1,577,821)		(1,577,821)
Other support services	16,007,486		3,839,934		(12,167,552)		(12,167,552)
Improvement of instruction	3,976,513				(3,976,513)		(3,976,513)
Other support: instructional staff	10,605				(10,605)		(10,605)
School library	946,166				(946,166)		(946,166)
General administration	2,314,084				(2,314,084)		(2,314,084)
School administration	6,581,124				(6,581,124)		(6,581,124)
Central services	1,859,485				(1,859,485)		(1,859,485)
Administrative information technology	1,466,362				(1,466,362)		(1,466,362)
Plant operation and maintenance	14,796,479		5,720	\$ 3,772	(14,786,987)		(14,786,987)
Student transportation	7,078,189	314,498			(6,763,691)		(6,763,691)
Charter schools	625,995				(625,995)		(625,995)
Interest on long-term debt	394,633				(394,633)		(394,633)
Total governmental activities	<u>136,655,172</u>	<u>810,662</u>	<u>6,203,462</u>	<u>3,772</u>	<u>(129,637,276)</u>		<u>(129,637,276)</u>
Business-type activities							
Food Service	2,966,154	1,617,400	1,484,481			\$ 135,727	135,727
Adult and Community Education	6,810,304	6,619,608				(190,696)	(190,696)
Total business-type activities	<u>9,776,458</u>	<u>8,237,008</u>	<u>1,484,481</u>	<u>-</u>		<u>(54,969)</u>	<u>(54,969)</u>
Total primary government	<u>\$ 146,431,630</u>	<u>\$ 9,047,670</u>	<u>\$ 7,687,943</u>	<u>\$ 3,772</u>	<u>(129,637,276)</u>	<u>(54,969)</u>	<u>(129,692,245)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					92,203,841		92,203,841
Property taxes, levied for debt service					3,613,300		3,613,300
State and federal sources—unrestricted					46,391,614		46,391,614
Investment income					450,819		450,819
Interest Income					492,910		492,910
Miscellaneous					319,466	125,174	444,640
Total general revenues					<u>143,471,950</u>	<u>125,174</u>	<u>143,597,124</u>
Change in net position					13,834,674	70,205	13,904,879
Net Position—beginning					52,919,830	4,364,048	57,283,878
Net Position—ending					<u>\$ 66,754,504</u>	<u>\$ 4,434,253</u>	<u>\$ 71,188,757</u>

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Piscataway Township School District
Governmental Funds

Balance Sheet

June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 17,936,855	\$ 3,616,288	\$ 899,567	\$ 1	\$ 22,452,711
Investments	1,471,140				1,471,140
Accounts receivable:					
State	822,528	8,300	11,214		842,042
Federal		640,788			640,788
Other	217,341	36,072			253,413
Interfund	1,278,307				1,278,307
Restricted assets:					
Cash and cash equivalents	19,977,102				19,977,102
Total assets	<u>\$ 41,703,273</u>	<u>\$ 4,301,448</u>	<u>\$ 910,781</u>	<u>\$ 1</u>	<u>\$ 46,915,503</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,267,389	\$ 475,167			\$ 1,742,556
Intergovernmental payables:					
State		66,893			66,893
Interfunds payable	99,588	2,557,064			2,656,652
Unearned revenue	220,015	1,508,102			1,728,117
Other liabilities	100,000				100,000
Total liabilities	<u>1,686,992</u>	<u>4,607,226</u>			<u>6,294,218</u>
Fund balances:					
Restricted for:					
Excess surplus-current year	7,166,570				7,166,570
Excess surplus-prior year	5,499,867				5,499,867
Capital reserve account	17,001,755				17,001,755
Debt Service				\$ 1	1
Capital projects			\$ 910,781		910,781
Maintenance Reserve	2,975,347				2,975,347
Assigned to:					
Other purposes	5,749,038				5,749,038
Unassigned (deficit):	1,623,704	(305,778)			1,317,926
Total fund balances	<u>40,016,281</u>	<u>(305,778)</u>	<u>910,781</u>	<u>1</u>	<u>40,621,285</u>
Total liabilities and fund balances	<u>\$ 41,703,273</u>	<u>\$ 4,301,448</u>	<u>\$ 910,781</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$146,500,845 and the accumulated depreciation is \$70,829,414.	75,671,431
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.	(146,974)
Accounting loss on advanced refunding of debt	436,888
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.	(12,842,557)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(6,118,162)
Accrued pension contributions for the June 30, 2020 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.	(1,970,918)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(31,596,744)
Net position of governmental activities	<u>\$ 66,754,504</u>

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, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 92,203,841			\$ 3,613,300	\$ 95,817,141
Tuition	496,164				496,164
Transportation	314,498				314,498
Rents and Royalties	44,643				44,643
Investment Income	450,819				450,819
Interest Income	492,910				492,910
Miscellaneous	274,823	\$ 205,238			480,061
Total local sources	94,277,698	205,238		3,613,300	98,096,236
State sources	39,307,607	3,290,728	\$ 3,772		42,602,107
Federal sources	109,422	2,707,496			2,816,918
Total revenues	133,694,727	6,203,462	3,772	3,613,300	143,515,261
Expenditures					
Current:					
Instruction	47,442,611	2,433,440			49,876,051
Undistributed-current:					
Instruction	1,159,647				1,159,647
Attendance/social work	225,924				225,924
Health services	984,493				984,493
Other support services	7,679,444	3,839,934			11,519,378
Improvement of instruction	2,511,993				2,511,993
Education media library	601,387				601,387
Other support: instructional staff	10,314				10,314
General administration	1,782,837				1,782,837
School administration	4,090,256				4,090,256
Central services	1,209,639				1,209,639
Administrative information technology	1,028,965				1,028,965
Required maintenance of plant services	2,409,507				2,409,507
Operation of plant	13,784,204				13,784,204
Student transportation	6,237,181				6,237,181
Unallocated benefits	15,405,908				15,405,908
On-behalf TPAF social security and pension contributions	18,154,399				18,154,399
Charter schools - current	625,995				625,995
Capital outlay		5,720	10,800		16,520
Debt Service:					
Principal				3,145,000	3,145,000
Interest				468,300	468,300
Total expenditures	125,344,704	6,279,094	10,800	3,613,300	135,247,898
Net change in fund balances	8,350,023	(75,632)	(7,028)	-	8,267,363
Fund balances (deficit), July 1	31,666,258	(230,146)	917,809	1	32,353,922
Fund balances (deficit), June 30	\$ 40,016,281	\$ (305,778)	\$ 910,781	\$ 1	\$ 40,621,285

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, 2020

Total net change in fund balances - governmental funds (from B-2)		\$ 8,267,363
<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	\$ 5,169,375	
Depreciation expense	<u>(2,744,349)</u>	2,425,026
<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>		
		3,145,000
<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>		
		57,278
<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>		
		(63,409)
<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>(12,971)</u>
Change in net position of governmental activities (A-2)		<u>\$ 13,834,674</u>

See accompanying notes to the basic financial statements.

Proprietary Funds

Piscataway Township School District
Proprietary Funds

Statement of Net Position

June 30, 2020

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 296,741	\$ 2,383,482	\$ 2,680,223	\$ 8,000,544
Accounts receivable:				
State	10,461		10,461	
Federal	359,333		359,333	
Other	155,310	9,292	164,602	
Interfund		2,656,652	2,656,652	850,178
Other assets		29,343	29,343	
Total current assets	<u>821,845</u>	<u>5,078,769</u>	<u>5,900,614</u>	<u>8,850,722</u>
Capital assets:				
Equipment	995,260	745,950	1,741,210	
Accumulated depreciation	(953,498)	(692,853)	(1,646,351)	
Total capital assets, net	<u>41,762</u>	<u>53,097</u>	<u>94,859</u>	
Total assets	<u>863,607</u>	<u>5,131,866</u>	<u>5,995,473</u>	<u>8,850,722</u>
Liabilities				
Current liabilities:				
Accounts payable	457,747	114,367	572,114	263,429
Interfund payable		850,178	850,178	1,278,307
Accrued liability for insurance claims				4,608,731
Unearned revenue	90,097	48,831	138,928	
Total current liabilities	<u>547,844</u>	<u>1,013,376</u>	<u>1,561,220</u>	<u>6,150,467</u>
Net Position				
Net investment in capital assets	41,762	53,097	94,859	
Unrestricted	274,001	4,065,393	4,339,394	2,700,255
Total net position	<u>\$ 315,763</u>	<u>\$ 4,118,490</u>	<u>\$ 4,434,253</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, 2020

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
	<u>Food Service</u>	<u>Adult and Community Education</u>	<u>Totals</u>	<u>Self Insurance Fund</u>
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	\$ 500,439		\$ 500,439	
Daily food sales non-reimbursable programs	401,982		401,982	
Tuition		\$ 6,619,608	6,619,608	
Charges for services				\$ 16,839,419
Special Function	714,979		714,979	
Miscellaneous	25,586	99,588	125,174	
Total operating revenues	<u>1,642,986</u>	<u>6,719,196</u>	<u>8,362,182</u>	<u>16,839,419</u>
Operating expenses:				
Salaries	860,196	4,283,892	5,144,088	
Purchased professional services	5,828		5,828	
Employee benefits	237,616	850,178	1,087,794	16,839,419
Purchased property services		236,946	236,946	
Other purchased services	19,969	1,041,264	1,061,233	
Supplies and materials	157,449	153,574	311,023	
Cost of sales - program	1,347,670		1,347,670	
Cost of sales - non-program	321,299		321,299	
Depreciation	16,127	34,747	50,874	
Miscellaneous		209,703	209,703	
Total operating expenses	<u>2,966,154</u>	<u>6,810,304</u>	<u>9,776,458</u>	<u>16,839,419</u>
Operating (loss) income	(1,323,168)	(91,108)	(1,414,276)	-
Nonoperating revenues:				
State sources:				
State school lunch program	23,114		23,114	
Additional State Subsidy	6,974		6,974	
Federal sources:				
School breakfast program	311,480		311,480	
National school lunch program	957,169		957,169	
Healthy Hunger Free Kids Act (HHFKA)	30,473		30,473	
Food donation program	155,271		155,271	
Total nonoperating revenues	<u>1,484,481</u>	<u>-</u>	<u>1,484,481</u>	<u>-</u>
Change in net position	161,313	(91,108)	70,205	-
Total net position-beginning	154,450	4,209,598	4,364,048	2,700,255
Total net position-ending	<u>\$ 315,763</u>	<u>\$ 4,118,490</u>	<u>\$ 4,434,253</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, 2020

	Major Funds			Non-Major Funds
	Business Type Activities -			Internal
	Enterprise Funds			Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,848,738	\$ 7,154,971	\$ 9,003,709	
Payments to employees	(860,196)	(4,283,892)	(5,144,088)	
Payments for employee benefits	(237,616)	(850,178)	(1,087,794)	
Payments to suppliers	(2,020,705)	(4,240,522)	(6,261,227)	
Receipts from services provided				\$ 16,839,419
Payments for insurance				(16,626,871)
Net cash (used in) provided by operating activities	(1,269,779)	(2,219,621)	(3,489,400)	212,548
Cash flows from noncapital financing activities				
Transfers to other funds	(133,947)	(86,487)	(220,434)	
Cash received from state and federal reimbursements	1,195,472		1,195,472	
Net cash provided by noncapital financing activities	1,061,525	(86,487)	975,038	-
Net (decrease) increase in cash and cash equivalents	(208,254)	(2,306,108)	(2,514,362)	212,548
Cash and cash equivalents, beginning of year	504,995	4,689,590	5,194,585	7,787,996
Cash and cash equivalents, end of year	\$ 296,741	\$ 2,383,482	\$ 2,680,223	\$ 8,000,544
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss)	\$ (1,323,168)	\$ (91,108)	\$ (1,414,276)	\$ -
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	16,127	34,747	50,874	
Change in assets and liabilities:				
Decrease in accounts receivable	168,079	1,374,305	1,542,384	86,487
(Decrease) Increase in accounts payable	(168,490)	57,617	(110,873)	243,097
Increase in interfund payable		(2,656,652)	(2,656,652)	(192,994)
Increase (decrease) in unearned revenue	37,673	(938,530)	(900,857)	
Decrease in accrued liability for insurance claims				75,958
Net cash (used in) provided by operating activities	\$ (1,269,779)	\$ (2,219,621)	\$ (3,489,400)	\$ 212,548

Noncash noncapital financing activities:

The District received \$155,271 of food commodities from the Department of Agriculture for the year ended June 30, 2020.

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, 2020

	<u>Private-Purpose Scholarship</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 20,925	\$ 1,805,730	\$ 584,263
Accounts receivable		63,863	
Total assets	<u>\$ 20,925</u>	<u>\$ 1,869,593</u>	<u>\$ 584,263</u>
Liabilities			
Payroll deductions payable			\$ 32,833
Accounts payable		\$ 116,075	53,317
Due to student groups			498,113
Total liabilities		<u>\$ 116,075</u>	<u>\$ 584,263</u>
Net position			
Held in trust for unemployment claims		<u>\$ 1,753,518</u>	
Held in trust for scholarships	<u>\$ 20,925</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, 2020

	Private-Purpose Scholarship Funds	Unemployment Compensation Trust
Additions		
Contributions:		
Employee		\$ 161,278
Interest income	\$ 274	21,162
CARES ACT federal contribution		63,863
Total additions	<u>274</u>	<u>246,303</u>
Deductions		
Unemployment claims paid		256,203
Scholarship payments	2,000	
Total deductions	<u>2,000</u>	<u>256,203</u>
Change in net position	(1,726)	(9,900)
Net position-beginning of the year	22,651	1,763,418
Net position-end of the year	<u>\$ 20,925</u>	<u>\$ 1,753,518</u>

See accompanying notes to the basic financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

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, 2020

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 enterprise 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, 2020

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, 2020

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

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 to in N.J.A.C. 6A:23A. All budget amendments must be approved

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

by School Board resolution. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations. The over-expenditure in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of the 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 2019-20 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, 2020

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, 2020, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,030,848 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, 2020

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, 2020

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, 2020, the District has recorded an unamortized balance of \$436,888 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, 2020

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 \$40,016,281 of fund balance in the General Fund, \$17,001,755 (\$6,500,000 utilized in the 2020-2021 budget) has been restricted in the capital reserve account, \$2,975,347 has been restricted in the maintenance reserve account, \$7,166,570 is restricted for current year surplus, \$5,499,867 is restricted for prior year surplus, \$5,749,038 of encumbrances are assigned to other purposes and \$1,623,704 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, 2020

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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. (See Note 11).

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, 2020 was \$12,666,437. Of this amount, \$5,499,867 has been appropriated in the 2020-2021 budget and the remaining \$7,166,570 is required to be appropriated in the 2021-2022 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, 2020

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. Recently Issued Accounting Pronouncements to be Implemented in Future Years

The GASB issued Statement No. 84, Fiduciary Activities in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 87, Leases in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

V. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2020 through January 22, 2021, 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, 2020

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 \$12,842,557 difference are as follows:

Bonds payable	\$ 10,340,000
Unamortized premium on bonds	471,709
Compensated absences	<u>2,030,848</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 12,842,557</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, 2020

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, 2020, the District's carrying amount of deposits was \$55,521,498 and the bank balance was \$58,453,292. Of the bank balance, \$509,107 was secured by federal depository insurance and \$57,096,742 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$847,443 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, 2020

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, 2020, the District's investment balances of \$1,471,140 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, 2020

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, 2020:

- Solar Renewable Energy Credits in the amount of \$1,471,140 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, 2020:

	Beginning Balance	Increases	Transfers/ Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,542,967			\$ 1,542,967
Construction in progress	1,556,036	\$ 2,423,826	\$ (1,507,862)	2,472,000
Total capital assets, not being depreciated	3,099,003	2,423,826	(1,507,862)	4,014,967
Capital assets, being depreciated:				
Buildings and building improvements	128,319,084	2,172,077	1,507,862	131,999,023
Machinery, equipment and vehicles	10,038,274	573,472	(124,891)	10,486,855
Total capital assets being depreciated	138,357,358	2,745,549	1,382,971	142,485,878
Less accumulated depreciation for:				
Buildings and building improvements	60,163,433	2,311,145		62,474,578
Machinery, equipment and vehicles	8,046,523	433,204	124,891	8,354,836
Total accumulated depreciation	68,209,956	2,744,349	124,891	70,829,414
Total capital assets, being depreciated, net	70,147,402	1,200	1,258,080	71,656,464
Governmental activities capital assets, net	<u>\$ 73,246,405</u>	<u>\$ 2,425,026</u>	<u>\$ -</u>	<u>\$ 75,671,431</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2020 as follows:

Instruction	\$ 1,437,515
Attendance/social work	6,364
Health services	27,730
Other support services	324,465
Improvement of instruction	70,755
Education media library	16,939
Other support: Instruction staff	291
General administration	50,217
School administration	115,210
Central services	34,072
Administrative information technology	28,983
Plant operation and maintenance	456,126
Student transportation	175,682
Total depreciation expense - governmental activities	<u>\$ 2,744,349</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, being depreciated:				
Equipment	\$ 1,741,210			\$ 1,741,210
Less accumulated depreciation for:				
Equipment	1,595,477	\$ 51,164	\$ 290	1,646,351
Total business-type activities capital assets, net	<u>\$ 145,733</u>	<u>\$ (51,164)</u>	<u>\$ 290</u>	<u>\$ 94,859</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

5. Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,967,439	\$ 284,639	\$ 221,230	\$ 2,030,848	\$ 203,085
Bonds payable	13,485,000		3,145,000	10,340,000	3,315,000
Unamortized premium on bonds	693,691		221,982	471,709	221,982
Accrued liability for insurance claims	4,532,773	16,395,247	16,319,289	4,608,731	2,773,000
Subtotal	20,678,903	16,679,886	19,907,501	17,451,288	6,513,067
Net pension liability	34,927,555		3,330,811	31,596,744	
Governmental activity long- term liabilities	<u>\$ 55,606,458</u>	<u>\$ 16,679,886</u>	<u>\$ 23,238,312</u>	<u>\$ 49,048,032</u>	<u>\$ 6,513,067</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, 2020

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:			
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>\$ 10,340,000</u>	<u>\$ 572,588</u>	<u>\$ 10,912,588</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, 2020

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 1/55th 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 1/60th 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 1/55th 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 1/60th 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, 2020

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 have increased to the final phase in rate of 7.5% of employees' annual compensation, effective July 1, 2018. 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, 2020, the State of New Jersey contributed \$14,524,042 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 \$3,630,357 during the year ended June 30, 2020 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, 2020, 2019 and 2018 were \$1,705,719, \$1,775,857, and \$1,686,752 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, 2020

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, 2020, the District reported a liability of \$31,596,744 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.1753574039 percent, which was a decrease of 0.0020343669 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$1,718,690 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 567,120	\$ 139,580
Changes of assumptions	3,155,051	10,967,130
Net difference between projected and actual earnings on pension plan investments		498,767
Changes in proportion		901,809
Changes in proportion and differences between District contributions and proportionate share of contributions	696,035	
District contributions subsequent to the measurement date	1,970,918	
	<u>\$ 6,389,124</u>	<u>\$ 12,507,286</u>

\$1,970,918 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, 2020

6. Pension Plans (continued)

Year ended June 30:	
2021	\$ (700,772)
2022	(3,018,541)
2023	(2,876,268)
2024	(1,350,548)
2025	<u>(142,951)</u>
	<u>\$ (8,089,080)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

6. Pension Plans (continued)

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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	<u>12.00%</u>	10.85%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2019 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the net pension liability	\$ 39,911,822	\$ 31,596,744	\$ 24,590,113

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, 2020

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616
Deferred inflows of resources	\$ 7,645,087,574
Net pension liability	\$ 18,143,832,135

District's Proportion	0.1753574039%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686.

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, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.21, 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, 2019 was \$287,710,028. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2020

6. Pension Plans (continued)

the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4688049588 percent, which was a decrease of 0.0096708715% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$16,969,907 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:	
Price	2.75%
Wage	3.75%
Salary increases:	
Through 2026	1.55 - 4.45%
	Based in years of service
Thereafter	2.75 - 5.65%
	Based in years of service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 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, 2019 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:

	<u>At 1% Decrease (4.60%)</u>	<u>At Current Discount Rate (5.60%)</u>	<u>At 1% Increase (6.60%)</u>
State's proportionate share of the net pension liability associated with the District	\$ 339,273,803	\$ 287,710,028	\$ 244,928,377

Pension plan fiduciary net position

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 10,129,162,237
Deferred inflows of resources	\$ 17,736,240,054
Net pension liability	\$ 61,519,112,443
State's proportionate share associated with the District	0.4688049588%

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$3,628,861,805.

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, 2019, 2018, 2017, 2016, 2015 and 2014 is 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

7. Post-retirement Benefits

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, 2020, 2019 and 2018 were \$3,927,733, \$4,269,841, and \$4,661,472, 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.

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 \$41,729,081,045.

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>364,943</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

7. Post-retirement Benefits (continued)

The State, a non-employer 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, 2019 was \$194,322,489, or 0.47%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Total Non-employer OPEB Liability

The total non-employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

Inflation rate:	2.50%	
	TPA/ABP	PERS
Salary increases:	<hr/>	
Through 2026	1.55 - 3.05% Based in years of service	2.00 - 6.00% Based in age
Thereafter	1.55 - 3.05% Based in years of service	3.00 - 7.00% Based in age

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

7. Post-retirement Benefits (continued)

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF/ABP) and, “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, for TPAF and PERS, respectively.

Healthcare Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

7. Post-retirement Benefits (continued)

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, 2019		\$	214,148,862
Increased by:			
Service cost	\$	8,039,866	
Interest cost		8,487,763	
Changes of assumptions		2,897,364	
Member contributions		<u>176,823</u>	
			<u>19,601,816</u>
			233,750,678
Decreased by:			
Diff. between expected and actual exp.		33,463,068	
Gross benefit payments		<u>5,965,121</u>	
			<u>(39,428,189)</u>
Balance at June 30, 2020		\$	<u>194,322,489</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

7. Post-retirement Benefits (continued)

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.

	1% Decrease (2.50%)	At Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 229,571,650	\$ 194,322,489	\$ 166,322,487

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 160,113,070	\$ 194,322,489	\$ 239,608,736

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

For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$4,519,814 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 1,921,145,183
Deferred inflows of resources	\$ 20,887,639,826
Collective OPEB expense	\$ 1,015,664,874

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

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

9. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,278,307	\$ 99,588
Special Revenue Fund		2,557,064
Self Insurance Internal Service Fund	850,178	1,278,307
Community Education Program	2,656,652	850,178
	<u>\$ 4,785,137</u>	<u>\$ 4,785,137</u>

The interfund receivable due from the self-insurance internal service fund relates to costs originally paid by the general fund.

The interfund receivable due to the self-insurance internal service fund relates to health benefit costs associated to community education program.

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 at June 30, 2020 for the classroom costs incurred by the community education program that were associated with the preschool program.

All interfunds are expected to be repaid within one year.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

10. Economic Dependency

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

11. Contingent Liabilities

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

Infectious Disease Outbreak – COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "*Pandemic*") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020 the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020 and has since issued multiple Executive Orders regarding the Pandemic. The District expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

11. Contingent Liabilities (continued)

The District cannot reasonably predict how long the Pandemic in New Jersey is expected to last, how the outbreak may impact the financial condition or operations of the District, any unexpected deferrals of tax payments, and/or state or federal aid to the District or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs 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 \$4,608,731 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The workers' compensation IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 3% discount rate in determining the workers' compensation present value of the liability. The IBNR liability for medical, prescription and dental benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

12. Risk Management (continued)

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2020, 2019, and 2018 were:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2019-20	\$ 4,532,773	\$ 16,395,247	\$ 16,319,289	\$ 4,608,731
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

The District has estimated the short-term liability to be \$2,773,000, 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.

15. 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

15. Capital Reserve Account (continued)

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 16,185,099
Increase:	
Interest Earned	66,656
Deposit approved at the June 2020 Board meeting	8,000,000
Withdrawals:	
Budget	<u>7,250,000</u>
Ending balance, June 30, 2020	<u><u>\$ 17,001,755</u></u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$6,500,000 from the capital reserve account in its 2020-2021 budget.

16. 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 1,952,391
Increase:	
Interest Earned	22,956
Deposit Approved at the June 2020 Board meeting	<u>1,000,000</u>
Ending balance, June 30, 2020	<u><u>\$ 2,975,347</u></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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

16. Maintenance Reserve Account (continued)

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, 2020.

The State of New Jersey made cuts of state aid to certain districts after school budgets had been finalized and after the new budget year began. School districts were given a number of options in how to amend its budget during the 2021 fiscal year in order to address the reduction of state aid. The District elected to appropriate Maintenance Reserve balances in the amount of \$1,066,229 during the 2021 fiscal year in order to maintain the total appropriations that had been approved during the budget process.

17. Deficit Fund Balance

The District has an unassigned deficit fund balance of \$305,778 in the Special Revenue Fund as of June 30, 2020 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.

18. Commitments

There were contractual commitments in the general fund in the amount of \$5,749,038 at June 30, 2020 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - Local Group	0.1753574039%	0.1773917708%	0.1785450280%	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 31,596,744	\$ 34,927,555	\$ 41,562,429	\$ 53,915,115	\$ 38,337,367	\$ 32,105,624	\$ 31,810,285	n/a	n/a	n/a
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	248.53%	281.09%	336.30%	446.84%	318.71%	284.96%	277.44%	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	56.27%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%	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 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

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

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,705,719	\$ 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
Contributions in relation to the contractually required contribution	(1,705,719)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,731,947	\$ 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
Contributions as a percentage of covered-employee payroll	13.40%	13.97%	13.57%	13.09%	12.17%	11.75%	11.02%	11.45%	12.41%	11.55%

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*

	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.468804959%	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	\$ 287,710,028	\$ 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>\$ 287,710,028</u>	<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	26.95%	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 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

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	Year Ended June 30, 2020
State's proportion of the OPEB Liability associated with the District -	0.47%	0.46%	0.47%
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	\$ 194,322,489
Total proportionate share of the OPEB liability associated with the District	<u>\$ 250,957,214</u>	<u>\$ 214,148,862</u>	<u>\$ 194,322,489</u>
Beginning Balance	\$ 270,987,900	\$ 250,957,214	\$ 214,148,862
Increased by:			
Service cost	\$ 11,094,997	\$ 9,174,245	\$ 8,039,866
Interest cost	7,960,142	9,214,619	8,487,763
Changes of assumptions			2,897,364
Member contributions	<u>214,038</u>	<u>197,909</u>	<u>176,823</u>
	19,269,177	18,586,773	19,601,816
Decreased by:			
Diff. between expected and actual exp.		(25,094,207)	(33,463,068)
Changes of assumptions	(33,487,161)	(24,574,654)	
Gross benefit payments	<u>(5,812,702)</u>	<u>(5,726,264)</u>	<u>(5,965,121)</u>
	\$ (39,299,863)	\$ (55,395,125)	\$ (39,428,189)
Balance	<u>\$ 250,957,214</u>	<u>\$ 214,148,862</u>	<u>\$ 194,322,489</u>
Covered by employee payroll	\$ 63,103,173	\$ 63,917,207	\$ 64,683,358
Total OPEB liability as a percentage of covered employee payroll.	397.69%	335.04%	300.42%

* 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 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 92,203,841		\$ 92,203,841	\$ 92,203,841	
Tuition from Individuals	25,000		25,000	19,487	\$ (5,513)
Tuition from LEAs within state	275,000		275,000	476,677	201,677
Transportation Fees from Individuals	300,000		300,000	240,465	(59,535)
Transportation Fees from Other LEAs	100,000		100,000	74,033	(25,967)
Rents and royalties	50,000		50,000	44,643	(5,357)
Investment Income		\$ 500,000	500,000		(500,000)
Interest Income		250,000	250,000	403,298	153,298
Interest Earned on Capital Reserve Funds	100,000		100,000	66,656	(33,344)
Interest Earned on Maintenance Reserve Funds	35,000		35,000	22,956	(12,044)
Miscellaneous	1,000,000	(750,000)	250,000	274,823	24,823
Total revenues - local sources	94,088,841	-	94,088,841	93,826,879	(261,962)
State sources:					
Categorical Special Education Aid	4,407,101		4,407,101	4,407,101	
Categorical Transportation Aid	3,188,747		3,188,747	3,188,747	
Equalization Aid	11,746,094		11,746,094	11,746,094	
Extraordinary Aid	800,000		800,000	549,858	(250,142)
Categorical Security Aid	1,295,620		1,295,620	1,295,620	
Additional non public transportation aid				32,799	32,799
Homeless Tuition Reimbursement				51,047	51,047
On-behalf TPAF pension contributions (non-budgeted)				10,587,403	10,587,403
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				3,927,733	3,927,733
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				8,906	8,906
Reimbursed TPAF social security contributions (non-budgeted)				3,630,357	3,630,357
Total - state sources	21,437,562	-	21,437,562	39,425,665	17,988,103
Federal sources:					
Medicaid reimbursement	129,245		129,245	109,422	(19,823)
Total Federal sources	129,245	-	129,245	109,422	(19,823)
Total revenues	115,655,648	-	115,655,648	133,361,966	17,706,318
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,672,330	116,764	1,789,094	1,698,626	90,468
Grades 1-5	12,106,707	(326,764)	11,779,943	11,301,075	478,868
Grades 6-8	8,065,972	(269,000)	7,796,972	7,139,100	657,872
Grades 9-12	11,482,143	(377,000)	11,105,143	10,769,097	336,046
Home instruction - regular programs:					
Salaries of teachers	70,000	(35,000)	35,000	30,833	4,167
Purchased professional-educational services	48,000	35,000	83,000	56,064	26,936
Undistributed instruction - regular programs:					
Other salaries for instruction	257,792	(13,000)	244,792	242,768	2,024
Purchased professional-educational services	1,628,250	(110,499)	1,517,751	811,453	706,298
Other purchased services	47,750	1,531	49,281	15,406	33,875
General supplies	2,286,040	501,876	2,787,916	1,780,579	1,007,337
Textbooks	32,621	(9,629)	22,992	16,026	6,966
Other objects	304,872	(2,179)	302,693	283,438	19,255
Total instruction - regular programs	38,002,477	(487,900)	37,514,577	34,144,465	3,370,112

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Cognitive-mild:					
Salaries of teachers	\$ 463,515		\$ 463,515	\$ 454,208	\$ 9,307
Other salaries for instruction	200,161	\$ (193,600)	6,561	300	6,261
Purchased professional ed services	228,600	(87,261)	141,339	59,661	81,678
Other purchased services	350		350	54	296
General supplies	9,700	(100)	9,600	6,685	2,915
Total cognitive-mild	902,326	(280,961)	621,365	520,908	100,457
Learning and/or language disabilities:					
Salaries of teachers	816,636	96,225	912,861	912,246	615
Other salaries for instruction	407,641	(145,225)	262,416	250,944	11,472
Purchased professional ed services	334,800	(175,028)	159,772	53,638	106,134
General supplies	1,670	(580)	1,090	860	230
Total learning and/or language disabilities	1,560,747	(224,608)	1,336,139	1,217,688	118,451
Behavioral disabilities:					
Salaries of teachers	613,442		613,442	573,408	40,034
Other salaries for instruction	52,775		52,775	45,275	7,500
Purchased professional ed services	303,600		303,600	126,819	176,781
General supplies	8,700	600	9,300	7,265	2,035
Total behavioral disabilities	978,517	600	979,117	752,767	226,350
Multiple disabilities:					
Salaries of teachers	91,777		91,777	91,777	
Other salaries for instruction	46,955		46,955	34,727	12,228
Total multiple disabilities	138,732	-	138,732	126,504	12,228
Resource room/center:					
Salaries of teachers	4,730,694		4,730,694	4,257,844	472,850
Other salaries for instruction	724,425	(39,903)	684,522	586,772	97,750
Purchased professional ed services	362,400	(59,877)	302,523	164,201	138,322
General supplies	4,300	15	4,315	4,263	52
Total resource room/center	5,821,819	(99,765)	5,722,054	5,013,080	708,974
Autism:					
Salaries of teachers	828,902	(23,704)	805,198	803,199	1,999
Other salaries for instruction	350,020	(130,415)	219,605	219,605	
Purchased professional-educational services	505,200	(210,998)	294,202	160,193	134,009
General supplies	34,800	(1,685)	33,115	28,661	4,454
Total autism	1,718,922	(366,802)	1,352,120	1,211,658	140,462
Preschool disabilities - part time:					
Salaries of teachers	333,890	(84,713)	249,177	225,332	23,845
Other salaries for instruction	114,164		114,164	109,864	4,300
Purchased professional-educational services	60,000		60,000	27,525	32,475
General supplies	150	1,750	1,900	1,831	69
Total preschool disabilities - part time	508,204	(82,963)	425,241	364,552	60,689
Preschool disabilities - full time:					
Salaries of teachers	190,502	84,713	275,215	275,215	
Other salaries for instruction	107,468	(23,000)	84,468	69,967	14,501
Purchased professional-educational services	250,800	(54,377)	196,423	128,597	67,826
General supplies	500		500	272	228
Total preschool disabilities - full time	549,270	7,336	556,606	474,051	82,555
Total special education	12,178,537	(1,047,163)	11,131,374	9,681,208	1,450,166

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 1,330,095		\$ 1,330,095	\$ 1,275,844	\$ 54,251
General supplies	6,520	\$ (221)	6,299	1,896	4,403
Total basic skills/remedial - instruction	1,336,615	(221)	1,336,394	1,277,740	58,654
Bilingual education - instruction:					
Salaries of teachers	585,760		585,760	562,605	23,155
General supplies	8,948	(117)	8,831	2,743	6,088
Total bilingual education - instruction	594,708	(117)	594,591	565,348	29,243
School - sponsored cocurricular activities:					
Salaries	335,960	14,250	350,210	313,742	36,468
Purchased services	32,590	(1,838)	30,752	27,521	3,231
Supplies and materials	69,533	2,840	72,373	43,306	29,067
Other objects	6,950	605	7,555	4,100	3,455
Total school spn. cocurricular activities	445,033	15,857	460,890	388,669	72,221
School - sponsored athletics - instruction:					
Salaries	944,107		944,107	879,232	64,875
Purchased services	142,820	(5,415)	137,405	97,212	40,193
Supplies and materials	152,000	15,737	167,737	145,040	22,697
Other objects	28,600	2,000	30,600	29,015	1,585
Total school - sponsored athletics - instruction	1,267,527	12,322	1,279,849	1,150,499	129,350
Other supplemental / At Risk programs:					
Salaries of tutors	33,180		33,180	25,120	8,060
Purchased professional ed services	225,000		225,000	207,484	17,516
General supplies	3,000		3,000	2,078	922
Total Other supplemental / At Risk programs	261,180	-	261,180	234,682	26,498
Total instruction	54,086,077	(1,507,222)	52,578,855	47,442,611	5,136,244
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.		86,755	86,755	54,813	31,942
Tuition to other LEAs w/in the state - sp.	1,000,000	(90,037)	909,963	791,430	118,533
Tuition to private schools for the handicapped - within state	1,100,000	(19,675)	1,080,325	313,404	766,921
Total instruction	2,100,000	(22,957)	2,077,043	1,159,647	917,396

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 234,036	\$ (2,293)	\$ 231,743	\$ 220,421	\$ 11,322
Other purchased services	4,000		4,000	2,995	1,005
Supplies and materials	1,000	2,293	3,293	2,508	785
Total attendance and social work service	239,036	-	239,036	225,924	13,112
Health services:					
Salaries	986,792		986,792	932,159	54,633
Purchased professional and technical services	30,000	11,625	41,625	28,136	13,489
Other purchased services	150	1,332	1,482	881	601
Supplies and materials	28,000	(2,000)	26,000	23,317	2,683
Total health services	1,044,942	10,957	1,055,899	984,493	71,406
Speech, OT, PT, and related services related services:					
Salaries	1,526,563	(405)	1,526,158	1,493,148	33,010
Purchased professional educational services	200,000	(67,600)	132,400	18,380	114,020
Supplies and materials	30,000	(17,000)	13,000	8,460	4,540
Total Speech, OT, PT, and related services	1,756,563	(85,005)	1,671,558	1,519,988	151,570
Other support services - students - extra services:					
Salaries	8,000	493,659	501,659	440,678	60,981
Purchased professional educational services	300,000	583,505	883,505	488,147	395,358
Supplies and materials	3,000	19,892	22,892	22,636	256
Other objects		7,600	7,600	4,300	3,300
Total other support services - students - extra services	311,000	1,104,656	1,415,656	955,761	459,895
Guidance:					
Salaries of other professional staff	1,940,250	(2,951)	1,937,299	1,749,159	188,140
Salaries of secretarial and clerical assistants	358,980		358,980	324,934	34,046
Other Salaries	48,890	2,951	51,841	48,871	2,970
Purchased professional - educational services	291,500	71,567	363,067	171,507	191,560
Other purchased professional - technical services	200		200		200
Other purchased services	3,050	2,400	5,450	2,245	3,205
Supplies and materials	34,750		34,750	28,799	5,951
Other objects	1,305		1,305	867	438
Total guidance	2,678,925	73,967	2,752,892	2,326,382	426,510
Child Study Team:					
Salaries of other professional staff	2,734,501	(21,000)	2,713,501	2,476,078	237,423
Salaries of secretarial and clerical assistants	284,627		284,627	263,479	21,148
Other Salaries	66,500	405	66,905	65,727	1,178
Purchased professional - educational services	50,000		50,000	35,421	14,579
Other purchased services (400-500 series)	8,500	7,139	15,639	3,837	11,802
Supplies and materials	15,000	21,000	36,000	32,576	3,424
Other objects		195	195	195	
Total child study team	3,159,128	7,739	3,166,867	2,877,313	289,554

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 1,301,967	\$ 168,047	\$ 1,470,014	\$ 1,433,597	\$ 36,417
Salaries of secretarial and clerical assistants	130,042	(2,457)	127,585	100,242	27,343
Other Salaries	116,330	(5,413)	110,917	110,917	
Salaries of facilitators, math & literacy coaches	844,617	(181,547)	663,070	652,299	10,771
Purchased professional - educational services	11,200	19,737	30,937	29,181	1,756
Other purchased services	5,200	1,400	6,600	1,345	5,255
Supplies and materials	149,560	35,137	184,697	178,761	5,936
Other objects	9,820		9,820	5,651	4,169
Total improvement of instructional services	2,568,736	34,904	2,603,640	2,511,993	91,647
Educational media services/school library:					
Salaries	503,089		503,089	484,347	18,742
Salaries of Technology Coordinators	58,411		58,411	55,964	2,447
Purchased professional and technical services	13,806		13,806	13,149	657
Supplies and materials	53,570	(322)	53,248	47,927	5,321
Total educational media services/school library	628,876	(322)	628,554	601,387	27,167
Instructional staff training services:					
Other purchased services	38,700	(14,350)	24,350	10,314	14,036
Total instructional staff training services	38,700	(14,350)	24,350	10,314	14,036
Support services-general administration:					
Salaries	693,320	(1,300)	692,020	655,250	36,770
Salaries of attorneys	137,527	6	137,533	137,533	
Legal services	60,000	42,291	102,291	21,834	80,457
Audit fees	80,000		80,000	73,440	6,560
Architectural / engineering services	125,000	192,030	317,030	90,943	226,087
Other purchased professional services	60,000		60,000	38,057	21,943
Purchased technical services	40,000		40,000	4,500	35,500
Communications/telephone	588,700	(3,000)	585,700	367,547	218,153
BOE Other purchased services	10,000		10,000	3,136	6,864
Misc Purch Services	442,000	(50,000)	392,000	257,344	134,656
General supplies	158,500	1,663	160,163	89,862	70,301
Judgments against the school district	75,000	21,722	96,722	837	95,885
Miscellaneous expenditures	30,000	2,694	32,694	13,129	19,565
BOE membership dues and fees	40,000	1,463	41,463	29,425	12,038
Total support services-general administration	2,540,047	207,569	2,747,616	1,782,837	964,779

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/ assistant principals	\$ 2,856,250	\$ 140,895	\$ 2,997,145	\$ 2,830,485	\$ 166,660
Salaries of other prof staff	137,750	3,450	141,200	141,200	
Salaries of secretarial and clerical assistants	935,606	(4,302)	931,304	918,990	12,314
Other salaries	229,050	5,300	234,350	24,634	209,716
Purchased professional and technical services	20,000	7,599	27,599	18,368	9,231
Other purchased services	7,500	100	7,600	28	7,572
Supplies and materials	146,341	13,103	159,444	142,254	17,190
Other objects	60,156	(9,213)	50,943	14,297	36,646
Total support services-school administration	4,392,653	156,932	4,549,585	4,090,256	459,329
Central services:					
Salaries	978,860	75,000	1,053,860	1,014,854	39,006
Purchased technical services	55,000		55,000	49,636	5,364
Misc. purchased services	146,000	8,767	154,767	118,685	36,082
Supplies and materials	43,000		43,000	16,656	26,344
Other objects	12,500		12,500	9,808	2,692
Total central services	1,235,360	83,767	1,319,127	1,209,639	109,488
Administrative information technology:					
Salaries	720,844	89,000	809,844	673,104	136,740
Purchased technical services	12,000		12,000		12,000
Other purchased services	20,000	500	20,500	382	20,118
Supplies and Materials	71,500		71,500	69,060	2,440
Other objects	289,134	24,500	313,634	286,419	27,215
Total administrative information technology	1,113,478	114,000	1,227,478	1,028,965	198,513
Required maintenance for school facilities:					
Salaries	1,098,811		1,098,811	1,090,168	8,643
Cleaning, repair and maintenance services	1,093,929	133,408	1,227,337	1,057,944	169,393
Travel	5,000	1,200	6,200	4,187	2,013
General supplies	334,760	(22,454)	312,306	257,208	55,098
Total required maintenance for school facilities	2,532,500	112,154	2,644,654	2,409,507	235,147
Custodial Services:					
Salaries	2,982,480	(84,000)	2,898,480	2,894,152	4,328
Salaries of Non-Instructional Aids		175,000	175,000	174,519	481
Purchased professional and technical services	44,550	365,302	409,852	309,305	100,547
Cleaning, repair and maintenance services	251,272	53,518	304,790	278,226	26,564
Other purchased property services	260,000	(34,000)	226,000	225,345	655
Insurance	900,000	(50,000)	850,000	849,742	258
Miscellaneous purchased services	250,000		250,000	99,588	150,412
General supplies	338,000	(6,349)	331,651	290,123	41,528
Energy - Natural gas	625,000	(48,762)	576,238	281,849	294,389
Energy - Electricity	1,745,000	(42,004)	1,702,996	1,157,711	545,285
Energy - Gasoline	150,000	(116,000)	34,000	1,532	32,468
Total custodial services	7,546,302	212,705	7,759,007	6,562,092	1,196,915
Care & upkeep of grounds:					
Salaries	411,283		411,283	382,093	29,190
Cleaning, repair and maintenance services	101,000	10,281	111,281	103,015	8,266
General supplies	95,500	3,477	98,977	90,203	8,774
Total care & upkeep of grounds	607,783	13,758	621,541	575,311	46,230

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 997,231		\$ 997,231	\$ 896,950	\$ 100,281
Purchased professional and technical services	150,000	\$ 92,595	242,595	137,706	104,889
Cleaning, repair and maintenance services	10,000		10,000		10,000
General supplies	357,000	(87,720)	269,280	105,265	164,015
Other objects	10,000		10,000		10,000
Total Security	1,524,231	4,875	1,529,106	1,139,921	389,185
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	11,000		11,000	9,842	1,158
Between home and school - regular	1,157,689		1,157,689	1,008,708	148,981
Between home and school - special	60,000		60,000	31,356	28,644
Other than between home & school	70,000		70,000	46,613	23,387
Between home and school - non public	70,000	(13,082)	56,918		56,918
Other purchased professional services	650,000	(75,000)	575,000	351,900	223,100
Cleaning, repair and maintenance	330,500	73,895	404,395	399,671	4,724
Rental payment - school buses	25,000	13,582	38,582	36,082	2,500
Contracted services:					
Between home & school - regular	2,774,289		2,774,289	2,360,965	413,324
Other between home & school - regular	538,276	21,784	560,060	173,731	386,329
Between home & school - jointures	60,000	61,330	121,330	105,945	15,385
Vendors - special ed	25,000	(25,000)			
ESCs & CTSA's - regular ed	450,000	(20,300)	429,700	418,045	11,655
ESCs & CTSA's - special ed	1,220,000	(16,030)	1,203,970	892,513	311,457
Aid in lieu - nonpublic	225,000	(20,000)	205,000	125,614	79,386
Aid in lieu - charter	25,000	20,000	45,000	19,519	25,481
Travel	450	200	650		650
Miscellaneous purchased services	46,820	1,800	48,620	45,344	3,276
General Supplies	73,200	17,820	91,020	70,057	20,963
Transportation Supplies and materials	345,000		345,000	141,276	203,724
Miscellaneous expenditures	600		600		600
Total student transportation services	8,157,824	40,999	8,198,823	6,237,181	1,961,642
Unallocated benefits:					
Social security contributions	1,450,000		1,450,000	1,409,462	40,538
Other retirement contributions - PERS	1,930,000		1,930,000	1,727,873	202,127
Worker's compensation	450,000		450,000	375,811	74,189
Health insurance	15,424,278		15,424,278	11,575,253	3,849,025
Tuition reimbursement	290,000		290,000	61,310	228,690
Other employee benefits	325,000		325,000	256,199	68,801
Total unallocated benefits	19,869,278	-	19,869,278	15,405,908	4,463,370
On-behalf TPAF pension contributions (non-budgeted)				10,587,403	(10,587,403)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				3,927,733	(3,927,733)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				8,906	(8,906)
Reimbursed TPAF social security contributions (non-budgeted)				3,630,357	(3,630,357)
Total personal services: benefits	19,869,278	-	19,869,278	33,560,307	(13,691,029)
Interest deposit to maintenance reserve	35,000		35,000		35,000
Total undistributed expenditures	64,080,362	2,056,348	66,136,710	71,769,218	(5,632,508)
Total current expenditures	118,166,439	549,126	118,715,565	119,211,829	(496,264)

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 1-5	\$ 250,000		\$ 250,000	\$ 14,668	\$ 235,332
Grades 6-8	150,000		150,000	30,019	119,981
Grades 9-12	175,000		175,000	29,646	145,354
Admin Info Tech	200,000	\$ 122,000	322,000	191,514	130,486
Required maintenance for school facilities	321,249	79,030	400,279	347,544	52,735
Undistributed expenditure Security	75,000	(37,000)	38,000	16,075	21,925
School buses - regular	220,000	(85,000)	135,000		135,000
School buses - special	100,000		100,000		100,000
Total equipment	1,491,249	79,030	1,570,279	629,466	940,813
Facilities acquisition and construction services:					
Other objects - assessment of debt service	243,505		243,505	243,505	
Architectual / engineering		450,000	450,000	266,625	183,375
Construction services	5,250,000	2,645,033	7,895,033	4,367,284	3,527,749
Total facilities acquisition and construction services	5,493,505	3,095,033	8,588,538	4,877,414	3,711,124
Interest deposit to capital reserve	100,000		100,000		100,000
Total expenditures - capital outlay	7,084,754	3,174,063	10,258,817	5,506,880	4,751,937
Transfer of funds to charter schools	590,038	35,957	625,995	625,995	
Total expenditures	125,841,231	3,759,146	129,600,377	125,344,704	4,255,673
(Deficiency) excess of revenues (under) over expenditures	(10,185,583)	(3,759,146)	(13,944,729)	8,017,262	21,961,991
Fund balances, July 1	32,551,920		32,551,920	32,551,920	
Fund balances, June 30	\$ 22,366,337	\$ (3,759,146)	\$ 18,607,191	\$ 40,569,182	\$ 21,961,991
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (4,935,583)		\$ (4,935,583)	\$ 17,026,408	\$ 21,961,991
Withdrawal from capital reserve	(5,250,000)	\$ (2,000,000)	(7,250,000)	(7,250,000)	
Adjustment for prior year encumbrances		(1,759,146)	(1,759,146)	(1,759,146)	
Total	\$ (10,185,583)	\$ (3,759,146)	\$ (13,944,729)	\$ 8,017,262	\$ 21,961,991
Recapitulation of fund balance:					
Restricted for:					
Capital reserve				\$ 17,001,755	
Maintenance reserve				2,975,347	
Excess surplus - prior year				5,499,867	
Excess surplus - current year				7,166,570	
Assigned to:					
Year end encumbrances				5,749,038	
Unassigned fund balance				2,176,605	
				<u>40,569,182</u>	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(2,024,041)	
Solar Renewable Energy Credits (SREC) Income				1,471,140	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 40,016,281</u>	

Piscataway Township School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 3,607,780	\$ 1,307,992	\$ 4,915,772	\$ 3,366,360	\$ (1,549,412)
Federal sources	2,476,469	1,280,713	3,757,182	2,707,496	(1,049,686)
Other sources	4,088	280,119	284,207	205,238	(78,969)
Total revenues	6,088,337	2,868,824	8,957,161	6,279,094	(2,678,067)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	203,195	156,671	359,866	273,744	86,122
Other salaries for instruction		73,050	73,050	63,150	9,900
Purchased professional technical services		148,470	148,470	120,580	27,890
Other purchased services		1,975	1,975		1,975
Tuition	1,606,469	167,944	1,774,413	1,774,413	
Travel		19,294	19,294	6,798	12,496
Supplies and materials	310,893	15,054	325,947	194,755	131,192
Other objects		18,200	18,200		18,200
Total instruction	2,120,557	600,658	2,721,215	2,433,440	287,775
Support services:					
Salaries of other professional staff	115,000	732	115,732	93,496	22,236
Personal services—employee benefits	100,000	38,767	138,767	110,580	28,187
Purchased professional technical services	3,752,780	1,429,100	5,181,880	3,512,987	1,668,893
Other purchased professional services		138,722	138,722	64,161	74,561
Supplies and materials		649,112	649,112	58,710	590,402
Total support services	3,967,780	2,256,433	6,224,213	3,839,934	2,384,279
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment		11,733	11,733	5,720	6,013
Total facilities acquisition and construction services		11,733	11,733	5,720	6,013
Total expenditures	6,088,337	2,868,824	8,957,161	6,279,094	2,678,067
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2020

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 133,361,966	\$ 6,279,094
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		
General and preschool state aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,905,983	230,146
Current year	(2,024,041)	(305,778)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		
	450,819	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)		
	\$ 133,694,727	\$ 6,203,462
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 125,344,704	\$ 6,279,094
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		-
Current year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)		
	\$ 125,344,704	\$ 6,279,094

Supplementary Information

Special Revenue Fund

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2020

	Title I	I.D.E.A.		Title II	Title III	Title III	Title IV
	Regular	Part B	Part B	Part A	Regular	Immigrant	Drug Free
	Part A	Regular	Preschool	Regular	Regular	Regular	Regular
Revenues:							
State sources							
Federal sources	\$ 487,859	\$ 1,857,958	\$ 64,412	\$ 108,795	\$ 109,847	\$ 11,963	\$ 18,036
Other sources							
Total revenues	\$ 487,859	\$ 1,857,958	\$ 64,412	\$ 108,795	\$ 109,847	\$ 11,963	\$ 18,036
Expenditures:							
Current expenditures:							
Instruction:							
Salaries of teachers	\$ 237,911				\$ 35,833		
Other salaries	63,150						
Tuition		\$ 1,710,001	\$ 64,412				
Purchased professional technical services						\$ 7,700	
Travel							
Supplies and materials	33,125				20,719	3,863	\$ 5,608
Total instruction	334,186	1,710,001	64,412		56,552	11,563	5,608
Support services:							
Salaries of other professional staff	24,031			\$ 32,395	31,305	400	400
Personal services—employee benefits	92,294			2,478	15,290		
Purchased professional educational services		147,957		57,481	6,700		
Other purchased professional services	29,262			16,000			12,028
Supplies and materials	8,086			441			
Total support services	153,673	147,957		108,795	53,295	400	12,428
Capital outlay:							
Equipment:							
Instructional equipment							
Total Equipment							
Total expenditures	\$ 487,859	\$ 1,857,958	\$ 64,412	\$ 108,795	\$ 109,847	\$ 11,963	\$ 18,036

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2020

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	Text - books Regular Program	Security Regular Program
Revenues:										
State sources	\$ 145,203	\$ 17,372	\$ 21,922	\$ 49,234	\$ 30,076	\$ 38,855	\$ 135,916	\$ 50,180	\$ 73,108	\$ 181,919
Federal sources										
Other sources										
Total revenues	\$ 145,203	\$ 17,372	\$ 21,922	\$ 49,234	\$ 30,076	\$ 38,855	\$ 135,916	\$ 50,180	\$ 73,108	\$ 181,919
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers										
Other salaries										
Tuition										
Purchased professional technical services										
Travel										
Supplies and materials										
Total instruction										
Support services:										
Salaries of other professional staff										
Personal services—employee benefits										
Purchased professional educational services	\$ 145,203	\$ 17,372	\$ 21,922	\$ 49,234	\$ 30,076	\$ 38,855	\$ 135,916	\$ 50,180	\$ 73,108	\$ 181,919
Other purchased professional services										
Supplies and materials										
Total support services	145,203	17,372	21,922	49,234	30,076	38,855	135,916	50,180	73,108	181,919
Capital outlay:										
Equipment:										
Instructional equipment										
Total Equipment										
Total expenditures	\$ 145,203	\$ 17,372	\$ 21,922	\$ 49,234	\$ 30,076	\$ 38,855	\$ 135,916	\$ 50,180	\$ 73,108	\$ 181,919

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2020

	Carl Perkins	Preschool Education Aid	NJ Advanced Computer Science Competitive Grant	Local Programs	Totals
Revenues:					
State sources		\$ 2,557,064	\$ 65,511		\$ 3,366,360
Federal sources	\$ 48,626				2,707,496
Other sources				\$ 205,238	205,238
Total revenues	\$ 48,626	\$ 2,557,064	\$ 65,511	\$ 205,238	\$ 6,279,094
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers				\$ 273,744	
Other salaries					63,150
Tuition					1,774,413
Purchased professional technical services				\$ 112,880	120,580
Travel				6,798	6,798
Supplies and materials	\$ 45,434		\$ 56,349	29,657	194,755
Total instruction	45,434		56,349	149,335	2,433,440
Support services:					
Salaries of other professional staff	2,965		2,000		93,496
Personal services—employee benefits	227		291		110,580
Purchased professional educational services		\$ 2,557,064			3,512,987
Other purchased professional services			6,871		64,161
Supplies and materials				50,183	58,710
Total support services	3,192	2,557,064	9,162	50,183	3,839,934
Capital outlay:					
Equipment:					
Instructional equipment				5,720	5,720
Total Equipment	-			5,720	5,720
Total expenditures	\$ 48,626	\$ 2,557,064	\$ 65,511	\$ 205,238	\$ 6,279,094

Piscataway Township School District
Special Revenue Fund

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

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Support services:					
Purchased Professional Educational Services - Contracted Pre-K	\$ 3,057,780	\$ -	\$ 3,057,780	\$ 2,557,064	\$ 500,716
Total support services	<u>3,057,780</u>	<u>-</u>	<u>3,057,780</u>	<u>2,557,064</u>	<u>500,716</u>
Total Expenditures	<u>\$ 3,057,780</u>	<u>\$ -</u>	<u>\$ 3,057,780</u>	<u>\$ 2,557,064</u>	<u>\$ 500,716</u>

Calculation of Budget and Carryover

Total revised 2019-20 Preschool Education Aid Allocation	\$ 3,057,780
Add: Actual Preschool Education Aid Carryover June 30, 2019	<u>939,317</u>
Total Preschool Education Aid Funds Available for 2019-20 Budget	3,997,097
Less: 2019-20 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(3,057,780)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	939,317
Add: June 30, 2020 Unexpended Preschool Education Aid	500,716
2019-20 Carryover - Preschool Education Aid/Preschool	<u>\$ 1,440,033</u>
2019-20 Preschool Education Aid Carryover	\$ 1,440,033
Budgeted for Preschool Programs 2020-21	<u>\$ 1,440,033</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, 2020

Revenues and other financing sources	
State Sources - SDA Grant	<u>\$ 3,772</u>
Total revenues	3,772
Expenditures and Other Financing Uses	
Construction and professional technical services	<u>10,800</u>
Total expenditures	10,800
(Deficiency) of revenues (under) expenditures	(7,028)
Fund Balance, July 1	<u>1,526,930</u>
Fund Balance, June 30	<u><u>\$ 1,519,902</u></u>
Fund balance, budgetary-basis	\$ 1,519,902
Less difference in grant revenue recognized	(609,121)
Fund balance, GAAP-basis	<u><u>\$ 910,781</u></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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 616,800	\$ 3,772	\$ 620,572	\$ 620,572
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	<u>1,314,700</u>		<u>1,314,700</u>	<u>1,314,700</u>
Total revenues	<u>1,931,500</u>	<u>3,772</u>	<u>1,935,272</u>	<u>\$ 1,935,272</u>
 Expenditures and Other Financing Uses				
Purchased professional/tech services	240,293		240,293	
Land and improvements	-			
Construction services	164,277	10,800	175,077	
Equipment	-			
Transfers to General Fund		-	-	
Total expenditures	<u>404,570</u>	<u>10,800</u>	<u>415,370</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,526,930</u>	<u>\$ (7,028)</u>	<u>\$ 1,519,902</u>	

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and Other Financing Uses				
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>	
Additional project information				
Project number	4130-050-13-2026			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,542,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,542,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	\$ 205,000		\$ 205,000	\$ 205,000
Total revenues	<u>205,000</u>	<u>-</u>	<u>205,000</u>	<u>\$ 205,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	96,548		96,548	
Land and improvements				
Construction services	101,851	\$ 4,436	106,287	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>198,399</u>	<u>4,436</u>	<u>202,835</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,601</u>	<u>\$ (4,436)</u>	<u>\$ 2,165</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 205,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 205,000			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		98.94%		
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: Piscataway High School

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and Other Financing Uses				
Purchased professional/tech services	143,745		143,745	
Land and improvements				
Construction services	34,391	\$ 6,364	40,755	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>178,136</u>	<u>6,364</u>	<u>184,500</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,364</u>	<u>\$ (6,364)</u>	<u>\$ -</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 184,500			
Additional Authorized Cost				
Revised Authorized Cost	\$ 184,500			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
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)

Security and Communications System Upgrade: High School

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 124,630	\$ 1,696	\$ 126,326	\$ 126,326
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	214,364		214,364	214,364
Total revenues	<u>\$ 338,994</u>	<u>\$ 1,696</u>	<u>\$ 340,690</u>	<u>\$ 340,690</u>
Expenditures and Other Financing Uses				
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>\$ 1,696</u>	<u>\$ 1,696</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 340,690			
Additional Authorized Cost				
Revised Authorized Cost	\$ 340,690			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
Original target completion date		N/A		
Revised target completion date		December 2019		

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 31,710	\$ 239	\$ 31,949	\$ 31,949
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	169,530		169,530	169,530
Total revenues	<u>\$ 201,240</u>	<u>\$ 239</u>	<u>\$ 201,479</u>	<u>\$ 201,479</u>
Expenditures and Other Financing Uses				
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>201,240</u>	<u>-</u>	<u>201,240</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 239</u>	<u>\$ 239</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 201,479			
Additional Authorized Cost				
Revised Authorized Cost	\$ 201,479			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
Original target completion date		N/A		
Revised target completion date		December 2019		

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

Bathroom ADA Renovations: High School

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 661,964	\$ 1,837	\$ 663,801	\$ 663,801
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	993,300		993,300	993,300
Total revenues	<u>1,655,264</u>	<u>1,837</u>	<u>1,657,101</u>	<u>\$ 1,657,101</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	1,651,664		1,651,664	
Equipment				
Transfers to General Fund	3,600		3,600	
Total expenditures	<u>1,655,264</u>	<u>-</u>	<u>1,655,264</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,837</u>	<u>\$ 1,837</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 1,657,101			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,657,101			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		100.00%		
Original target completion date		N/A		
Revised target completion date		December 2019		

Piscataway Township School District
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 (Budgetary Basis)
 June 30, 2020

Issue/Project Title	Expenditures to Date			Adjustments	Unexpended Balance
	Revised Appropriations	Prior Years	Current Year		
Replacement of Exterior Metal Panels: Piscataway High School	\$ 1,542,000	\$ 28,035			\$ 1,513,965
Predevelopment Costs: Grandview Elementary School	205,000	198,399	\$ 4,436		2,165
Predevelopment Costs: Piscataway High School	184,500	178,136	6,364		
Security and Communications System Upgrade High School	340,690	338,994			1,696
HVAC Renovations: Martin Luther King Elementary School	201,479	201,240			239
Bathroom ADA Renovations: High School	1,657,101	1,655,264			1,837
	<u>\$ 4,130,770</u>	<u>\$ 2,600,068</u>	<u>\$ 10,800</u>		<u>\$ 1,519,902</u>

Fiduciary Funds

Piscataway Township School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2020

	<u>Trust</u>			<u>Agency</u>			
	Private- Purpose Scholarship Funds	Unemployment Compensation	Total Trust	Student Activity	Bond and Interest	Payroll	Total Agency
Assets							
Cash and cash equivalents	\$ 20,925	\$ 1,805,730	\$ 1,826,655	\$ 498,113	\$ 53,317	\$ 32,833	\$ 584,263
Accounts receivable		63,863	63,863				
Total assets	<u>20,925</u>	<u>1,869,593</u>	<u>1,890,518</u>	<u>\$ 498,113</u>	<u>\$ 53,317</u>	<u>\$ 32,833</u>	<u>\$ 584,263</u>
Liabilities							
Payroll deductions payable						\$ 32,833	\$ 32,833
Accounts payable		116,075	116,075		\$ 53,317		53,317
Due to student groups				\$ 498,113			498,113
Total liabilities		<u>116,075</u>	<u>116,075</u>	<u>\$ 498,113</u>	<u>\$ 53,317</u>	<u>\$ 32,833</u>	<u>\$ 584,263</u>
Net position							
Held in trust for unemployment claims		1,753,518	1,753,518				
Held in trust for scholarships	20,925		20,925				
Total net position	<u>\$ 20,925</u>	<u>\$ 1,753,518</u>	<u>\$ 1,774,443</u>				

Piscataway Township School District
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2020

	Private- Purpose Scholarship Funds	Unemployment Compensation	Totals
Additions:			
Interest income	\$ 274	\$ 21,162	\$ 21,436
Contributions		161,278	161,278
CARES ACT Federal Contribution		63,863	63,863
Total additions	<u>274</u>	<u>246,303</u>	<u>246,577</u>
Deductions:			
Scholarship payments	2,000		2,000
Unemployment claims paid		256,203	256,203
Total deductions	<u>2,000</u>	<u>256,203</u>	<u>258,203</u>
Change in net position	(1,726)	(9,900)	(11,626)
Net position, beginning	22,651	1,763,418	1,786,069
Net position, ending	<u>\$ 20,925</u>	<u>\$ 1,753,518</u>	<u>\$ 1,774,443</u>

Piscataway Township School District
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance			Balance
	July	Cash	Cash	June
	1, 2019	Receipts	Disbursements	30, 2020
Assets:				
Cash and cash equivalents				
Student Activity Fund	\$ 383,829	\$ 438,002	\$ 323,718	\$ 498,113
Total assets	\$ 383,829	\$ 438,002	\$ 323,718	\$ 498,113
Liabilities:				
Due to student groups				
Student Activity Fund	\$ 383,829	\$ 438,002	\$ 323,718	\$ 498,113
Total liabilities	\$ 383,829	\$ 438,002	\$ 323,718	\$ 498,113

Piscataway Township School District
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Assets				
Cash and cash equivalents	\$ 9,310	\$ 79,161,263	\$ 79,137,740	\$ 32,833
Total assets	\$ 9,310	\$ 79,161,263	\$ 79,137,740	\$ 32,833
 Liabilities				
Payroll deductions payable	\$ 9,310	\$ 79,161,263	\$ 79,137,740	\$ 32,833
Total liabilities	\$ 9,310	\$ 79,161,263	\$ 79,137,740	\$ 32,833

Piscataway Township School District
Bond and Interest Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance		Balance
	July	Cash	June
	1, 2019	Receipts	30, 2020
<hr/>			
Assets			
Cash and cash equivalents	\$ 52,705	\$ 612	\$ 53,317
Total assets	<u>\$ 52,705</u>	<u>\$ 612</u>	<u>\$ 53,317</u>
Liabilities			
Accounts payable	\$ 52,705	\$ 612	\$ 53,317
Total liabilities	<u>\$ 52,705</u>	<u>\$ 612</u>	<u>\$ 53,317</u>

Long-Term Debt

Piscataway Township School District
 Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
Refunding Bonds	8/15/2011	\$ 27,280,000	8/15/2020	\$ 3,315,000	2.50 - 5.00 %	\$ 13,485,000	\$ 3,145,000	\$ 10,340,000
			8/15/2021	3,450,000	2.75 - 5.00			
			8/15/2022	3,575,000	3.00 - 5.00			
						<u>\$ 13,485,000</u>	<u>\$ 3,145,000</u>	<u>\$ 10,340,000</u>

Piscataway Township School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,613,300		\$ 3,613,300	\$ 3,613,300	
Total revenues	<u>3,613,300</u>		<u>3,613,300</u>	<u>3,613,300</u>	
Expenditures:					
Principal on bonds	3,145,000		3,145,000	3,145,000	
Interest on bonds	468,300		468,300	468,300	\$ -
Total expenditures	<u>3,613,300</u>		<u>3,613,300</u>	<u>3,613,300</u>	<u>-</u>
Excess of revenues over expenditures	-		-	-	-
Fund balance, July 1	1		1	1	
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

Statistical Section (Unaudited)

Other Information

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

(accrual basis of accounting)
 Unaudited

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	\$ 65,296,610
Restricted	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	33,554,320
Unrestricted (deficit)	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)	(32,096,426)
Total governmental activities net position	\$ 42,061,574	\$ 42,748,686	\$ 50,347,682	\$ 53,734,146	\$ 27,463,633	\$ 35,899,557	\$ 40,496,174	\$ 46,204,036	\$ 52,919,830	\$ 66,754,504
Business-type activities										
Net investment in capital assets	\$ 291,576	\$ 161,558	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642	\$ 176,295	\$ 145,735	\$ 94,859
Unrestricted	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	4,339,394
Total business-type activities net position	\$ 1,189,757	\$ 1,612,449	\$ 2,097,123	\$ 3,321,549	\$ 4,187,665	\$ 4,094,753	\$ 4,116,955	\$ 4,195,713	\$ 4,364,048	\$ 4,434,253
District-wide										
Net investment in capital assets	\$ 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	\$ 65,391,469
Restricted	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	33,554,320
Unrestricted (deficit)	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)	(27,757,032)
Total district net position	\$ 43,251,331	\$ 44,361,135	\$ 52,444,805	\$ 57,055,695	\$ 31,651,298	\$ 39,994,310	\$ 44,613,129	\$ 50,399,749	\$ 57,283,878	\$ 71,188,757

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

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 78,654,198
Support services:										
Attendance/social work	297,537	389,436	386,990	386,649	413,128	349,747	395,547	446,750	380,297	366,032
Health services	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	1,577,821
Other support services	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	16,007,486
Improvement of instruction	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	3,976,513
Instructional staff training	19,428	34,678	23,696	28,802	40,621	24,087	15,643	15,308	19,771	10,605
School library	920,202	939,383	940,495	795,633	847,588	894,189	957,837	1,039,347	942,322	946,166
General administration	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	2,314,084
School administration	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	6,581,124
Central Services	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	1,859,485
Administrative Information Technology	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	1,466,362
Required maintenance	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	2,409,507
Operation of plant	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	12,386,972
Student transportation	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	7,078,189
Charter schools	62,234	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995
Interest on debt	1,427,261	1,220,708	1,154,735	1,245,698	950,025	874,589	768,766	657,863	542,686	394,633
Total governmental activities	<u>102,651,016</u>	<u>109,424,628</u>	<u>107,285,086</u>	<u>111,938,990</u>	<u>125,733,426</u>	<u>130,063,134</u>	<u>145,944,767</u>	<u>152,727,491</u>	<u>145,451,298</u>	<u>136,655,172</u>
Business-type activities:										
Food service	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	2,966,154
Adult and Community Education	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	6,810,304
Total business-type activities expense	<u>6,087,943</u>	<u>6,293,251</u>	<u>6,433,874</u>	<u>7,010,908</u>	<u>7,538,708</u>	<u>8,826,671</u>	<u>9,777,126</u>	<u>9,645,446</u>	<u>10,212,947</u>	<u>9,776,458</u>
Total district expenses	<u>\$ 108,738,959</u>	<u>\$ 115,717,879</u>	<u>\$ 113,718,960</u>	<u>\$ 118,949,898</u>	<u>\$ 133,272,134</u>	<u>\$ 138,889,805</u>	<u>\$ 155,721,893</u>	<u>\$ 162,372,937</u>	<u>\$ 155,664,245</u>	<u>\$ 146,431,630</u>
Program Revenues										
Governmental activities:										
Charges for services - tuition and transportation	\$ 880,416	\$ 944,938	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606	\$ 817,142	\$ 875,661	\$ 810,662
Operating grants and contributions	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	6,203,462
Capital grants and contributions	1,480,037	659,323	485,203		986,815	827,637	462,836	526,133	74,474	3,772
Total governmental activities program revenues	<u>7,263,223</u>	<u>5,599,637</u>	<u>5,381,870</u>	<u>4,476,923</u>	<u>5,395,343</u>	<u>5,800,052</u>	<u>5,373,417</u>	<u>5,554,780</u>	<u>5,889,862</u>	<u>7,017,896</u>
Business-type activities:										
Charges for services										
Food service	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	1,617,400
Adult and Community Education	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	6,619,608
Operating grants and contributions	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	1,484,481
Total business type activities program revenues	<u>5,912,712</u>	<u>6,564,057</u>	<u>6,918,548</u>	<u>7,701,932</u>	<u>7,932,769</u>	<u>8,139,468</u>	<u>9,786,470</u>	<u>9,707,878</u>	<u>10,288,980</u>	<u>9,721,489</u>
Total district program revenues	<u>\$ 13,175,935</u>	<u>\$ 12,163,694</u>	<u>\$ 12,300,418</u>	<u>\$ 12,178,855</u>	<u>\$ 13,328,112</u>	<u>\$ 13,939,520</u>	<u>\$ 15,159,887</u>	<u>\$ 15,262,658</u>	<u>\$ 16,178,842</u>	<u>\$ 16,739,385</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (129,637,276)
Business-type activities	(175,231)	270,806	484,674	691,024	394,061	(687,203)	9,344	62,432	76,033	(54,969)
Total district-wide net expense	<u>\$ (95,563,024)</u>	<u>\$ (103,554,185)</u>	<u>\$ (101,418,542)</u>	<u>\$ (106,771,043)</u>	<u>\$ (119,944,022)</u>	<u>\$ (124,950,285)</u>	<u>\$ (140,562,006)</u>	<u>\$ (147,110,279)</u>	<u>\$ (139,485,403)</u>	<u>\$ (129,692,245)</u>

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 92,203,841
Taxes levied for debt service	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	3,613,300
Unrestricted grants and contributions	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	46,391,614
Investment earnings	48,820	12,753	18,898			296,015	300,695	639,884	1,034,654	943,729
Miscellaneous income	697,370	617,694	534,778	89,711	931,991	416,278	402,888	368,615	222,117	319,466
Transfers	(31,510)	(150,000)								
Total governmental activities	<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>	<u>143,471,950</u>
Business-type activities:										
Investment earnings	4,789	1,886								
Miscellaneous income				533,402	472,055	594,291	12,858	16,326	92,302	125,174
Transfers	31,510	150,000								
Total business-type activities	<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>	<u>125,174</u>
Total district-wide	<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>	<u>\$ 143,597,124</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 13,834,674
Business-type activities	(138,932)	422,692	484,674	1,224,426	866,116	(92,912)	22,202	78,758	168,335	70,205
Total district	<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>	<u>\$ 13,904,879</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	\$ 32,643,539
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	5,749,038
Unassigned	496,763	1,074,418	467,339	798,369	630,402	1,904,116	1,724,788	1,819,029	1,386,289	1,623,704
Total general fund	<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>	<u>\$ 40,016,281</u>
All Other Governmental Funds										
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	\$ 910,781
Debt service fund	822	33,120	33,120	33,120	33,120				1	1
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)	(305,778)
Total all other governmental funds	<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>	<u>\$ 605,004</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Local sources:										
Local tax levy	\$ 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	\$ 95,817,141
Transportation	543,042	275,071	274,235	363,671	430,554	496,367	447,735	437,238	508,090	314,498
Tuition charges	337,374	669,867	592,483	404,668	213,203	343,202	408,871	379,904	367,571	496,164
Investment income	48,820	12,753	18,898			296,015	300,695	639,884	1,034,654	943,729
Miscellaneous	825,031	973,400	649,013	214,095	481,673	580,045	605,226	619,154	444,084	524,704
Total local sources	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	98,096,236
State sources	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	42,602,107
Federal sources	4,466,385	3,030,929	3,156,304	2,892,514	2,873,396	2,864,366	2,864,366	2,943,911	2,117,760	2,816,918
Total revenue	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	143,515,261
Expenditures										
Current										
Instruction	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	49,876,051
Undistributed - current										
Instruction	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	1,159,647
Attendance/social work	212,657	259,050	271,308	264,650	251,914	207,483	206,467	229,448	214,204	225,924
Health services	802,596	822,246	751,384	785,102	855,552	788,452	909,762	907,223	966,978	984,493
Other support services	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	11,519,378
Improvement of instruction	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	2,511,993
Education media library	664,947	634,932	670,020	553,768	527,027	546,424	515,058	585,155	570,922	601,387
Other support: instructional staff	18,049	32,495	22,044	27,779	39,121	23,173	15,051	14,729	19,047	10,314
General administration	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	1,782,837
School administration	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	4,090,256
Central services	817,520	869,824	973,106	949,034	1,088,981	1,062,601	1,053,185	1,043,699	1,140,853	1,209,639
Administrative information technology	1,006,570	952,811	1,105,734	996,954	999,244	1,057,088	1,044,932	917,410	960,729	1,028,965
Required maintenance of plant services	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	2,409,507
Operation of plant	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	13,784,204
Student transportation	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	6,237,181
Unallocated benefits	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	15,405,908
On-behalf TPAF social security and pension contributions	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	18,154,399
Charter schools	62,234	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995
Capital outlay	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	16,520
Debt Service:										
Principal	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	3,145,000
Interest	1,457,504	1,260,385	1,184,719	1,088,813	1,001,625	924,000	829,675	717,375	602,274	468,300
Bond issuance costs	253,257									
Total expenditures	109,015,340	109,708,299	117,493,887	116,035,885	118,748,347	119,273,396	122,959,966	130,090,274	136,056,122	135,247,898
(Deficiency) excess of revenues (under) over expenditures	(158,307)	553,441	(2,609,805)	(710,431)	889,451	5,816,181	5,439,875	2,960,342	2,456,423	8,267,363
Other Financing sources (uses)										
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	2,130,879	2,012,389	2,700,439	1,171,550	2,920,930	4,012,210	30,000	389,500	533,317	
Transfers out	(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)	(31,510)	8,188,256	-	1,171,424	-	-	-	-	-	-
Net change in fund balances	(189,817)	8,741,697	(2,609,805)	460,993	889,451	5,816,181	5,439,875	2,960,342	2,456,423	8,267,363
Fund balance, July 1, as restated	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	32,353,922
Fund balance, June 30	\$ 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	\$ 40,621,285
Debt service as a percentage of noncapital expenditures	3.07%	2.39%	3.16%	3.08%	3.05%	3.04%	2.94%	2.80%	2.66%	2.67%

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
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
2020	53,010	496,164	492,910	44,643	130,052	450,819	91,761	314,498	2,073,857

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 ^a	Net Valuation Taxable*	Total Direct School Tax Rate ^b
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
2020	155,018,000	4,632,624,500	1,521,600	91,500	477,089,800	1,987,062,400	589,005,400	7,842,413,200	1,841,670,100	20,212,832	7,862,626,032	1.282

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

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

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

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

b Tax rates are per \$100

* Revaluation was performed during 2014.

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

Unaudited

Year Ended June 30,	Piscataway Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Piscataway Township	Middlesex County	
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	2.34
2020	1.23	0.05	1.28	0.64	0.40	2.32

Source: District Records and Municipal Tax Collector.

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

b Rates for debt service are based on each year's requirements.

* Revaluation was performed during 2014.

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

Unaudited

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 364,500,000	4.64%	\$ 26,938,500	1.23%
Whale Ventures, LLC	150,000,000	1.91%		
Colgate Palmolive Co.	132,139,600	1.68%	28,762,400	1.28%
Pleasant View Gardens Owner LLC	131,330,000	1.67%		
US Real Estate Holdings No 2 LTD	126,050,000	1.60%		
Royal Gardens Apts LLC	79,898,500	1.02%		
Avalon Piscataway, LLC	74,300,000	0.94%		
Centennial Square LLC	62,685,500	0.80%	26,307,000	1.20%
Carlton Club Apartments LLC	56,680,000	0.72%	11,600,000	0.53%
H'Y2 Knightsbridge LLC	54,117,500	0.69%	42,741,500	1.95%
Aspen Court Ventures LLC	46,176,000	0.59%		
Home PropertiesWMF LLC		0.00%	25,181,000	1.15%
Corporate Park Associates			55,056,300	2.51%
Telcordia			29,624,000	1.35%
Mariner One Centennial LLC			10,350,000	0.47%
Total	\$ 1,277,877,100	16.25%	\$ 256,560,700	11.67%

Source: District CAFR & Piscataway Municipal Tax Assessor.

* Revaluation was performed in 2014.

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

Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2020	95,817,141	95,817,141	100.00%		95,817,141	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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases			
2011	\$ 33,247,000			\$ 33,247,000	1.29%	\$ 594
2012	31,930,000		\$ 8,185,000	40,115,000	1.51%	716
2013	29,660,000		6,583,501	36,243,501	1.26%	636
2014	27,280,000		4,967,650	32,247,650	1.06%	562
2015	24,740,000		3,331,946	28,071,946	0.96%	488
2016	22,105,000		1,676,145	23,781,145	0.79%	411
2017	19,365,000			19,365,000	0.62%	335
2018	16,490,000			16,490,000	0.51%	285
2019	13,485,000			13,485,000	0.41%	237
2020	10,340,000			10,340,000	0.30%	182

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					
	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
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			22,105,000	0.35%	382
2017	19,365,000			19,365,000	0.31%	335
2018	16,490,000			16,490,000	0.23%	285
2019	13,485,000			13,485,000	0.18%	237
2020	10,340,000			10,340,000	0.13%	182

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, 2020

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Piscataway	\$ 90,303,057	100.000%	\$ 90,303,057
Middlesex County General Obligation Debt - Township's share	512,964,315	6.812%	<u>34,943,129</u>
Subtotal, overlapping debt			125,246,186
Piscataway School District Direct Debt			<u>10,340,000</u>
Total direct and overlapping debt			<u><u>\$ 135,586,186</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 2020

Equalized valuation basis

2018	\$	7,338,293,868
2019		7,548,520,332
2020		7,860,461,035
[A]	\$	<u>22,747,275,235</u>

Average equalized valuation of taxable property

[A/3]	\$	7,582,425,078
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Debt limit (4 % of average equalization value)

[B]		303,297,003 ^a
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Total Net Debt Applicable to Limit

[C]		10,340,000
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Legal debt margin

[B-C]	\$	<u>292,957,003</u>
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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 303,297,003
Total net debt applicable to limit	33,247,000	31,930,000	36,359,911	32,247,650	24,823,636	22,205,369	19,365,000	16,490,000	13,536,208	10,340,000
Legal debt margin	<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>	<u>\$ 292,957,003</u>
Total net debt applicable to the limit as a percentage of debt limit	12.30%	12.55%	14.60%	12.95%	10.06%	8.96%	7.75%	6.21%	4.79%	3.41%

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

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

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

Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2020	56,837	3,470,751,405	61,065	2.80%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

^d 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	2020			2011		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
Rutgers University	11,000	1		8,000	1	
University of Medicine and Dentistry				3,000	2	
GE Healthcare	3,800	2				
Telcordia	2,500	3		2,000	3	
Piscataway Township Schools	1,000	6		1,350	4	
Colgate-Palmolive Research Center	1,200	5				
Cosmair, Inc.				750	6	
Amersham Pharmacia Biotech, Inc.				600	7	
Anthem Health & Life Insurance Co.				550	8	
AT&T				500	9	
Institute Electrical & Electronics	750	7		500	9	
Johnson & Johnson Health Care	1,000	6		500	9	
L'Oreal USA Inc.	300	13				
Siemens Hearing Instruments	400	12		350	11	
Pepsi Cola Bottling Co.	400	12		460	10	
Township of Piscataway, Municipal	434	10				
Chanel Inc.	1,270	4		800	5	
Qualcare Inc.	450	9				
American Standard Co. Inc.	270	15				
Altice/Cablevision	425	11				
Walmart	272	14				
Shop Rite Supermarket	195	16		500	9	
Ericsson	570	8				
Western Union International Inc.				500	9	

Source: Township of Piscataway

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

Unaudited

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Instruction	620.0	626.0	621.0	625.0	617.5	611.5	608.1	601.9	601.6	601.9
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.5	4.5
Health services	13.0	13.0	11.0	14.0	14.0	13.0	13.0	13.0	13.3	13.3
Other support services	35.0	35.0	45.0	37.0	40.0	42.5	41.0	43.6	42.6	42.4
Child study team	37.0	37.0	39.0	33.0	31.0	31.0	32.0	31.0	31.0	31.0
Improvement of instruction	14.6	14.6	14.6	15.0	14.5	17.0	19.0	22.2	22.2	22.2
School library	18.7	18.7	10.0	16.0	9.7	9.5	8.7	10.4	10.4	9.4
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	41.0	41.0	39.5	41.5	41.5	45.0	45.0
Operations and maintenance	61.0	61.0	64.0	67.0	76.5	75.0	78.5	77.5	89.5	89.1
Student transportation	32.0	34.0	34.0	34.0	34.0	36.0	32.4	31.8	31.3	31.5
Other support services - administrative and professional	25.0	25.0	25.0	22.0	30.0	35.0	38.8	41.8	41.8	42.8
Total	905.3	913.3	912.6	913.0	917.7	919.5	922.5	924.2	938.2	938.1

Source: District Personnel Records

Piscataway Township School District
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
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%
2020	7,122	131,618,078	18,480	-0.39%	602	1:14	1:12	1:11	1:12	7,108	6,904	-0.24%	97.13%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<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	556	556	589	581	568	522	508	548	559	556
Eisenhower Elementary School (1968)										
Square Feet	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment ^a	530	530	541	545	537	563	547	530	508	507
Grandview Elementary School (1953/1968/2002/2019)										
Square Feet	59,282	59,282	59,282	59,282	59,282	59,282	59,282	59,282	59,282	63,282
Capacity (students)	451	451	451	451	451	451	451	451	451	481
Enrollment	610	610	622	788	777	770	747	738	788	849
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	552	552	533	503	524	532	528	510	472	465
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	500	500	501	505	495	494	505	492	505	516
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	558	558	598	496	567	551	532	466	470	464
<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	433	433	437	457	482	490	527	472	484	476
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	578	578	564	555	577	562	541	513	496	475
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	606	606	611	605	613	583	579	569	576	572
<u>High School</u>										
Piscataway High School (1956/1972/2007)										
Square Feet	440,024	440,024	440,024	440,024	440,024	440,024	440,024	440,024	440,024	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	2,465	2,465	2,230	2,187	2,168	2,168	2,245	2,272	2,260	2,242
<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, 2020										
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*	<u>Year ended June 30,</u>									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Arbor	\$ 81,820	\$ 349,007	\$ 91,698	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661	\$ 22,469	\$ 120,452	\$ 117,208
Conackamack	113,784	198,006	135,146	161,019	112,556	67,609	123,684	19,571	95,922	93,339
Eisenhower	77,788	99,795	43,690	59,842	29,999	63,378	120,586	6,897	190,211	185,088
Grandview	179,786	134,886	94,065	147,803	124,274	81,185	76,398	17,370	64,911	63,163
High School	1,048,212	930,416	916,985	568,204	675,695	600,006	278,893	448,798	333,135	324,164
King	114,014	196,685	67,238	85,522	44,545	68,436	117,073	8,099	37,412	36,405
Knollwood	271,103	97,433	76,504	82,670	85,744	100,377	102,970	26,033	97,531	94,904
Quibbletown	146,153	193,304	183,851	218,992	166,470	144,284	97,987	22,719	63,100	61,401
Randolphville	115,266	60,560	133,208	106,345	91,275	108,150	102,970	20,593	58,707	57,126
Schor	161,091	87,611	97,586	182,486	94,989	52,371	67,520	18,035	159,740	155,438
Total School Facilities	2,309,017	2,347,703	1,839,971	1,771,183	1,573,176	1,339,492	1,189,742	610,584	1,221,122	1,188,237
Other Facilities - Fellowship Farms	100,490	34,900	111,475	50,179	76,354	108,737	64,622	6,510	112,364	109,338
Grand Total	<u>\$ 2,409,507</u>	<u>\$ 2,382,603</u>	<u>\$ 1,951,446</u>	<u>\$ 1,821,362</u>	<u>\$ 1,649,530</u>	<u>\$ 1,448,229</u>	<u>\$ 1,254,364</u>	<u>\$ 617,094</u>	<u>\$ 1,333,486</u>	<u>\$ 1,297,575</u>

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

Source: District records of required maintenance.

Piscataway Township School District
Insurance Schedule
Year ended June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property		
Real and Personal Property	\$ 279,217,436	\$ 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	
 School Board Legal		
Limit of liability	11,000,000	15,000
 Primary Umbrella		
Limit of liability	11,000,000	
Self-insured retention	none	
 Catastrophe Access		
Limit of liability	50,000,000	
 Environmental Impairment Liability		
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, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Liability		
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	
Business Auto		
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
Student Accident		
Limit of Liability	5,000,000	
Bonds		
Board Secretary/Business Administrator	455,000	
Workers Comp		
Part II - Limits of Liability	2,000,000	
Section "A"	Statutory	
Supplementary	1,750	per week
Crime		
Money & Securities-inside	50,000	
Money & Securities-outside	50,000	
Employee Dishonesty	1,000,000	
Depositors Forgery	1,000,000	

Source: District Records and Insurance Company.

Single Audit Section

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

Independent Auditors' Report

**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 and non 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of 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**

K-1
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

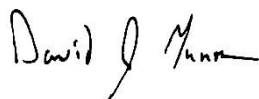
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

January 22, 2021
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, 2020. 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 unmodified opinion 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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

January 22, 2021
Cranford, New Jersey



David J. Gannon
Licensed Public School Accountant, No. 2305

Piscataway Township School District
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2019	Cash Received	Budgetary Expenditures	Balance June 30, 2020		
				From	To				(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services											
Passed Through State Department of Education											
General Fund:											
Medical Assistance Program (SEMI)	93.778	2005NJSMAP	\$ 109,422	7/1/2019	6/30/2020		\$ 109,422	\$ (109,422)			
Total General Fund							109,422	(109,422)			
U.S. Department of Education—Passed-Through State Department of Education											
Special Revenue Fund:											
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	688,821	7/1/2019	9/30/2020		345,342	(487,859)		\$ (142,517)	
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A190030	631,212	7/1/2018	6/30/2019	\$ (315,034)	315,034				
Title I Subtotal:						(315,034)	660,376	(487,859)		(142,517)	
Title II A, Improving Teacher Quality State Grants	84.367A	S367A200029	167,416	7/1/2019	9/30/2020		100,723	(108,795)		(8,072)	
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 Subtotal:						(148,828)	249,551	(108,795)		(8,072)	
Title III English Language Acquisition Grants	84.365A	S365A200030	105,538	7/1/2019	9/30/2020		74,012			(35,835)	
Title III English Language Acquisition Grants	84.365A	S365A190030	88,136	7/1/2018	6/30/2019	(58,941)	58,941				
Title III, Supplemental Immigrant Student Aid	84.365A	S365A200030	36,761	7/1/2019	9/30/2020		11,946	(11,963)		(17)	
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	(3,556)	3,556				
Title III Subtotal:						(71,155)	157,113	(121,810)		(35,852)	
Title IV	84.424A	S424A200031	36,848	7/1/2019	9/30/2020		17,414	(18,036)		(622)	
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	S027A200100	1,855,654	7/1/2019	9/30/2020		1,441,499	(1,857,958)		(416,459)	
IDEA Special Education Grants to States	84.027	S027A190100	1,835,716	7/1/2018	6/30/2019	(685,763)	685,763				
IDEA Preschool Grants for Children with Disabilities	84.173	S173A200114	55,394	7/1/2019	9/30/2020		36,332	(64,412)		(28,080)	
Subtotal of Special Education Cluster:						(685,763)	2,163,594	(1,922,370)		(444,539)	
Carl D. Perkins Vocational Education	84.048	S048A200030	48,626	7/1/2019	6/30/2020		39,440	(48,626)		(9,186)	
Carl D. Perkins Vocational Education	84.048	S048A190030	42,088	7/1/2018	6/30/2019	(1,399)	1,399				
Carl D. Perkins Vocational Education Subtotal:						(1,399)	40,839	(48,626)		(9,186)	
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C180005	4,250	7/1/2017	6/30/2018						
Total Special Revenue Fund						(1,257,169)	3,323,877	(2,707,496)		(640,788)	
U.S. Department of Agriculture—Passed-Through State Department of Education											
Enterprise Fund:											
Child Nutrition Cluster:											
Food Donation Program (NC)	10.555	201NJ304N1099	155,271	7/1/2019	6/30/2020		155,271	(155,271)			
School Breakfast Program	10.553	201NJ304N1099	311,481	7/1/2019	6/30/2020		146,841	(146,841)			
School Breakfast Program - CARES Act	10.553	201NJ304N1099	311,481	7/1/2019	6/30/2020		25,921	(164,640)		(138,719)	
School Breakfast Program	10.553	191NJ304N1099	212,249	7/1/2018	6/30/2019	(15,248)	15,248				
National School Lunch Program	10.555	201NJ304N1099	957,169	7/1/2019	6/30/2020		700,812	(700,812)			
National School Lunch Program - CARES Act	10.555	201NJ304N1099	957,169	7/1/2019	6/30/2020		40,180	(256,357)		(216,177)	
National School Lunch Program	10.555	191NJ304N1099	977,771	7/1/2018	6/30/2019	(61,746)	61,746				
Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	30,472	7/1/2019	6/30/2020		26,035	(30,472)		(4,437)	
Healthy Hunger-Free Kids Act	10.555	191NJ304N1099	31,365	7/1/2018	6/30/2019	(2,020)	2,020				
Subtotal Child Nutrition Cluster:											
Total Enterprise Fund						(79,014)	1,174,074	(1,454,393)		(359,333)	
U.S. Department of Labor—Passed-Through State Department of Labor											
Agency Fund:											
Passed through State Department of Labor:											
CARES Act DOL Unemployment Grant	17.000	Not Applicable	63,863	7/1/2019	6/30/2020			(63,863)		(63,863)	
Total Agency Fund								(63,863)		(63,863)	
Total Federal Awards						\$ (1,336,183)	\$ 4,607,373	\$ (4,335,174)	\$ (1,063,984)	\$ -	\$ -
NC - non-cash expenditures											

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

Piscataway Township School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Repayment of Prior Years'		Balance June 30, 2020			Memo		
			From	To	Unearned Rev. Due to Grantor (Accts Rec)	Cash Received	Budgetary Expenditures	Years' Balances	Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education														
<i>General Fund:</i>														
Special Education Cateoerical Aid	495-034-5120-089	\$ 4,407,101	7/1/2019	6/30/2020									\$ (432,229)	\$ (4,407,101)
Special Education Cateoerical Aid	495-034-5120-089	4,407,101	7/1/2018	6/30/2019	\$ (429,133)	\$ 3,974,872	429,133							
Cateoerical Transpoortation Aid	495-034-5120-014	3,188,747	7/1/2019	6/30/2020		2,876,009	(3,188,747)						(312,738)	(3,188,747)
Cateoerical Transpoortation Aid	495-034-5120-014	3,188,747	7/1/2018	6/30/2019	(310,498)	310,498								
Equalization Aid	495-034-5120-078	11,746,094	7/1/2019	6/30/2020		10,534,089	(11,746,094)						(1,152,005)	(11,746,094)
Equalization Aid	495-034-5120-078	10,682,561	7/1/2018	6/30/2019	(1,040,194)	1,040,194								
Securitiv Aid	495-034-5120-084	1,295,620	7/1/2019	6/30/2020		1,168,551	(1,295,620)						(127,069)	(1,295,620)
Securitiv Aid	495-034-5120-084	1,295,620	7/1/2018	6/30/2019	(126,158)	126,158								
Homeless Tuition Reimbursement	N/A	51,047	7/1/2019	6/30/2020						\$ (51,047)				(51,047)
Extraordinarv Aid	100-034-5120-473	549,858	7/1/2019	6/30/2020			(549,858)			(549,858)				(549,858)
Extraordinarv Aid	100-034-5120-473	490,496	7/1/2018	6/30/2019	(490,496)	490,496								
Additional NP Transpoortation Aid	Not Available	32,799	7/1/2019	6/30/2020			(32,799)			(32,799)				(32,799)
Additional NP Transpoortation Aid	Not Available	79,437	7/1/2018	6/30/2019	(79,437)	79,437								
Reimbursed TPAF - Social Security	495-034-5094-003	3,630,357	7/1/2019	6/30/2020		3,441,533	(3,630,357)			(188,824)				(3,630,357)
Reimbursed TPAF - Social Security	495-034-5094-003	3,665,618	7/1/2018	6/30/2019	(178,619)	178,619								
On-behalf TPAF Contributions														
Pension Benefit Contribution	495-034-5094-002	10,587,403	7/1/2019	6/30/2020		10,587,403	(10,587,403)							(10,587,403)
Post-Retirement Medical Contribution	495-034-5094-001	3,927,733	7/1/2019	6/30/2020		3,927,733	(3,927,733)							(3,927,733)
Long-Term Disability Insurance Contributions	495-034-5094-004	8,906	7/1/2019	6/30/2020		8,906	(8,906)							(8,906)
Total General Fund					(2,654,535)	39,233,631	(39,425,665)			(822,528)			(2,024,041)	(39,425,665)
<i>Soecial Revenue Fund:</i>														
Preschool Education Aid	495-034-5120-086	3,057,780	7/1/2019	6/30/2020		2,752,002	(1,617,747)			\$ 1,440,033			(305,778)	(1,617,747)
Preschool Education Aid	495-034-5120-086	2,301,463	7/1/2018	6/30/2019	709,171	230,146	(939,317)							(939,317)
<i>New Jersev Non-Public Aid:</i>														
Nursing Aid	100-034-5120-070	138,419	7/1/2019	6/30/2020		138,419	(135,916)				\$ 2,503			(135,916)
Nursing Aid	100-034-5120-070	134,539	7/1/2018	6/30/2019	3,835			\$ (3,835)						
Textbook Aid	100-034-5120-064	74,110	7/1/2019	6/30/2020		74,110	(73,108)				1,002			(73,108)
Textbook Aid	100-034-5120-064	73,104	7/1/2018	6/30/2019	1,323			(1,323)						
Technology Initiative	100-034-5120-070	50,616	7/1/2019	6/30/2020		50,616	(50,180)				436			(50,180)
Technology Initiative	100-034-5120-070	49,284	7/1/2018	6/30/2019	590			(590)						
Securitiv Aid	100-034-5120-509	214,050	7/1/2019	6/30/2020		214,050	(181,919)				32,131			(181,919)
Securitiv Aid	100-034-5120-509	208,050	7/1/2018	6/30/2019	12,194			(12,194)						
<i>Non Public Auxiliary Services (Ch. 192):</i>														
Home Instruction	100-034-5120-067	1,007	7/1/2018	6/30/2019	(1,007)	1,007								
English as a Second Lanuague		19,854	7/1/2019	6/30/2020		17,770	(17,372)				2,482		(2,084)	(17,372)
Compensatory Education		169,539	7/1/2019	6/30/2020		152,684	(145,203)				24,336		(16,855)	(145,203)
Compensatory Education		148,055	7/1/2018	6/30/2019	1,692			(1,692)						
Transportation	100-034-5120-068	21,922	7/1/2019	6/30/2020		19,730	(21,922)						(2,192)	(21,922)
Transportation	100-034-5120-068		7/1/2018	6/30/2019										
<i>Non Public Handicapped Services (Ch. 193):</i>														
Supplemental Instruction	100-034-5120-066	48,569	7/1/2019	6/30/2020		40,264	(38,855)				9,714		(8,305)	(38,855)
Supplemental Instruction		42,027	7/1/2018	6/30/2019	6,344			(6,344)						
Examination and Classification		67,816	7/1/2019	6/30/2020		64,748	(49,234)				18,582		(3,068)	(49,234)
Examination and Classification		75,895	7/1/2018	6/30/2019	5,838			(5,838)						
Corrective Speech		42,836	7/1/2019	6/30/2020		38,287	(30,076)				12,760		(4,549)	(30,076)
Corrective Speech		41,962	7/1/2018	6/30/2019	3,572			(3,572)						
NJ Advanced Computer Science Competitive Grant	19E00147	70,944	7/1/2019	6/30/2020		57,211	(65,511)				(8,300)			(65,511)
NJ Advanced Computer Science Competitive Grant	19E00147	72,744	7/1/2018	6/30/2019	(1,800)	1,800								
Total Special Revenue Fund					741,752	3,852,844	(3,366,360)	(35,388)		1,440,033	(8,300)	103,946	(342,831)	(3,366,360)
<i>Capital Projects Fund:</i>														
NJ Schools Development Authority	2940-045-02-	3,231,257	7/1/2002	Completion	(2,613,379)	2,605,937		\$ (3,772)			(11,214)			(2,613,379)
Total Capital Projects Fund					(2,613,379)	2,605,937		(3,772)			(11,214)			(2,613,379)
State Department of Agriculture														
<i>Enterprise Fund:</i>														
State School Lunch Prooram (State share)	100-010-3360-067	30,088	7/1/2019	6/30/2020		19,627	(30,088)				(10,461)			(30,088)
State School Lunch Prooram (State share)	100-010-3360-067	27,538	7/1/2018	6/30/2019	(1,771)	1,771								
Total Enterprise Fund					(1,771)	21,398	(30,088)				(10,461)			(30,088)
Total State Awards					\$ (4,527,933)	\$ 45,713,810	\$ (42,822,113)	\$ (35,388)	\$ (3,772)	\$ 1,440,033	\$ (852,503)	\$ 103,946	\$ (2,366,872)	\$ (45,435,492)
State Financial Assistance Not Subject to Single Audit Determination:														
<i>General Fund:</i>														
On-behalf TPAF Contributions														
Pension Benefit Contribution	495-034-5094-002	10,587,403	7/1/2019	6/30/2020		(10,587,403)	10,587,403							10,587,403
Post-Retirement Medical Contribution	495-034-5094-001	3,927,733	7/1/2019	6/30/2020		(3,927,733)	3,927,733							3,927,733
Long-Term Disability Insurance Contributions	495-034-5094-004	8,906	7/1/2019	6/30/2020		(8,906)	8,906							8,906
Total State Financial Assistance Subject to Single Audit Determination					\$ (4,527,933)	\$ 31,189,768	\$ (28,298,071)	\$ (35,388)	\$ (3,772)	\$ 1,440,033	\$ (852,503)	\$ 103,946	\$ (2,366,872)	\$ (30,911,450)

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, 2020

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, 2020

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.

Additionally, on the budgetary basis, the special revenue fund will recognize an accounts receivable balance and an amount due back to state for non-public entitlement amounts not received at year end. However, on the GAAP basis, the accounts receivable balance and the amount due back to state is impacted strictly by the amount of non-public entitlement funds received and expended, respectively at year end. As a result, the state accounts receivable and the state payable balances in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: State Aid Not Received At June 30, 2020	GAAP Basis
State	\$45,353	\$37,053	\$8,300
Due to Grantor	Budgetary Basis	Less: State Aid Not Received At June 30, 2020	GAAP Basis
State	\$103,946	\$37,053	\$66,893

Piscataway Township School District

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

Year ended June 30, 2020

3. Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$118,058) for the general fund and (\$75,632) for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 109,422	\$ 39,307,607	\$ 39,417,029
Special Revenue Fund	2,707,496	3,290,728	5,998,224
Capital Projects Fund		3,772	3,772
Food Service Enterprise Fund	1,454,393	30,088	1,484,481
Total financial award revenues	<u>\$ 4,271,311</u>	<u>\$ 42,632,195</u>	<u>\$ 46,903,506</u>

4. Relationship to Federal and State Financial Reports

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

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, 2020.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2020 amounted to \$14,524,042. 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.

Piscataway Township School District

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

Year ended June 30, 2020

6. Indirect Costs

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

7. Adjustments

The adjustment presented on schedule K4 represents additional revenue recognized based on trivial modifications to the New Jersey School Development Authority's respective share of various capital related projects that were completed for the year ended June 30, 2020.

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

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:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
		Special Education Cluster:
84.027	S027A200100	IDEA Special Education Grants to States
84.173	S173A200114	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, 2020

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:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-078	State Aid Cluster: Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$848,942

Auditee qualified as low-risk auditee? _____ Yes X No

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

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, 2020

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 Prior Year Findings (continued)

Year ended June 30, 2020

Status of Prior Year Findings:

None.