



# PISCATAWAY TOWNSHIP SCHOOLS

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



*Year Ended June 30, 2021*

**Piscataway Township School District**

**Piscataway, New Jersey**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2021

Prepared by

Business Office

# Piscataway Township School District

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## **Introductory Section**





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**Dr. Frank Ranelli**  
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Business Administrator/Board Secretary

March 1, 2022

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

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Piscataway Township School District (District) for the year ended June 30, 2021 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, 2021 and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organization chart, a roster of officials, 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 auditors' 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 61,000 people. The Township is home to Rutgers, the State University of New Jersey, as well as many Fortune 500 corporations. Piscataway Township and the Piscataway Board of Education are coterminous. The School District is an independent legal entity operating under Title 18A Education of the New Jersey Statutes and is subject to the rules and supervision of the State Board of Education and the Commissioner of the State Department of Education.

The Piscataway Township Board of Education provides a full range of educational services appropriate to grade levels PK through 12 for approximately 7,100 students. These include regular education programs, special education programs for students with disabilities, extracurricular activities, interscholastic athletic programs, and adult/community education programs. Our educational programs offer a broad-based, challenging curriculum to ensure that every child has the opportunity to pursue a post-secondary education without the need for remedial course work.

The Piscataway Township Schools 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, Engineering, Performing Arts, Visual Arts, or Pre-Law & 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 provides opportunities for students beyond the classroom with an extensive list of extracurricular activities and athletic programs. The District continues to expand its middle school sports programs and offers 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.

In response to COVID-19, the District maintained its 100% virtual learning environment through February 2021. During 2020-2021, the District’s one-to-one iPad initiative quickly expanded from the middle schools and Piscataway High School, to include all students in grades PK-12. From March 2021-June 2021, the District offered both virtual learning and hybrid instruction, and allowed parents to choose the best option for their children.

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 PreK and kindergarten. The District’s schools are listed below. Additional information about all of the District’s school buildings can be found in Schedule J-18.

<b>School</b>	<b>Grades</b>	<b>Address</b>	<b>Age of Building</b>
Eisenhower Elementary School	K-3	360 Stelton Road	1968
Grandview Elementary School	K-3	130 North Randolphville Road	1953/1968/2002/2019
Knollwood Elementary School	K-3	333 Willow Avenue	1960/1992
Randolphville Elementary School	K-3	1 Suttie Avenue	1961/1992
Arbor Intermediate School	4-5	1717 Lester Place	1961/2001
Martin Luther King Intermediate School	4-5	5205 Ludlow Street	1969/2002
Conackamack Middle School	6-8	5205 Witherspoon Street	1964/2008
Quibbletown Middle School	6-8	99 Academy Street	1961/1994
T. Schor Middle School	6-8	243 North Randolphville Road	1970/2006
Piscataway High School	9-12	100 Behmer Road	1956/1972/2007

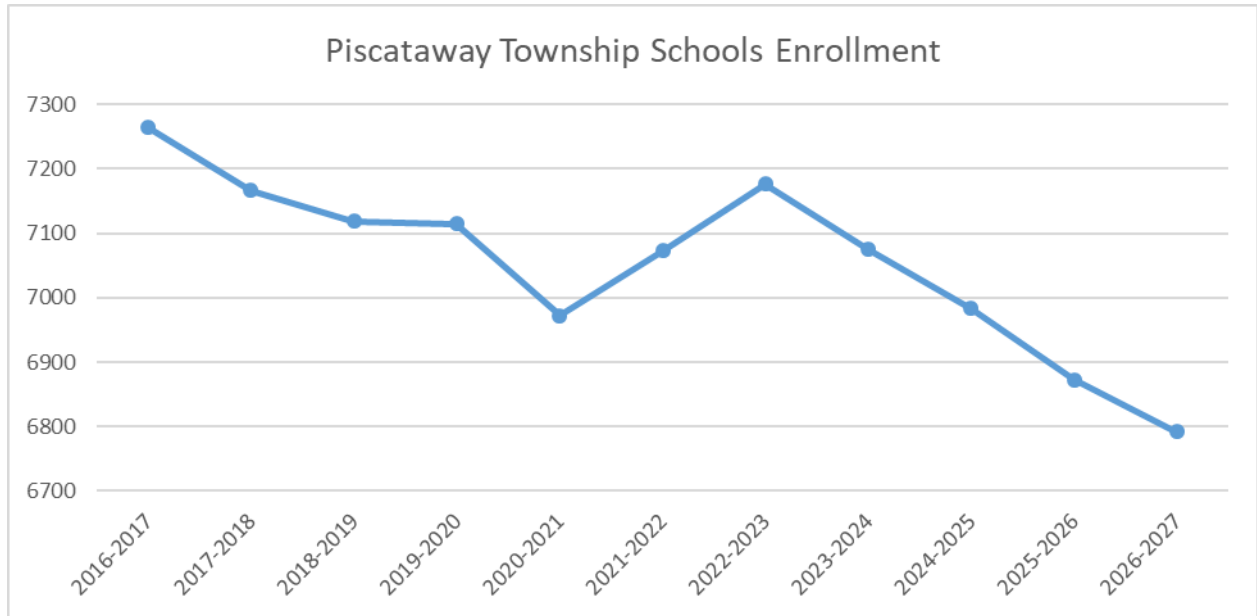
Located within Piscataway Township are several private/parochial schools, the Educational Services Commission of New Jersey schools, and a County vocational and technical high school.

There are no charter schools located within the borders of Piscataway Township; however, during the 2020-2021 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 2020-2021, the District paid \$619,468 to charter schools. The table below details charter school enrollment for the previous five years with projected enrollment for 2021-2022.

<b>Fiscal Year</b>	<b>Enrollment</b>
2016-2017	25
2017-2018	30
2018-2019	42
2019-2020	46
2020-2021	46
2021-2022	45

## Enrollment

The exhibit below illustrates the District's actual enrollment based on the annual October 15<sup>th</sup> count required by the New Jersey Department of Education, as well as projected enrollments through 2026-2027. Starting with a base year of 2016-2017 to the 2020-2021 school year, enrollment decreased from 7,264 to 6,972, a decrease of 292 students or approximately 4.0%. Enrollment projections show that enrollment is expected to decrease to 6,792 during the 2026-2027 school year. That is a further projected decrease of 180 students, or approximately 2.6%.



Enrollment decreases have been ongoing for several years, correlating with a decrease in the number of births in Piscataway; however, the number of enrolled kindergarten students as a percentage of births has also declined. The District is analyzing the data for additional findings.

The District has undertaken an aggressive expansion of its preschool program as a result of increased funding from the New Jersey Department of Education. Fully-funded preschool enrollment has increased from 62 students in 2016-2017 to 228 students in 2020-2021. Providing high-quality education to 3 and 4 year old students is statistically proven to improve learning outcomes and the District is optimistic it will increase the number of students enrolling in kindergarten.

There have been a number residential apartment developments completed during the past five years, but these developments have had a low to moderate impact on the schools. There are several additional housing developments under construction that may yield additional students, but the enrollment projections detailed above do not include any potential students from these developments. The District continues to monitor possible future developments in the Town's affordable housing plan including the Ericsson Redevelopment, Rivendell Redevelopment, the Timothy Christian School site, and a "Town Centre" proposal, which may include apartments and single-family homes in close proximity to Piscataway High School.

## 2) ECONOMIC CONDITION AND OUTLOOK

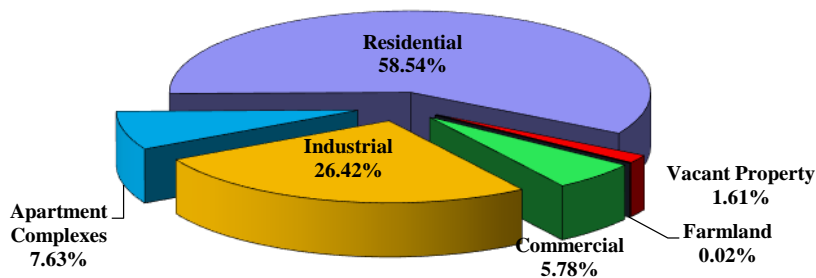
Piscataway is a community with a large residential area and pockets of industrial and warehouse facilities whose economy benefits from its proximity to New York City and an expansive road infrastructure near major roadways. Piscataway is the home of many well-known industrial concerns, research centers 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 \$142,979,900 from \$7,840,248,200 in 2020 to \$7,983,228,100 in 2021. The increase was spread across several classifications but was driven primarily by a 6.2% increase in industrial ratables and a 3.4% increase in apartment ratables, which is indicative of the property developments discussed earlier. Piscataway’s ratables are classified in the 2021 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 128,222,500
Residential	4,673,513,900
Farmland	1,751,100
Commercial	461,455,200
Industrial	2,109,149,500
Apartment Complexes	609,135,900
<b>Total Ratables</b>	<b>\$ 7,983,228,100</b>



### **3) LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES**

As a public school district, we are constantly faced with challenges resulting from a 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 Every Student Succeeds Act 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 \$496,667 in state aid for the 2020-2021 fiscal year. Although an increase from the prior year, this amount is less than originally planned due to fears about how the COVID-19 crisis would impact the State of NJ's total budget. Revenues received by the State of NJ were above expectations in 2020 and continue to trend in a positive direction in 2021. The State budget continues to be positively impacted by federal funding through CARES, ESSER, and ARP allocations from the federal government.

The Governor and legislature have affirmed their commitment to full implementation of school funding reform by 2024-2025. The District received an increase of \$513,356 in state aid for the 2021-2022 budget year, but due to decreasing enrollment, further increases in state aid over the next three budget years are not expected continue. The District has projected flat state aid amounts for the future and is budgeting accordingly.

The District has received several rounds of federal funding in response to the COVID-19 pandemic: \$678,650 from CARES-ESSER I, \$488,544 in Coronavirus Relief Funds, \$2,461,497 from ESSER II, \$5,868,189 from ARP-ESSER, and \$435,343 from ARP-IDEA. These funds have been used to supplement the District's response to the COVID-19 pandemic through the expansion of tutoring programs, Social-Emotional Learning services, 1:1 iPad initiative, and Heating, Ventilation and Air Conditioning (HVAC) equipment upgrades. Expenditure of these funds is projected to continue into the 2023-2024 school year.

The New Jersey Department of Education and New Jersey Legislature continue to mandate programs and initiatives without providing financial support at the local level. Examples of these initiatives are the New Jersey Student Learning Standards, the teacher and principal evaluation system, and most recently changes to health plans offered by local districts. These mandates have impacted the District's need to redesign curriculum, make major investments in upgrading technology in an accelerated manner, invest in comprehensive professional development, and allocate additional funds toward health insurance, 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, participating in shared services agreements, instituting cost containment measures, and utilizing COVID-19 pandemic federal funding.

The District 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 allowed the District to undertake important renovations and upgrades with the taxpayers only paying 60% of the project cost. The last round of ROD grants were awarded in 2013.

The District continues to focus on reserving funds in its capital reserve account to address building improvements and infrastructure needs. The District completed the replacement of the Piscataway High School (PHS) bleachers, press box, and field lighting as well as ADA upgrades to one of the high school entrances in 2020. The high school and all 3 middle school auditoriums were renovated and the PHS Family/Consumer Science and Life Skills classrooms were fully remodeled. The HVAC system, ceiling, and lighting were upgraded in the PHS Vocal Music room. The District's annual building and facilities improvements have provided learning environments that will greatly enhance student achievement. All of the improvements are designed to support the instructional program and help Piscataway keep pace with educational requirements and facilities in surrounding communities.

The Piscataway Township Schools began the multi-year process of an energy savings improvement program (ESIP) during the 2020-2021 school year. The ESIP will include the installation of solar panels, new HVAC equipment, new LED lighting, and other energy conservation measures that will be paid for with energy and maintenance savings over the next 18 years. District administration and the Board are considering numerous capital projects for inclusion in a referendum that would be voted on by the residents of Piscataway. The projected additional debt would replace the District's only existing long-term debt which is scheduled to be retired in the 2022-2023 school year.

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 has a three-year agreement with the Piscataway Township Education Association covering all affiliated employees other than administrators 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 implementing 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. Interest revenue has declined the past two years due to the impact of lower interest rates set by the Federal Reserve.

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. The Board of Education of the District maintains and controls the legal level of control over the budget, which is made at the line-item level. 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**

Standard & Poor's upgraded the District's general obligation debt long-term rating from AA- to AA in 2017. All of the District's net debt is scheduled to be retired in the 2022-2023 school year. At

June 30, 2021, the District's outstanding debt issues included serial bonds in the amount of \$7,025,000.

## 9) OTHER INFORMATION

### A. *Independent Audit:*

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

### B. *Awards:*

The International Association of School Business Officials (ASBO) awarded a "Certificate of Excellence in Financial Reporting" to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This is the fourth consecutive year that the District has received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2020-2021 certificate.

## 10) ACKNOWLEDGMENTS

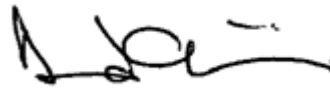
We would like to express our appreciation to the members of the Piscataway Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,



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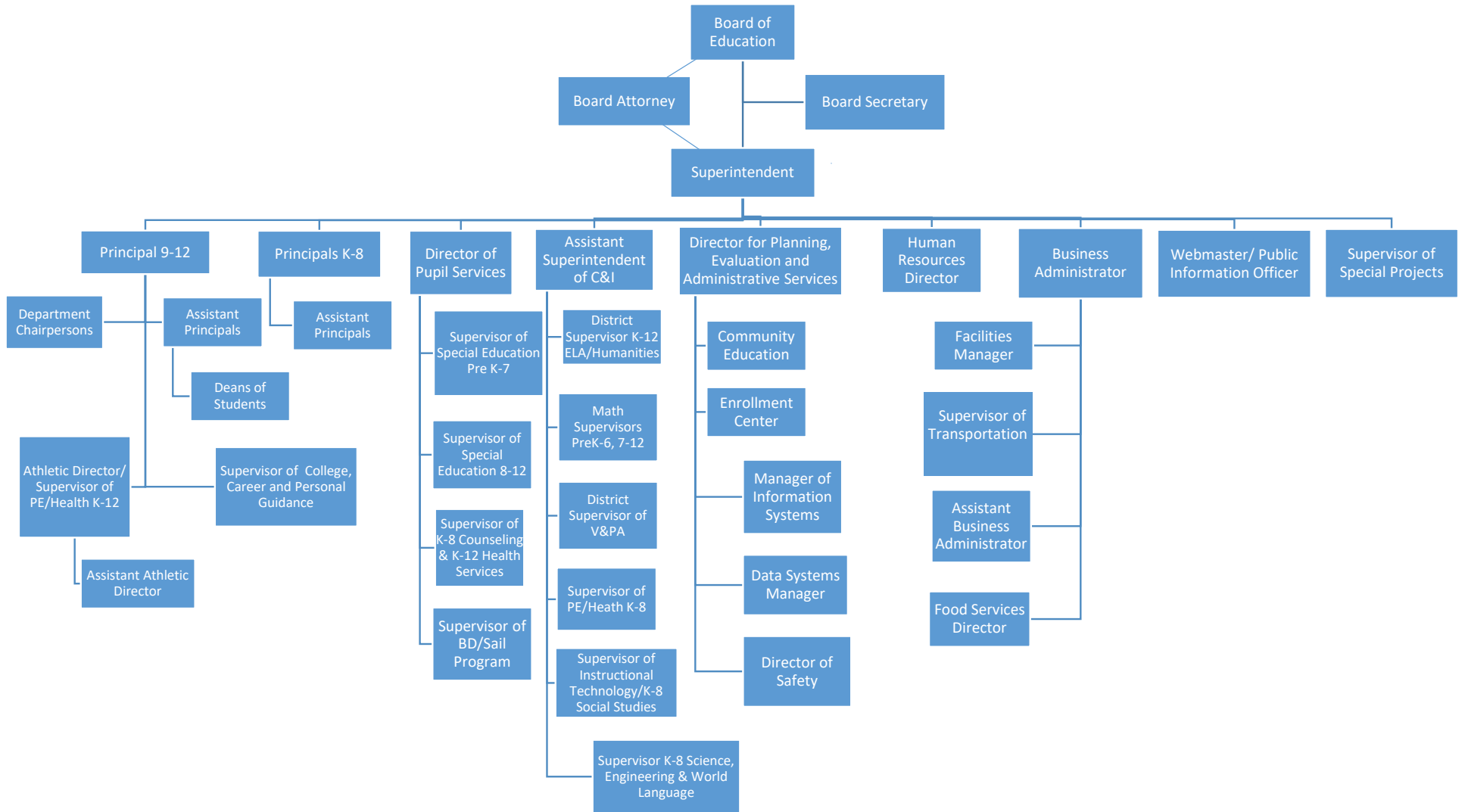
Dr. Frank Ranelli, Superintendent



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David Oliveira, Business Administrator

# Piscataway Township Schools Organizational Chart



Piscataway Township School District  
Piscataway, New Jersey

Roster of Officials

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Shelia Hobson, President	2021
Kimberly Lane, Vice President	2023
Shantell Cherry	2023
Jeffrey Fields, Sr.	2021
Ralph E. Johnson	2022
Calvin Laughlin	2022
Nitang Patel	2021
Zoe Scotto	2023
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**

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

**Attorney**

David B. Rubin  
(Staff Counsel)

**Official Depository**

Investors Bank  
565 Stelton Road  
Piscataway, NJ 08854

Provident Bank  
100 Stelton Road  
Piscataway, NJ 08854



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Piscataway Township Board of Education**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink that reads '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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PKF O'CONNOR DAVIES, LLP  
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | [www.pkfod.com](http://www.pkfod.com)

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

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

***Opinions***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note 1U and Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, 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

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

Page 3

for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, 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 March 1, 2022 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*

Cranford, New Jersey  
March 1, 2022

*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, 2021

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, 2021. 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 (2020 - 2021) and the prior fiscal year (2019 - 2020) 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 two categories: governmental funds and proprietary 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.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 37 - 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 - 105 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, 2021 and 2020:

	2021			2020 (Restated)		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 58,866,120	\$ 5,373,421	\$ 64,239,541	\$ 54,103,821	\$ 5,050,435	\$ 59,154,256
Capital assets, net	80,334,708	71,048	80,405,756	75,671,431	94,859	75,766,290
Total assets	139,200,828	5,444,469	144,645,297	129,775,252	5,145,294	134,920,546
Deferred outflows	5,922,804		5,922,804	6,826,012		6,826,012
Liabilities						
Current liabilities	12,073,818	1,717,101	13,790,919	12,531,953	711,042	13,242,995
Net pension liability	29,380,226		29,380,226	31,596,744		31,596,744
Long term liabilities	7,595,692		7,595,692	10,938,221		10,938,221
Total liabilities	49,049,736	1,717,101	50,766,837	55,066,918	711,042	55,777,960
Deferred inflows	13,016,912		13,016,912	12,507,286		12,507,286
Net position						
Net investment in capital assets	73,291,274	71,048	73,362,322	65,296,610	94,859	65,391,469
Restricted	38,776,314		38,776,314	35,826,876		35,826,876
Unrestricted (deficit)	(29,010,604)	3,656,320	(25,354,284)	(32,096,426)	4,339,393	(27,757,033)
Total net position	\$ 83,056,984	\$ 3,727,368	\$ 86,784,352	\$ 69,027,060	\$ 4,434,252	\$ 73,461,312

Key financial highlighted for the 2020 - 2021 fiscal year include the following:

- Governmental net position increased \$14,029,924. The increase was primarily driven by significant capital asset acquisitions in the amount of \$8,435,017. Additionally, the impact of the implementation of a new required accounting standard, Governmental Accounting Standards Board Statement No. 84 attributed to an increase in restricted fund balance of \$1,759,434. This standard now requires recording payroll agency, payroll, and unemployment activity as a governmental activity if these activities do not meet the newly defined criteria of a fiduciary activity. Since the District maintains administrative control over these assets and liabilities, they are appropriately recorded as a governmental activity for the year ended June 30, 2021, which was the first year of implementation and resulted in a restatement in the governmental funds of the beginning balance of unemployment net position in the amount of \$1,753,518 (see footnote #20). District-wide technology upgrades and completion of several capital projects also contributed to this increase.
- The District also generated another \$5,283,112 of budgetary fund balance that was the direct result of several cost savings during the year ended June 30, 2021 that resulted from energy savings plans and reduced transportation costs and tuition charges resulting from COVID-19.
- Consistent with the prior year, the State withheld the school district's fiscal 2020-2021 last two state aid payments until July 2021.
- Increase to governmental current and other assets in the amount of \$4,762,299 resulted primarily from the overall increase of approximately \$4,500,000 in governmental cash from the prior year. As previously mentioned, the District generated \$5,283,112 of budgetary fund balance, which yielded this significant cash increase.
- 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, 2021 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, 2020 and rolled forward to June 30, 2021. The net pension liability associated with the District's governmental activities at June 30, 2021 amounted to \$29,380,226, which decreased by \$2,216,518 from the prior year. Long-term liabilities mainly decreased by principal payments made in the amount of \$3,315,000 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 \$2,949,438 during the year ended June 30, 2021.

- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$29,010,604) 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, 2021 and 2020 are as follows:

	2021			2020		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 689,444	\$ 4,126,700	\$ 4,816,144	\$ 810,662	\$ 8,237,008	\$ 9,047,670
Operating grants and contributions	8,195,891	4,406,241	12,602,132	6,203,462	1,484,481	7,687,943
Capital grants and contributions				3,772		3,772
General revenues:						
Property taxes	97,680,469		97,680,469	95,817,141		95,817,141
State and federal aid not restricted to a specific purpose	61,177,745		61,177,745	46,391,614		46,391,614
Investment income	598,436		598,436	943,729		943,729
Miscellaneous	849,787		849,787	319,466	125,174	444,640
Total revenue	169,191,772	8,532,941	177,724,713	150,489,846	9,846,663	160,336,509
<b>Expenses:</b>						
Instructional services	90,203,669		90,203,669	78,654,198		78,654,198
Support services	64,093,329		64,093,329	56,980,346		56,980,346
Charter school	619,468		619,468	625,995		625,995
Interest on long term debt	245,382		245,382	394,633		394,633
Business type activities		9,239,825	9,239,825		9,776,458	9,776,458
Total expenses	155,161,848	9,239,825	164,401,673	136,655,172	9,776,458	146,431,630
Increase in net position	14,029,924	(706,884)	13,323,040	13,834,674	70,205	13,904,879
Net position - Restatement Adjustment				2,272,556		2,272,556
Net position—beginning, restated	69,027,060	4,434,252	73,461,312	52,919,830	4,364,047	57,283,877
Net position—ending	\$ 83,056,984	\$ 3,727,368	\$ 86,784,352	\$ 69,027,060	\$ 4,434,252	\$ 73,461,312

With the additional general state aid awarded, property tax revenue only increased \$1,863,328 to balance the budget for increases to salaries and health benefits. This increase is under the 2% maximum tax increase imposed by the State of New Jersey. The overall total increase from 2019/20 to 2020/21 in state and federal aid was \$14,786,131. This significant increase was primarily driven by an increase 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. Additionally, there were several rounds of federal and state funding in direct response to the COVID-19 pandemic that attributed to an overall increase in the special revenue fund revenue of approximately \$1,300,000. There was also an increase in Preschool Aid resulting from an expansion of the preschool program.

### Financial Analysis of the District's Funds

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



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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021, and the increases in relation to the prior year:

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase from 2020</u>	<u>Percent of Increase</u>
Local sources	\$ 100,012,013	65.59%	\$ 1,915,777	1.95%
State sources	48,580,565	31.86%	5,982,230	14.04%
Federal sources	3,892,751	2.55%	1,075,833	38.19%
Total	<u>\$ 152,485,329</u>	<u>100.00%</u>	<u>\$ 8,973,840</u>	<u>6.25%</u>

The increase in local sources is primarily due to an increase in the tax levy of \$1,863,328. 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 of approximately \$3,730,000 and an increase in general state aid of approximately \$500,000. Additionally, there was an increase in the special revenue fund state and federal aid of approximately \$500,000 based on increases to preschool aid resulting from expansion of its preschool programs and federal funds of approximately \$1,300,000 in direct response to the COVID-19 global pandemic.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2020</u>	<u>Increase (Decrease) Percent of</u>
Current expenditures:				
Instruction	\$ 51,868,672	35.20%	\$ 832,974	1.63%
Support services	91,291,668	61.93%	11,329,563	14.17%
Charter Schools	619,468	0.42%	(6,527)	-1.04%
Debt service:				
Principal	3,315,000	2.25%	170,000	5.41%
Interest and Other Charges	317,550	0.22%	(150,750)	-32.19%
Total	<u>\$ 147,412,358</u>	<u>100.00%</u>	<u>\$ 12,175,260</u>	<u>9.00%</u>

There was an overall increase in total expenditures in 2021 from 2020 based on increases of approximately \$4,000,000 to TPAF pension, post-retirement medical, long-term disability and Social Security payments made on-behalf of the District by the State. There was also an increase to health benefits of approximately \$3,300,000 resulting from the rise of COVID-19 cases. Lastly, the District incurred approximately \$3,000,000 more in capital outlay from the

prior year as the District completed a large facility project for the year ended June 30, 2021.

### General Fund

Fund balance in the General Fund increased by approximately \$5,225,000. Of the \$47,025,075 fund balance in the General Fund, \$8,289,133 is restricted for current year excess surplus, \$7,166,570 is restricted for the prior year excess surplus, \$15,546,231 is restricted in the capital reserve account, \$1,759,434 is restricted for an unemployment reserve, \$4,716,739 is restricted in the maintenance reserve, \$5,008,283 of encumbrances is assigned to other purposes, \$8,756 of designated for subsequent years' expenditures for Cares Act - SEMI and \$4,529,929 is unassigned.

### Special Revenue Fund

Expenditures in the Special Revenue Fund increased primarily 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, 2021. The District has an unassigned deficit fund balance of \$356,472 in the Special Revenue Fund as of June 30, 2021 as a result of the State deferring the payment of the final two state aid payments until July 2021.

### 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 childcare 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, 2021, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2020</u>	<u>Percent of (Decrease) Increase</u>
Local sources	\$ 4,126,700	48.37%	\$ (4,235,482)	-50.65%
State sources	123,268	1.44%	93,180	309.69%
Federal sources	4,282,973	50.19%	2,828,580	194.49%
Total	<u>\$ 8,532,941</u>	<u>100.00%</u>	<u>\$ (1,313,722)</u>	<u>-13.34%</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 increase in federal and state source revenue was caused by increased participation in the food service program during the fiscal year ended June 30, 2021 resulting mainly from the global pandemic, COVID-19, which resulted in additional aid as the district offered free meals to all participants during the FY 2021.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2021, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2020</u>	<u>(Decrease) Increase Percent of</u>
Salaries	\$ 3,205,020	34.68%	\$ (1,939,068)	-37.70%
Employee benefits	914,563	9.90%	(173,231)	-15.92%
Other purchased services	1,825,046	19.75%	521,039	39.96%
Supplies and materials	427,013	4.62%	115,990	37.29%
Cost of sales program	2,816,824	30.49%	1,147,855	68.78%
Other	51,359	0.56%	(209,218)	-80.29%
	<u>\$ 9,239,825</u>	<u>100.00%</u>	<u>\$ (536,633)</u>	<u>-5.49%</u>

The overall decrease 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 much of the 2020-2021 school year. 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 \$353,964 net gain this year. Revenues from daily food sales decreased from the prior year by \$675,169 or 74.8% as a result of a decrease in students purchasing ala carte menu items from the prior year. The special function sales decreased by \$694,423 or 97.1% as a result of the food service company providing less meals to outside organizations due to the global pandemic, COVID-19. Federal and state revenues increased greatly from the prior year by \$2,921,760. Total operating expenses increased from the prior year by \$1,336,202 or 45.0% due to the COVID-19 pandemic resulting in Food Service

costs that increased as the District transitioned into the Seamless Summer Option, where every child qualified for a meal. The net position of the food service fund, \$669,726 is comprised of net position - investment in capital assets of \$30,594 and unrestricted net position of \$639,132.

## Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$3,876,621 for the year ended June 30, 2021. Current year tuition revenues decreased from the prior year by \$3,606,037 or 54.0% as a result of decreased participation in the summer camp program along with decreased participation in the before and after school program due to the COVID-19 pandemic, while operating expenses decreased from the prior year by \$1,872,835 or 27.5% as a result of a decrease in salaries and a decrease to health benefit costs. Overall, the fund generated a net operating loss of \$1,060,848. The fund maintains adequate levels of cash on hand to ensure the operational requirements of running the program are met at any time. Furthermore, since the fund has a 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, \$3,057,642 is comprised of net position investment in capital assets of \$40,454 and unrestricted net position of \$3,017,188. 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, 2021, the District's governmental activities had capital assets of \$80,334,708 (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, 2021 and 2020:

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	9,305,150	2,472,000
Buildings and building improvements, net	66,241,370	69,524,445
Machinery, equipment, and vehicles, net	3,245,221	2,132,019
Total capital assets, net	<u>\$ 80,334,708</u>	<u>\$ 75,671,431</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 2021 fiscal year, the District had outstanding long-term liabilities of \$14,346,357 of which \$6,750,665 was classified as the current portion. At June 30, 2021 and 2020, the District's long-term liabilities consisted of:

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<u>                    </u>	<u>                    </u>
Bonds payable	\$ 7,025,000	\$ 10,340,000
Unamortized premium on bonds	249,727	471,709
Compensated absences payable	2,006,828	2,030,848
Accrued liability for insurance claims	5,064,802	4,608,731
Total long-term liabilities	<u>\$ 14,346,357</u>	<u>\$ 17,451,288</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 \$1,643,819 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 \$992,896 lower than anticipated due to the District not needing contracted substitute teachers and a limited need for paraprofessionals during remote instruction.
- Instruction – regular program - general supplies actual expenditures in total were \$852,086 lower than anticipated. There is also encumbered purchase orders approximating \$540,000 for goods or services that were not received until after year end.

- Undistributed expenditures – Resource room salaries actual expenditures were \$1,107,379 lower than anticipated based on changes in assignments from the time the budget was put together to the time school started.
- Required maintenance – Cleaning, repair and maintenance services – actual expenditures in total were \$501,894 lower than anticipated based the effects of school closures due to COVID-19.
- Custodial Services – The rental of land and building that was budgeted in the amount of \$915,000 did not occur as the timing of the rental of the space was delayed until fiscal year 2022.
- Student transportation services – Other purchased professional services – actual expenditures in total were \$541,067 lower than anticipated based the effects of school closures due to COVID-19 resulting in less transportation.
- Unallocated benefits – health insurance actual expenditures in total were \$1,313,537 lower than anticipated based on fewer 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 and architectural/engineering services expenditures in total were \$3,537,546 lower than anticipated. There is also encumbered purchase orders approximating \$1,400,000 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, 2021.



## Piscataway Township School District

## Statement of Net Position

June 30, 2021

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 54,913,877	\$ 5,123,374	\$ 60,037,251
Accounts receivable	1,914,184	728,296	2,642,480
Internal balances	547,107	(547,107)	-
Inventories		18,950	18,950
Investments	1,490,952		1,490,952
Other assets		49,908	49,908
Capital assets, non-depreciable	10,848,117		10,848,117
Capital assets, depreciable, net	69,486,591	71,048	69,557,639
Total assets	<u>139,200,828</u>	<u>5,444,469</u>	<u>144,645,297</u>
<b>Deferred Outflows Of Resources</b>			
Deferred loss on advanced refunding	231,293		231,293
Pension deferrals	5,691,511		5,691,511
Total deferred outflows	<u>5,922,804</u>		<u>5,922,804</u>
<b>Liabilities</b>			
Accounts payable	3,124,902	1,337,363	4,462,265
Accrued interest payable	91,191		91,191
Intergovernmental payables - State	131,616		131,616
Unearned revenue	1,711,294	379,738	2,091,032
Other liabilities	264,150		264,150
Net pension liability	29,380,226		29,380,226
Current portion of long-term obligations	6,750,665		6,750,665
Noncurrent portion of long-term obligations	7,595,692		7,595,692
Total liabilities	<u>49,049,736</u>	<u>1,717,101</u>	<u>50,766,837</u>
<b>Deferred Inflow Of Resources</b>			
Pension deferrals	<u>13,016,912</u>		<u>13,016,912</u>
<b>Net Position</b>			
Net investment in capital assets	73,291,274	71,048	73,362,322
Restricted for:			
Capital projects	910,781		910,781
Excess surplus	15,455,703		15,455,703
Capital reserve	15,546,231		15,546,231
Maintenance reserve	4,716,739		4,716,739
Unemployment liability reserve	1,759,434		1,759,434
Reserve for student activities	368,431		368,431
Reserve for scholarships	18,995		18,995
Unrestricted (deficit)	<u>(29,010,604)</u>	<u>3,656,320</u>	<u>(25,354,284)</u>
Total net position	<u>\$ 83,056,984</u>	<u>\$ 3,727,368</u>	<u>\$ 86,784,352</u>

See accompanying notes to the basic financial statements.

## Piscataway Township School District

## Statement of Activities

Year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>						
Instruction	\$ 90,203,669	\$ 476,108	\$ 3,387,012	\$ (86,340,549)		\$ (86,340,549)
Support services:						
Attendance/social work	398,625			(398,625)		(398,625)
Health services	2,020,695			(2,020,695)		(2,020,695)
Other support services	19,253,434	193,680	4,674,771	(14,384,983)		(14,384,983)
Improvement of instruction	4,709,866			(4,709,866)		(4,709,866)
Other support: instructional staff	3,461			(3,461)		(3,461)
School library	1,103,668			(1,103,668)		(1,103,668)
General administration	2,657,087			(2,657,087)		(2,657,087)
School administration	7,691,606			(7,691,606)		(7,691,606)
Central services	2,077,909			(2,077,909)		(2,077,909)
Administrative information technology	1,589,993			(1,589,993)		(1,589,993)
Plant operation and maintenance	16,206,859		134,108	(16,072,751)		(16,072,751)
Student transportation	6,380,126	19,656		(6,360,470)		(6,360,470)
Charter schools	619,468			(619,468)		(619,468)
Interest on long-term debt	245,382			(245,382)		(245,382)
Total governmental activities	<u>155,161,848</u>	<u>689,444</u>	<u>8,195,891</u>	<u>(146,276,513)</u>		<u>(146,276,513)</u>
<b>Business-type activities</b>						
Food Service	4,302,356	250,079	4,406,241		\$ 353,964	353,964
Adult and Community Education	4,937,469	3,876,621			(1,060,848)	(1,060,848)
Total business-type activities	<u>9,239,825</u>	<u>4,126,700</u>	<u>4,406,241</u>		<u>(706,884)</u>	<u>(706,884)</u>
Total primary government	<u>\$ 164,401,673</u>	<u>\$ 4,816,144</u>	<u>\$ 12,602,132</u>	<u>(146,276,513)</u>	<u>(706,884)</u>	<u>(146,983,397)</u>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				94,047,918		94,047,918
Property taxes, levied for debt service				3,632,551		3,632,551
State and federal sources—unrestricted				61,177,745		61,177,745
Investment income				418,989		418,989
Interest Income				179,447		179,447
Other Restricted Miscellaneous Revenues				5,916		5,916
Miscellaneous				843,871		843,871
Total general revenues				<u>160,306,437</u>	<u>-</u>	<u>160,306,437</u>
Change in net position				14,029,924	(706,884)	13,323,040
Net Position—beginning, restated				69,027,060	4,434,252	73,461,312
Net Position—ending				<u>\$ 83,056,984</u>	<u>\$ 3,727,368</u>	<u>\$ 86,784,352</u>

See accompanying notes to the basic financial statements.

## **Fund Financial Statements**

## **Governmental Funds**

Piscataway Township School District  
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 43,716,761	\$ 1,705,982	\$ 899,567	\$ 2	\$ 46,322,312
Investments	1,490,952				1,490,952
Accounts receivable:					
State	1,299,673		11,214		1,310,887
Federal		463,829			463,829
Other	131,146	8,322			139,468
Interfund	1,674,702				1,674,702
Total assets	<u>\$ 48,313,234</u>	<u>\$ 2,178,133</u>	<u>\$ 910,781</u>	<u>\$ 2</u>	<u>\$ 51,402,150</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 853,781	\$ 166,012			\$ 1,019,793
Intergovernmental payables:					
State		131,616			131,616
Interfunds payable		308,485			308,485
Payroll deductions and withholdings payable	58,735				58,735
Unemployment compensation claims payable	105,415				105,415
Unearned revenue	170,228	1,541,066			1,711,294
Other liabilities	100,000				100,000
Total liabilities	1,288,159	2,147,179			3,435,338
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Excess surplus-current year	8,289,133				8,289,133
Excess surplus-prior year	7,166,570				7,166,570
Capital reserve account	15,546,231				15,546,231
Unemployment liability reserve	1,759,434				1,759,434
Debt Service				\$ 2	2
Capital projects			\$ 910,781		910,781
Maintenance reserve	4,716,739				4,716,739
Student activities		368,431			368,431
Scholarships		18,995			18,995
<b>Assigned to:</b>					
Other purposes	5,008,283				5,008,283
Designated for subsequent year's expenditures- FFCRA/SEMI	8,756				8,756
Unassigned (deficit):	4,529,929	(356,472)			4,173,457
Total fund balances	<u>47,025,075</u>	<u>30,954</u>	<u>910,781</u>	<u>2</u>	<u>47,966,812</u>
Total liabilities and fund balances	<u>\$ 48,313,234</u>	<u>\$ 2,178,133</u>	<u>\$ 910,781</u>	<u>\$ 2</u>	<u>\$ 51,402,150</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 \$154,935,862 and the accumulated depreciation is \$74,601,154.	80,334,708
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.	(91,191)
Accounting loss on advanced refunding of debt	231,293
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.	(9,281,555)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(7,325,401)
Accrued pension contributions for the June 30, 2021 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.	(2,097,711)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(29,380,226)
Net position of governmental activities	<u>\$ 83,056,984</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, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 94,047,918			\$ 3,632,551	\$ 97,680,469
Tuition	476,108				476,108
Transportation	19,656				19,656
Rents and Royalties	6,370				6,370
Investment Income	418,989				418,989
Interest Income	179,447				179,447
Other Restricted Miscellaneous Revenues	5,916				5,916
Miscellaneous	837,501	\$ 387,557			1,225,058
Total local sources	95,991,905	387,557	-	3,632,551	100,012,013
State sources	44,329,510	4,251,055			48,580,565
Federal sources	141,792	3,750,959			3,892,751
Total revenues	140,463,207	8,389,571	-	3,632,551	152,485,329
<b>Expenditures</b>					
Current:					
Instruction	47,377,608	3,387,012			50,764,620
Undistributed-current:					
Instruction	1,104,052				1,104,052
Attendance/social work	213,081				213,081
Health services	1,100,703				1,100,703
Other support services	7,537,425	5,256,054			12,793,479
Improvement of instruction	2,676,002				2,676,002
Education media library	614,878				614,878
Other support: instructional staff	3,338				3,338
General administration	1,924,093				1,924,093
School administration	4,162,646				4,162,646
Central services	1,175,176				1,175,176
Administrative information technology	1,010,647				1,010,647
Required maintenance of plant services	2,516,072				2,516,072
Operation of plant	16,957,979	134,108			17,092,087
Student transportation	5,234,934				5,234,934
Unallocated benefits	18,641,066				18,641,066
On-behalf TPAF social security and pension contributions	22,133,466				22,133,466
Charter schools - current	619,468				619,468
Debt Service:					
Principal				3,315,000	3,315,000
Interest				317,550	317,550
Total expenditures	135,002,634	8,777,174	-	3,632,550	147,412,358
Excess (deficiency) of revenues over (under) expenditures	5,460,573	(387,603)	-	1	5,072,971
Other financing sources (uses)					
Transfers in		205,297			205,297
Transfers out	(205,297)				(205,297)
Total other financing sources (uses)	(205,297)	205,297	-	-	-
Net change in fund balances	5,255,276	(182,306)	-	1	5,072,971
Fund balances, July 1 - Restated	41,769,799	213,260	910,781	1	42,893,841
Fund balances, June 30	\$ 47,025,075	\$ 30,954	\$ 910,781	\$ 2	\$ 47,966,812

The reconciliation of the fund balances of governmental funds to the net position 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, 2021

**Total net change in fund balances - governmental funds (from B-2)** \$ 5,072,971

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

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

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

	\$ 8,435,017	
Capital outlays		
Depreciation expense	(3,771,740)	
		4,663,277

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. 3,315,000

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.

	221,982	
Amortization of Premium on Bonds		
Amortization of Deferred Accounting Loss	(205,595)	
		16,387

In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due. 55,783

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). 24,020

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Pension expense		882,486

**Change in net position of governmental activities (A-2)** \$ 14,029,924

See accompanying notes to the basic financial statements.

## **Proprietary Funds**



Piscataway Township School District  
Proprietary Funds

Statement of Net Position

June 30, 2021

	<u>Major Funds</u>			<u>Non-Major Funds</u>
	<u>Business Type Activities - Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Food Service</u>	<u>Adult and Community Education</u>	<u>Totals</u>	<u>Self Insurance Fund</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,282,938	\$ 3,840,436	\$ 5,123,374	\$ 8,591,565
Accounts receivable:				
State	32,947		32,947	
Federal	545,168		545,168	
Other	146,551	3,630	150,181	
Interfund		210,257	210,257	757,364
Other assets		49,908	49,908	
Inventories	18,950		18,950	
Total current assets	<u>2,026,554</u>	<u>4,104,231</u>	<u>6,130,785</u>	<u>9,348,929</u>
Capital assets:				
Equipment	998,819	745,950	1,744,769	
Accumulated depreciation	(968,225)	(705,496)	(1,673,721)	
Total capital assets, net	<u>30,594</u>	<u>40,454</u>	<u>71,048</u>	
Total assets	<u>2,057,148</u>	<u>4,144,685</u>	<u>6,201,833</u>	<u>9,348,929</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,304,297	33,066	1,337,363	7,398
Interfund payable		757,364	757,364	1,576,474
Accrued liability for insurance claims				5,064,802
Unearned revenue	83,125	296,613	379,738	
Total current liabilities	<u>1,387,422</u>	<u>1,087,043</u>	<u>2,474,465</u>	<u>6,648,674</u>
<b>Net Position</b>				
Net investment in capital assets	30,594	40,454	71,048	
Unrestricted	639,132	3,017,188	3,656,320	2,700,255
Total net position	<u>\$ 669,726</u>	<u>\$ 3,057,642</u>	<u>\$ 3,727,368</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, 2021

	<b>Major Funds</b>			<b>Non-Major Funds</b>
	<b>Business Type Activities - Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>Food Service</b>	<b>Adult and Community Education</b>	<b>Totals</b>	<b>Self Insurance Fund</b>
	<u>Food Service</u>	<u>Adult and Community Education</u>	<u>Totals</u>	<u>Self Insurance Fund</u>
<b>Operating revenues:</b>				
Local sources:				
Daily food sales-reimbursable programs	\$ 206,800		\$ 206,800	
Daily food sales non-reimbursable programs	20,452		20,452	
Tuition		\$ 840,784	840,784	
Charges for services		3,013,571	3,013,571	\$ 20,006,049
Special function	20,556		20,556	
Miscellaneous	2,271	22,266	24,537	
Total operating revenues	<u>250,079</u>	<u>3,876,621</u>	<u>4,126,700</u>	<u>20,006,049</u>
<b>Operating expenses:</b>				
Salaries of the Food Service Management Co.	517,351	2,687,669	3,205,020	
Purchased professional services	5,828		5,828	
Employee benefits of the Food Service Mgmt Co.	157,199	757,364	914,563	20,006,049
Purchased property services		573,162	573,162	
Other purchased services	689,441	556,615	1,246,056	
Supplies and materials	94,896	332,117	427,013	
Cost of sales - program	2,816,545		2,816,545	
Cost of sales - non-program	279		279	
Depreciation	14,727	12,644	27,371	
Miscellaneous	6,090	17,898	23,988	
Total operating expenses	<u>4,302,356</u>	<u>4,937,469</u>	<u>9,239,825</u>	<u>20,006,049</u>
Operating (loss) income	(4,052,277)	(1,060,848)	(5,113,125)	-
<b>Nonoperating revenues:</b>				
State sources:				
State school lunch program	112,136		112,136	
Additional State Subsidy	11,132		11,132	
Federal sources:				
School breakfast program	1,276,637		1,276,637	
School breakfast program - CARES ACT	220,559		220,559	
After School Snack Program	31,842		31,842	
National school lunch program	2,214,676		2,214,676	
National school lunch program - CARES ACT	377,053		377,053	
P-EBT Administrative Cost Reimbursements	3,063		3,063	
Healthy Hunger Free Kids Act (HHFKA)	50,416		50,416	
Food donation program	108,727		108,727	
Total nonoperating revenues	<u>4,406,241</u>	<u>-</u>	<u>4,406,241</u>	<u>-</u>
Change in net position	353,964	(1,060,848)	(706,884)	-
Total net position-beginning	<u>315,762</u>	<u>4,118,490</u>	<u>4,434,252</u>	<u>2,700,255</u>
Total net position-ending	<u>\$ 669,726</u>	<u>\$ 3,057,642</u>	<u>\$ 3,727,368</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, 2021

	Major Funds			Non-Major Funds
	Business Type Activities -			Internal
	Enterprise Funds			Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 251,864	\$ 6,766,151	\$ 7,018,015	
Payments to employees of the Food Service Management Co	(517,351)	(2,687,669)	(3,205,020)	
Payments for employee benefits of the Food Service Mgmt Co	(157,199)	(757,364)	(914,563)	
Payments to suppliers	(2,785,479)	(1,771,350)	(4,556,829)	
Receipts from services provided				\$ 20,006,049
Payments for insurance				(19,415,028)
Net cash (used in) provided by operating activities	(3,208,165)	1,549,768	(1,658,397)	591,021
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds		(92,814)	(92,814)	
Cash received from state and federal reimbursements	4,197,921		4,197,921	
Net cash provided by noncapital financing activities	4,197,921	(92,814)	4,105,107	-
<b>Cash flows from investing activities</b>				
Acquisition of capital assets	(3,559)	-	(3,559)	
Net cash (used in) investing activities	(3,559)	-	(3,559)	-
Net (decrease) increase in cash and cash equivalents	986,197	1,456,954	2,443,151	591,021
Cash and cash equivalents, beginning of year	296,741	2,383,482	2,680,223	8,000,544
Cash and cash equivalents, end of year	<u>\$ 1,282,938</u>	<u>\$ 3,840,436</u>	<u>\$ 5,123,374</u>	<u>\$ 8,591,565</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:</b>				
Operating (loss)	\$ (4,052,278)	\$ (1,060,848)	\$ (5,113,126)	\$ -
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	14,727	12,644	27,371	
Change in assets and liabilities:				
Decrease in accounts receivable	8,758	2,641,749	2,650,507	92,814
(Decrease) Increase in accounts payable	846,550	(81,301)	765,249	(256,031)
Increase in interfund payable		(210,257)	(210,257)	298,167
(Increase) in inventory	(18,950)		(18,950)	
Increase (decrease) in unearned revenue	(6,972)	247,781	240,809	
Decrease in accrued liability for insurance claims				456,071
Net cash (used in) provided by operating activities	<u>\$ (3,208,165)</u>	<u>\$ 1,549,768</u>	<u>\$ (1,658,397)</u>	<u>\$ 591,021</u>

**Noncash noncapital financing activities:**

The District received \$108,727 of food commodities from the Department of Agriculture for the year ended June 30, 2021.

See accompanying notes to the basic financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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, 2021

**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 and proprietary funds. 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 with the exception of the internal service fund, which is presented in the financial statements as a non-major fund. Each major and non-major individual funds are reported as separate columns in the fund financial statements.

**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, 2021

**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. Since the District's unemployment and payroll agency funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which 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 and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective July 1, 2020.

*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. Since the District's scholarship and student activity funds do not meet the new criteria defined by the new of Governmental Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective July 1, 2020.

*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).

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

*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.

The District reports the following non-major proprietary fund:

*Internal Service Fund (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.

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

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 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.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**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 2020-21 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Capital Assets**

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**I. Compensated Absences**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,006,828 and no liability existed for compensated absences in the enterprise funds.

**J. Unearned Revenue**

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**L. Long-Term Obligations**

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

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

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

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2021, the District has recorded an unamortized balance of \$231,293 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**N. Fund Balances (continued)**

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

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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**N. Fund Balances (continued)**

Of the \$47,025,075 of fund balance in the General Fund, \$15,546,231 has been restricted in the capital reserve account, \$1,759,434 has been restricted for the unemployment reserve account, \$4,716,739 has been restricted in the maintenance reserve account, \$8,289,133 is restricted for current year excess surplus, \$7,166,570 is restricted for prior year excess surplus, \$5,008,283 of encumbrances are assigned to other purposes, \$8,756 is assigned for subsequent year expenditures related to FFCRA/SEMI, and \$4,529,929 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, 2021

**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.

**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, 2021 was \$15,455,703. Of this amount, \$7,166,570 has been appropriated in the 2021-2022 budget and the remaining \$8,289,133 is required to be appropriated in the 2022-2023 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. 72, "*Fair Value Measurement and Application*." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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**

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a "fiduciary activity," then it is a "governmental activity." The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District's payroll and agency activity and unemployment compensation activity are reported in the general fund and the District's scholarship and student activity funds are reported in the special revenue funds as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**V. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 1, 2022, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

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

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$9,281,555 difference are as follows:

Bonds payable	\$ 7,025,000
Unamortized premium on bonds	249,727
Compensated absences	<u>2,006,828</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 9,281,555</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



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

collateral, having a market value at last equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**Deposits**

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

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

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

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

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

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, 2021, the District's carrying amount of deposits was \$60,037,252 and the bank balance was \$61,731,475. Of the bank balance, \$500,000 was secured by federal depository insurance and \$60,438,300 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$793,175 held in the District's agency accounts are not

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

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

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

**Investments**

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

As of June 30, 2021, the District's investment balances of \$1,490,952 were in Solar Renewable Energy Certificates. The District categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurement as of June 30, 2021:

- Solar Renewable Energy Credits in the amount of \$1,490,952 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, 2021:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>			
Capital assets, not being depreciated:			
Land	\$ 1,542,967		\$ 1,542,967
Construction in progress	2,472,000	\$ 6,833,150	9,305,150
Total capital assets, not being depreciated	4,014,967	6,833,150	10,848,117
Capital assets, being depreciated:			
Buildings and building improvements	131,999,023		131,999,023
Machinery, equipment and vehicles	10,486,855	1,601,867	12,088,722
Total capital assets being depreciated	142,485,878	1,601,867	144,087,745
Less accumulated depreciation for:			
Buildings and building improvements	62,474,578	3,283,075	65,757,653
Machinery, equipment and vehicles	8,354,836	488,665	8,843,501
Total accumulated depreciation	70,829,414	3,771,740	74,601,154
Total capital assets, being depreciated, net	71,656,464	(2,169,873)	69,486,591
Governmental activities capital assets, net	<u>\$ 75,671,431</u>	<u>\$ 4,663,277</u>	<u>\$ 80,334,708</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2021 as follows:

Instruction	\$ 1,915,168
Attendance/social work	7,837
Health services	40,481
Other support services	474,111
Improvement of instruction	98,418
Education media library	22,614
Other support: Instruction staff	123
General administration	70,764
School administration	153,093
Central services	43,220
Administrative information technology	37,169
Plant operation and maintenance	716,213
Student transportation	192,529
Total depreciation expense - governmental activities	<u>\$ 3,771,740</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$ 1,741,210	\$ 3,559	\$ 1,744,769
Less accumulated depreciation for:			
Equipment	1,646,350	27,371	1,673,721
Total business-type activities capital assets, net	<u>\$ 94,860</u>	<u>\$ (23,812)</u>	<u>\$ 71,048</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**5. Long-Term Liabilities**

During the year ended June 30, 2021, the following changes occurred in governmental activities long-term liabilities:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
<b>Governmental activities:</b>					
Compensated absences payable	\$ 2,030,848	\$ 149,750	\$ 173,770	\$ 2,006,828	\$ 200,683
Bonds payable	10,340,000		3,315,000	7,025,000	3,450,000
Unamortized premium on bonds	471,709		221,982	249,727	221,982
Accrued liability for insurance claims	4,608,731	20,462,120	20,006,049	5,064,802	2,878,000
Subtotal	17,451,288	20,611,870	23,716,801	14,346,357	6,750,665
Net pension liability	31,596,744		2,216,518	29,380,226	
Governmental activities long- term liabilities	<u>\$ 49,048,032</u>	<u>\$ 20,611,870</u>	<u>\$ 25,933,319</u>	<u>\$ 43,726,583</u>	<u>\$ 6,750,665</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, 2021

**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:			
2022	\$ 3,450,000	\$ 188,313	\$ 3,638,313
2023	3,575,000	66,725	3,641,725
	<u>\$ 7,025,000</u>	<u>\$ 255,038</u>	<u>\$ 7,280,038</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 purpose of the bonds were to advance refund all of the outstanding callable principal amount of the originally issued \$35,507,000 2002 School Bonds maturing after August 15, 2014 at par plus any unpaid accrued interest through August 15, 2013, which was the date fixed for redemption. The bonds mature annually through the 2023 fiscal year at annual interest rates ranging from 2.75% 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, 2021

**6. Pension Plans (continued)**

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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, 2021, the State of New Jersey contributed \$18,257,038 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 \$3,876,428 during the year ended June 30, 2021 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, 2021, 2020 and 2019 were \$1,970,918, \$1,705,719, and \$1,775,857 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, 2021

**6. Pension Plans (continued)**

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

Public Employees' Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$29,380,226 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.1801651618 percent, which was an increase of 0.0048077579 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$1,088,432 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 534,966	\$ 103,901
Changes of assumptions	953,128	12,301,779
Net difference between projected and actual earnings on pension plan investments	1,004,240	
Changes in proportion		611,232
Changes in proportion and differences between District contributions and proportionate share of contributions	1,101,466	
District contributions subsequent to the measurement date	2,097,711	
	<u>\$ 5,691,511</u>	<u>\$ 13,016,912</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**6. Pension Plans (continued)**

\$2,097,711 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:

Year ended June 30:	
2022	\$ (2,801,784)
2023	(3,382,944)
2024	(2,180,416)
2025	(917,909)
2026	(140,059)
	<u>\$ (9,423,112)</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**6. Pension Plans (continued)**

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**6. Pension Plans (continued)**

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 36,984,803	\$ 29,380,226	\$ 22,927,534

*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, 2021

**6. Pension Plans (continued)**

*Additional Information*

Collective balances at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$ 16,435,616,426

District's Proportion	0.1801651618%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 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, 2020 was \$312,253,650. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2021

**6. Pension Plans (continued)**

the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.474197960 percent, which was an increase of 0.0053930007% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$19,417,262 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	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on 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-2020.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**6. Pension Plans (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% Decrease (4.40%)</b>	<b>At Current Discount Rate (5.40%)</b>	<b>At 1% Increase (6.40%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 366,778,482	\$ 312,253,650	\$ 266,979,929

*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, 2021

**6. Pension Plans (continued)**

**Additional Information**

Collective balances at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 9,626,548,228
Deferred inflows of resources	\$ 14,591,988,841
Net pension liability	\$ 65,993,498,688

State's proportionate share associated with the District	0.4741979595%
--	---------------

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933.

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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

**7. Post-Retirement Benefits**

**Plan Description**

The District participates in the New Jersey State Health Benefits Program (the "SHBP"), a 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

**Funding Policy (continued)**

to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020 and 2019 were \$4,354,504, \$3,927,733, and \$4,269,841, respectively, which equaled the regional 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 nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2020</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>366,108</u></u>

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2020 was \$316,029,068 or 0.47%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

**Actuarial Assumptions and Other Inputs**

Inflation rate	2.50%		
		<u>TPA/ABP</u>	<u>PERS</u>
Salary Increases:			
Through 2026	1.55 - 4.45%		2.00 - 6.00%
	based on years of service		based on age
Thereafter	1.55 - 4.45%		3.00 - 7.00%
	based on years of service		based on age

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018 and, July 1, 2014 – June 30, 2018, for TPAF and PERS, respectively.

***Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

***Discount Rate***

The discount rate for June 30, 2020 was 2.21%. 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, 2021

**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		\$ 194,322,489
Increased by:		
Service cost	\$ 8,478,549	
Interest cost	7,005,476	
Diff. between expected and actual exp.	53,829,949	
Changes of assumptions	57,727,651	
Member contributions	<u>166,760</u>	
		<u>127,208,385</u>
		321,530,874
Decreased by:		
Gross benefit payments	<u>5,501,806</u>	
		<u>(5,501,806)</u>
Balance at June 30, 2020		<u>\$ 316,029,068</u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 was \$102,539,568 and \$80,425,393, respectively.

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

	1% Decrease (1.21%)	At Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 380,989,354	\$ 316,029,068	\$ 265,236,381

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$255,109,321	\$316,029,068	\$388,570,947

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$15,538,772 for OPEB expenses incurred by the State.

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

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

**8. Deferred Compensation**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**9. Interfund Receivables and Payables**

The total interfund receivables and payables for the District at June 30, 2021 are as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 1,674,702	
Special Revenue Fund		\$ 308,485
Self Insurance Internal Service Fund	757,364	1,576,474
Community Education Program	210,257	757,364
	<u>\$ 2,642,323</u>	<u>\$ 2,642,323</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, 2021 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.

**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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**11. Contingent Liabilities (continued)**

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.

During fiscal year 2021, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be approximately \$372,598, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

**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 Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

**Self-Insurance**

The District is self-insured for workers' compensation, medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities.

The accrued liability for unpaid workers' compensation, medical, prescription and dental claims of \$5,064,802 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The workers' compensation IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 3% discount rate in determining the workers' compensation present value of the liability.

The IBNR liability for medical, prescription and dental benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported.



Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**12. Risk Management (continued)**

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

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2021, 2020, and 2019 were:

	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at End of Year</b>
2020-21	\$ 4,608,731	\$ 20,462,120	\$ 20,006,049	\$ 5,064,802
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

The District has estimated the short-term liability to be \$2,878,000, 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. Unemployment Reserve Account**

An unemployment reserve account was established by the District by transferring \$1,759,434 to an unemployment reserve from the unemployment fund in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund in 2021 resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, which required the District to record these funds as governmental activities.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$17,001,755
Increase:	
Interest Earned	44,476
Deposit approved at the June 2021 Board meeting	5,000,000
Withdrawals:	
Budget	<u>6,500,000</u>
Ending balance, June 30, 2021	<u>\$ 15,546,231</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 2,975,347
Increase:	
Interest Earned	7,621
Deposit Approved at the June 2021 Board meeting	3,000,000
Withdrawals:	
Budget	<u>1,266,229</u>
Ending balance, June 30, 2021	<u>\$ 4,716,739</u>

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJ.AC. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

**17. Deficit Fund Balance**

The District has an unassigned deficit fund balance of \$356,472 in the Special Revenue Fund as of June 30, 2021 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**17. Deficit Fund Balance (continued)**

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 \$5,008,283 at June 30, 2021 which are reported as assigned to other purposes.

**19. Transfers – Reconciliation**

The following presents a reconciliation of transfers during the 2021 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund		\$ 205,297
Special Revenue Fund	\$ 205,297	
	<u>\$ 205,297</u>	<u>\$ 205,297</u>

The transfer from general fund to the special revenue fund represents the preschool inclusion children charged to the special revenue fund.

**20. GASB Statement No. 84 Restatement**

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the government-wide and governmental fund financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**20. GASB Statement No. 84 Restatement – (continued)**

Beginning Special Revenue Fund Budgetary Fund Balances Per Schedules C-2 and E-1 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship Net Position	20,925
Due to Student Groups	498,113
Total	<u>519,038</u>
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules C-2 and E-1 at June 30, 2020 (as restated)	<u>\$ 519,038</u>
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 40,569,182
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	<u>1,753,518</u>
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	<u>\$ 42,322,700</u>
Beginning Special Revenue Fund and Modified Accrual Balances Per Schedule B-2 at June 30, 2020	\$ (305,778)
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship Net Position	20,925
Due to Student Groups	498,113
Total	<u>519,038</u>
Beginning Special Revenue Fund Modified Accrual Balance Per Schedule B-2 at June 30, 2020 (as restated)	<u>\$ 213,260</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

**20. GASB Statement No. 84 Restatement – (continued)**

Beginning General Fund Modified Accrual Fund Balances Per Schedule B-2 At June 30, 2020	\$ 40,016,281
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	<u>1,753,518</u>
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	<u>\$ 41,769,799</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 66,754,504
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	1,753,518
Scholarship Net Position	20,925
Due to Student Groups	<u>498,113</u>
Total	<u>2,272,556</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 69,027,060</u>

**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 Employees' Retirement System  
Required Supplementary Information  
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - Local Group	0.1801651618%	0.1753574039%	0.1773917708%	0.1785450280%	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 29,380,226	\$ 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
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	230.76%	248.53%	281.09%	336.30%	446.84%	318.71%	284.96%	277.44%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%	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 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.



Piscataway Township School District  
Schedule of District Contributions  
Public Employees' Retirement System  
Required Supplementary Information  
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,970,918	\$ 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
Contributions in relation to the contractually required contribution	(1,970,918)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,770,871	\$ 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
Contributions as a percentage of covered-employee payroll	15.43%	13.40%	13.97%	13.57%	13.09%	12.17%	11.75%	11.02%	11.45%	12.41%

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  
Required Supplementary Information  
Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.474197960%	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	\$ 312,253,650	\$ 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>\$ 312,253,650</u>	<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	24.60%	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 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

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  
Required Supplementary Information  
Last Ten Fiscal Years\*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021
State's proportion of the OPEB Liability associated with the District -	0.47%	0.46%	0.47%	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	\$ 316,029,068
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>	<u>\$ 316,029,068</u>
Beginning Balance	\$ 270,987,900	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489
Increased by:				
Service cost	\$ 11,094,997	\$ 9,174,245	\$ 8,039,866	\$ 8,478,549
Interest cost	7,960,142	9,214,619	8,487,763	7,005,476
Changes of assumptions			2,897,364	57,727,651
Member contributions	214,038	197,909	176,823	166,760
Diff. between expected and actual exp.				53,829,949
	19,269,177	18,586,773	19,601,816	127,208,385
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	(5,812,702)	(5,726,264)	(5,965,121)	(5,501,806)
	<u>\$ (39,299,863)</u>	<u>\$ (55,395,125)</u>	<u>\$ (39,428,189)</u>	<u>\$ (5,501,806)</u>
Balance	<u>\$ 250,957,214</u>	<u>\$ 214,148,862</u>	<u>\$ 194,322,489</u>	<u>\$ 316,029,068</u>
Covered by employee payroll	\$ 63,103,173	\$ 63,917,207	\$ 64,683,358	\$ 66,385,742
Total OPEB liability as a percentage of covered employee payroll.	397.69%	335.04%	300.42%	476.05%

\* 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 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

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

Budgetary Comparison Schedules

Piscataway Township School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 94,047,918		\$ 94,047,918	\$ 94,047,918	
Tuition from Individuals	25,000		25,000	22,838	\$ (2,162)
Tuition from LEAs within state	300,000		300,000	453,270	153,270
Transportation Fees from Individuals	300,000		300,000	19,656	(280,344)
Transportation Fees from Other LEAs	100,000		100,000		(100,000)
Rents and royalties	50,000		50,000	6,370	(43,630)
Investment Income				399,177	399,177
Interest Income	300,000		300,000	127,351	(172,649)
Interest Earned on Capital Reserve Funds	75,000		75,000	44,475	(30,525)
Interest Earned on Maintenance Reserve Funds	25,000		25,000	7,621	(17,379)
Other Restricted Miscellaneous Revenues				5,916	5,916
Miscellaneous	750,000		750,000	837,501	87,501
Total revenues - local sources	95,972,918		95,972,918	95,972,093	(825)
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	13,308,990	\$ (1,066,229)	12,242,761	12,242,761	
Extraordinary Aid	500,000		500,000	986,885	486,885
Categorical Security Aid	1,295,620		1,295,620	1,295,620	
Additional non public transportation aid				100,802	100,802
Homeless Tuition Reimbursement				21,776	21,776
On-behalf TPAF pension contributions (non-budgeted)				13,895,087	13,895,087
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,354,504	4,354,504
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				7,447	7,447
Reimbursed TPAF social security contributions (non-budgeted)				3,876,428	3,876,428
Total - state sources	22,700,458	(1,066,229)	21,634,229	44,377,158	22,742,929
Federal sources:					
Medicaid reimbursement	119,115		119,115	141,792	22,677
Total Federal sources	119,115	-	119,115	141,792	22,677
Total revenues	118,792,491	(1,066,229)	117,726,262	140,491,043	22,764,781
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,745,416	(16,383)	1,729,033	1,686,776	42,257
Grades 1-5	12,076,099	(283,614)	11,792,485	11,275,966	516,519
Grades 6-8	8,352,117	(499,999)	7,852,118	7,300,026	552,092
Grades 9-12	11,824,603	(116,000)	11,708,603	11,175,652	532,951
Home instruction - regular programs:					
Salaries of teachers	70,000		70,000	24,250	45,750
Purchased professional-educational services	48,000	200	48,200	29,419	18,781
Undistributed instruction - regular programs:					
Other salaries for instruction	245,700		245,700	224,819	20,881
Purchased professional-educational service	1,659,250	(216,492)	1,442,758	449,862	992,896
Other purchased services	49,090	1,779	50,869	16,460	34,409
General supplies	2,358,383	795,855	3,154,238	2,302,152	852,086
Textbooks	33,418		33,418	9,970	23,448
Other objects	406,318	3,876	410,194	312,991	97,203
Total instruction - regular programs	38,868,394	(330,778)	38,537,616	34,808,343	3,729,273

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Cognitive-mild:					
Salaries of teachers	\$ 481,757	\$ (49,781)	\$ 431,976	\$ 431,889	\$ 87
Other salaries for instruction	36,555	72,026	108,581	108,581	
Purchased professional ed services	208,252	(22,245)	186,007	57,371	128,636
Other purchased services	350		350		350
General supplies	10,100		10,100	8,055	2,045
Total cognitive-mild	737,014	-	737,014	605,896	131,118
Learning and/or language disabilities:					
Salaries of teachers	805,315	128,202	933,517	933,517	
Other salaries for instruction	305,090	(364)	304,726	303,753	973
Purchased professional ed services	89,251	(15,413)	73,838	717	73,121
General supplies	2,600		2,600	1,940	660
Total learning and/or language disabilities	1,202,256	112,425	1,314,681	1,239,927	74,754
Behavioral disabilities:					
Salaries of teachers	602,190	3,300	605,490	603,790	1,700
Other salaries for instruction	45,275	499	45,774	45,774	
Purchased professional ed services	208,252	(78,000)	130,252	56,580	73,672
General supplies	8,100		8,100	4,567	3,533
Total behavioral disabilities	863,817	(74,201)	789,616	710,711	78,905
Multiple disabilities:					
Salaries of teachers	91,777	1,000	92,777	92,777	
Other salaries for instruction	36,755	362	37,117	37,117	
Total multiple disabilities	128,532	1,362	129,894	129,894	-
Resource room/center:					
Salaries of teachers	5,028,138	(407,537)	4,620,601	4,041,604	578,997
Other salaries for instruction	653,274		653,274	124,892	528,382
Purchased professional ed services	267,753	178,000	445,753	273,544	172,209
General supplies	12,450		12,450	11,029	1,421
Total resource room/center	5,961,615	(229,537)	5,732,078	4,451,069	1,281,009
Autism:					
Salaries of teachers	860,370	4,819	865,189	861,044	4,145
Other salaries for instruction	246,507	22,251	268,758	268,758	
Purchased professional-educational services	275,232	(27,070)	248,162	131,272	116,890
General supplies	34,020		34,020	29,063	4,957
Total autism	1,416,129	-	1,416,129	1,290,137	125,992
Preschool disabilities - full time:					
Salaries of teachers	629,525	(9,722)	619,803	510,214	109,589
Other salaries for instruction	180,532	6,022	186,554	182,854	3,700
Purchased professional-educational services	307,112	20,000	327,112	109,838	217,274
General supplies	2,100	19,951	22,051	20,542	1,509
Total preschool disabilities - full time	1,119,269	36,251	1,155,520	823,448	332,072
Total special education	11,428,632	(153,700)	11,274,932	9,251,082	2,023,850

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 1,583,063	\$ (2,975)	\$ 1,580,088	\$ 1,260,208	\$ 319,880
General supplies	7,020		7,020	706	6,314
Total basic skills/remedial - instruction	1,590,083	(2,975)	1,587,108	1,260,914	326,194
Bilingual education - instruction:					
Salaries of teachers	654,639	6,675	661,314	643,885	17,429
General supplies	9,500		9,500	1,419	8,081
Total bilingual education - instruction	664,139	6,675	670,814	645,304	25,510
School - sponsored cocurricular activities:					
Salaries	356,460	(4,500)	351,960	207,276	144,684
Purchased services	35,020	(3,547)	31,473	12,891	18,582
Supplies and materials	69,584	31,697	101,281	57,518	43,763
Other objects	8,050	(1,250)	6,800	3,030	3,770
Total school spn. cocurricular activities	469,114	22,400	491,514	280,715	210,799
School - sponsored athletics - instruction:					
Salaries	977,717	(20,400)	957,317	656,619	300,698
Purchased services	150,822	(3,417)	147,405	49,017	98,388
Supplies and materials	155,000	4,500	159,500	109,404	50,096
Other objects	43,000	19,519	62,519	48,114	14,405
Total school - sponsored athletics - instruction	1,326,539	202	1,326,741	863,154	463,587
Other supplemental / At Risk programs:					
Salaries of tutors	34,900	7,470	42,370	39,169	3,201
Purchased professional ed services	235,000	(7,470)	227,530	227,530	
General supplies	3,000		3,000	1,397	1,603
Total Other supplemental / At Risk programs	272,900	-	272,900	268,096	4,804
Total instruction	54,619,801	(458,176)	54,161,625	47,377,608	6,784,017
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.	25,000	29,287	54,287	49,862	4,425
Tuition to other LEAs w/in the state - sp.	496,620	329,640	826,260	703,977	122,283
Tuition to private schools for the handicapped - within state	900,000	(417,479)	482,521	292,881	189,640
Tuition to private schools disabled & other LEAs-Spl, O/S St		39,279	39,279	39,279	
Tuition - state facilities	18,053		18,053	18,053	
Total instruction	1,439,673	(19,273)	1,420,400	1,104,052	316,348

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 237,276	\$ (11,114)	\$ 226,162	\$ 209,971	\$ 16,191
Other purchased services	4,000		4,000	2,367	1,633
Supplies and materials	1,500	11	1,511	743	768
Total attendance and social work services	242,776	(11,103)	231,673	213,081	18,592
Health services:					
Salaries	1,028,275	12,148	1,040,423	1,039,187	1,236
Purchased professional and technical services	33,000	(18,985)	14,015	14,015	
Other purchased services	1,150	(865)	285	285	
Supplies and materials	28,000	19,216	47,216	47,216	
Total health services	1,090,425	11,514	1,101,939	1,100,703	1,236
Speech, OT, PT, and related services related services:					
Salaries	1,589,795		1,589,795	1,474,051	115,744
Purchased professional educational services	127,000		127,000	37,252	89,748
Supplies and materials	15,000		15,000	10,965	4,035
Total Speech, OT, PT, and related services	1,731,795	-	1,731,795	1,522,268	209,527
Other support services - students - extra services:					
Salaries	342,133	276,504	618,637	452,846	165,791
Purchased professional educational services	904,354	(449,117)	455,237	178,075	277,162
Supplies and materials	20,000		20,000	7,929	12,071
Other objects		7,450	7,450	3,650	3,800
Total other support services - students - extra services	1,266,487	(165,163)	1,101,324	642,500	458,824
Guidance:					
Salaries of other professional staff	2,010,564	(64,032)	1,946,532	1,912,703	33,829
Salaries of secretarial and clerical assistants	369,384	(2,362)	367,022	352,032	14,990
Other Salaries	48,890	8,911	57,801	45,331	12,470
Purchased professional - educational services	321,500	51,673	373,173	133,082	240,091
Other purchased professional - technical	200		200	25	175
Other purchased services	5,450		5,450	1,513	3,937
Supplies and materials	36,675		36,675	23,490	13,185
Other objects	1,305		1,305	932	373
Total guidance	2,793,968	(5,810)	2,788,158	2,469,108	319,050
Child Study Team:					
Salaries of other professional staff	2,720,641		2,720,641	2,497,044	223,597
Salaries of secretarial and clerical assistants	277,273		277,273	271,579	5,694
Other Salaries	66,500		66,500	58,384	8,116
Purchased professional - educational services	55,000	50,000	105,000	59,873	45,127
Other purchased services (400-500 series)	16,500	(1,000)	15,500	2,764	12,736
Supplies and materials	15,000		15,000	13,710	1,290
Other objects		1,000	1,000	195	805
Total child study team	3,150,914	50,000	3,200,914	2,903,549	297,365



Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 1,514,787	\$ 14,983	\$ 1,529,770	\$ 1,404,730	\$ 125,040
Salaries of secretarial and clerical assistants	139,384	(1,625)	137,759	126,235	11,524
Other Salaries	87,930	24,945	112,875	110,615	2,260
Salaries of facilitators, math & literacy coaches	765,046	(24,603)	740,443	645,266	95,177
Purchased professional - educational services	44,477	(2,985)	41,492	30,763	10,729
Other purchased services	3,200		3,200	220	2,980
Supplies and materials	373,400	18,126	391,526	355,207	36,319
Other objects	8,670	(3,000)	5,670	2,966	2,704
Total improvement of instructional services	2,936,894	25,841	2,962,735	2,676,002	286,733
Educational media services/school library:					
Salaries	448,641	57,483	506,124	493,547	12,577
Salaries of Technology Coordinators	64,911		64,911	57,266	7,645
Purchased professional and technical services	14,500		14,500	13,149	1,351
Supplies and materials	52,010	3,922	55,932	50,916	5,016
Total educational media services/school library	580,062	61,405	641,467	614,878	26,589
Instructional staff training services:					
Other purchased services	30,550		30,550	3,338	27,212
Total instructional staff training services	30,550	-	30,550	3,338	27,212
Support services-general administration:					
Salaries	684,055	250,000	934,055	640,588	293,467
Salaries of attorneys	142,033		142,033	141,934	99
Legal services	60,000	59,684	119,684	66,351	53,333
Audit fees	80,000		80,000	73,440	6,560
Architectural / engineering services	150,000	223,909	373,909	198,474	175,435
Other purchased professional services	60,000	(1,600)	58,400	40,016	18,384
Purchased technical services	40,000	1,600	41,600	41,527	73
Communications/telephone	576,000	16,553	592,553	353,912	238,641
BOE Other purchased services	10,000		10,000		10,000
Misc Purch Services	442,000		442,000	268,275	173,725
General supplies	158,500	(27,216)	131,284	52,006	79,278
Judgments against the school district	75,000		75,000		75,000
Miscellaneous expenditures	30,000	2,000	32,000	20,785	11,215
BOE membership dues and fees	40,000		40,000	26,785	13,215
Total support services-general administration	2,547,588	524,930	3,072,518	1,924,093	1,148,425

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/ assistant principals	\$ 2,929,786	\$ 45,298	\$ 2,975,084	\$ 2,904,943	\$ 70,141
Salaries of other prof staff	139,600	3,540	143,140	143,140	
Salaries of secretarial and clerical assistants	978,976	(16,033)	962,943	922,161	40,782
Other salaries	28,541	351,642	380,183	18,514	361,669
Purchased professional and technical services	15,000	(3,036)	11,964	4,980	6,984
Other purchased services	6,700		6,700		6,700
Supplies and materials	147,151	17,914	165,065	128,279	36,786
Other objects	66,532	19,200	85,732	40,629	45,103
<b>Total support services-school administration</b>	<b>4,312,286</b>	<b>418,525</b>	<b>4,730,811</b>	<b>4,162,646</b>	<b>568,165</b>
Central services:					
Salaries	1,074,531		1,074,531	1,015,565	58,966
Purchased technical services	60,000		60,000	51,053	8,947
Misc. purchased services	129,000	3,123	132,123	87,109	45,014
Supplies and materials	43,000	(4,105)	38,895	9,806	29,089
Other objects	12,500	2,275	14,775	11,643	3,132
<b>Total central services</b>	<b>1,319,031</b>	<b>1,293</b>	<b>1,320,324</b>	<b>1,175,176</b>	<b>145,148</b>
Administrative information technology:					
Salaries	985,878	(214,694)	771,184	640,629	130,555
Purchased technical services	12,000	215,857	227,857	4,312	223,545
Other purchased services	20,500		20,500	371	20,129
Supplies and Materials	71,500	84,437	155,937	62,388	93,549
Other objects	300,683	163,328	464,011	302,947	161,064
<b>Total administrative information technology</b>	<b>1,390,561</b>	<b>248,928</b>	<b>1,639,489</b>	<b>1,010,647</b>	<b>628,842</b>
Required maintenance for school facilities:					
Salaries	1,228,887	(125,000)	1,103,887	1,068,392	35,495
Cleaning, repair and maintenance services	1,373,483	52,534	1,426,017	924,123	501,894
General supplies	391,352	215,713	607,065	521,792	85,273
Other objects	105,500	(12,400)	93,100	1,765	91,335
<b>Total required maintenance for school facilities</b>	<b>3,099,222</b>	<b>130,847</b>	<b>3,230,069</b>	<b>2,516,072</b>	<b>713,997</b>
Custodial Services:					
Salaries	3,121,209	(208,065)	2,913,144	2,834,002	79,142
Purchased professional and technical services	330,950	96,862	427,812	402,326	25,486
Cleaning, repair and maintenance services	251,272	14,294	265,566	225,852	39,714
Rental of land & building	250,000	665,000	915,000		915,000
Other purchased property services	260,000	(100,000)	160,000	130,644	29,356
Insurance	940,000		940,000	913,914	26,086
General supplies	338,000	50,723	388,723	291,391	97,332
Energy - Natural gas	513,000	118,099	631,099	236,975	394,124
Energy - Electricity	1,615,000	(64,018)	1,550,982	1,110,789	440,193
Energy - Gasoline	100,000	(100,000)		(5,408)	5,408
Other objects		2,030	2,030	1,450	580
<b>Total custodial services</b>	<b>7,719,431</b>	<b>474,925</b>	<b>8,194,356</b>	<b>6,141,935</b>	<b>2,052,421</b>
Care & upkeep of grounds:					
Salaries	445,613		445,613	408,468	37,145
Cleaning, repair and maintenance services	124,500	13,363	137,863	118,395	19,468
General supplies	114,900	15,233	130,133	113,344	16,789
Other objects		1,020	1,020	990	30
<b>Total care &amp; upkeep of grounds</b>	<b>685,013</b>	<b>29,616</b>	<b>714,629</b>	<b>641,197</b>	<b>73,432</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 1,039,176		\$ 1,039,176	\$ 785,474	\$ 253,702
Purchased professional and technical services	160,000	\$ 10,991	170,991	56,747	114,244
Cleaning, repair and maintenance services	20,000		20,000		20,000
General supplies	150,000	18,649	168,649	50,022	118,627
Other objects	10,000		10,000		10,000
<b>Total Security</b>	<b>1,379,176</b>	<b>29,640</b>	<b>1,408,816</b>	<b>892,243</b>	<b>516,573</b>
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	12,000		12,000	1,519	10,481
Between home and school - regular	1,170,511	(761,662)	408,849	269,176	139,673
Between home and school - special	50,000	773,660	823,660	823,660	
Other than between home & school	70,000	(12,000)	58,000	5,470	52,530
Between home and school - non public	70,000		70,000	26,026	43,974
Other purchased professional services	650,000		650,000	108,933	541,067
Cleaning, repair and maintenance	300,000	203,957	503,957	404,113	99,844
Rental payment - school buses	35,000		35,000		35,000
Contracted services:					
Between home & school - regular	2,804,000	(477,193)	2,326,807	2,224,819	101,988
Other between home & school - regular	584,275	(114,199)	470,076	49,327	420,749
Between home & school - jointures	100,000		100,000		100,000
Vendors - special ed	25,000		25,000		25,000
ESCs & CTSAs - regular ed	450,000		450,000	93,024	356,976
ESCs & CTSAs - special ed	1,200,000		1,200,000	852,772	347,228
Aid in lieu - nonpublic	200,000	7,993	207,993	133,809	74,184
Aid in lieu - charter	40,000	1,999	41,999	3,666	38,333
Miscellaneous purchased services - Transportation	51,000	1,120	52,120	41,339	10,781
General Supplies	90,000	50,000	140,000	91,237	48,763
Transportation Supplies and materials	300,000		300,000	106,044	193,956
Miscellaneous expenditures	2,000		2,000		2,000
<b>Total student transportation services</b>	<b>8,203,786</b>	<b>(326,325)</b>	<b>7,877,461</b>	<b>5,234,934</b>	<b>2,642,527</b>
Unallocated benefits:					
Social security contributions	1,500,000	(75,736)	1,424,264	1,211,529	212,735
Other retirement contributions - PERS	1,930,000	83,736	2,013,736	2,008,824	4,912
Worker's compensation	405,000	(8,000)	397,000	349,252	47,748
Health insurance	16,396,845	(262,946)	16,133,899	14,820,362	1,313,537
Tuition reimbursement	140,000		140,000	43,875	96,125
Other employee benefits	300,000		300,000	207,224	92,776
<b>Total unallocated benefits</b>	<b>20,671,845</b>	<b>(262,946)</b>	<b>20,408,899</b>	<b>18,641,066</b>	<b>1,767,833</b>
On-behalf TPAF pension contributions (non-budgeted)				13,895,087	(13,895,087)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,354,504	(4,354,504)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				7,447	(7,447)
Reimbursed TPAF social security contributions (non-budgeted)				3,876,428	(3,876,428)
<b>Total personal services: benefits</b>	<b>20,671,845</b>	<b>(262,946)</b>	<b>20,408,899</b>	<b>40,774,532</b>	<b>(20,365,633)</b>
Interest deposit to maintenance reserve	25,000		25,000		25,000
<b>Total undistributed expenditures</b>	<b>66,616,483</b>	<b>1,216,844</b>	<b>67,833,327</b>	<b>77,722,954</b>	<b>(9,889,627)</b>
<b>Total current expenditures</b>	<b>121,236,284</b>	<b>758,668</b>	<b>121,994,952</b>	<b>125,100,562</b>	<b>(3,105,610)</b>

Piscataway Township School District  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 1-5	\$ 100,000		\$ 100,000	\$ 3,750	\$ 96,250
Grades 6-8	100,000	\$ 14,900	114,900	10,400	104,500
Grades 9-12	280,000		280,000	3,815	276,185
Admin Info Tech	150,000	245,373	395,373	251,994	143,379
Required maintenance for school facilities	546,098	(13,307)	532,791	365,941	166,850
Undistributed expenditure Security		19,750	19,750		19,750
School buses - regular		445,068	445,068	445,068	
School buses - special		532,124	532,124	532,124	
Total equipment	1,176,098	1,243,908	2,420,006	1,613,092	806,914
Facilities acquisition and construction services:					
Architectural / engineering	250,000	667,075	917,075	170,256	746,819
Construction services	7,000,000	3,046,478	10,046,478	7,255,751	2,790,727
Assessment for Debt Service on SDA Funding	243,505		243,505	243,505	
Total facilities acquisition and construction services	7,493,505	3,713,553	11,207,058	7,669,512	3,537,546
Interest deposit to capital reserve	75,000		75,000		75,000
Total expenditures - capital outlay	8,744,603	4,957,461	13,702,064	9,282,604	4,419,460
Transfer of funds to charter schools	708,091	32,909	741,000	619,468	121,532
Total expenditures	130,688,978	5,749,038	136,438,016	135,002,634	1,435,382
(Deficiency) excess of revenues (under) over expenditures	(11,896,487)	(6,815,267)	(18,711,754)	5,488,409	24,200,163
Other financing sources (uses):					
Transfers Out (Special Revenue Fund)	(303,380)		(303,380)	(205,297)	98,083
Total other financing sources (uses)	(303,380)	-	(303,380)	(205,297)	98,083
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(12,199,867)	(6,815,267)	(19,015,134)	5,283,112	24,298,246
Fund balances, July 1 - Restated	42,322,700		42,322,700	42,322,700	
Fund balances, June 30	\$ 30,122,833	\$ (6,815,267)	\$ 23,307,566	\$ 47,605,812	\$ 24,298,246
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted general fund balance	\$ (5,499,867)		\$ (5,499,867)	\$ 18,798,379	\$ 24,298,246
Budgeted withdrawal from capital reserve	(6,500,000)		(6,500,000)	(6,500,000)	
Budgeted withdrawal from maintenance reserve	(200,000)	\$ (1,066,229)	(1,266,229)	(1,266,229)	
Adjustment for prior year encumbrances, net		(5,749,038)	(5,749,038)	(5,749,038)	
Total	\$ (12,199,867)	\$ (6,815,267)	\$ (19,015,134)	\$ 5,283,112	\$ 24,298,246
Recapitulation of fund balance:					
Restricted for:					
Capital reserve				\$ 15,546,231	
Maintenance reserve				4,716,739	
Unemployment liability reserve				1,759,434	
Excess surplus - prior year				7,166,570	
Excess surplus - current year				8,289,133	
Assigned to:					
Year end encumbrances				5,008,283	
Designated for subsequent year's expenditures - FFCRA/SEMI				8,756	
Unassigned fund balance				5,110,666	
				47,605,812	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(2,071,689)	
Solar Renewable Energy Credits (SREC) Income				1,490,952	
Fund balance per Government Funds (GAAP) (B-1)				\$ 47,025,075	

Piscataway Township School District  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
State sources	\$ 5,587,176	\$ 561,454	\$ 6,148,630	\$ 4,730,675	\$ (1,417,955)
Federal sources	2,504,468	4,938,497	7,442,965	3,804,905	(3,638,060)
Other sources		667,343	667,343	387,898	(279,445)
<b>Total revenues</b>	<b>8,091,644</b>	<b>6,167,294</b>	<b>14,258,938</b>	<b>8,923,478</b>	<b>(5,335,460)</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
<b>Salaries:</b>					
Salaries of teachers		1,577,175	1,577,175	355,614	1,221,561
Other salaries for instruction		109,277	109,277		109,277
Purchased professional technical services		159,021	159,021	115,837	43,184
Other purchased services		81,975	81,975		81,975
Tuition	1,624,391	(28,096)	1,596,295	1,596,295	
Travel		22,493	22,493		22,493
Supplies and materials	45,500	1,756,579	1,802,079	1,330,310	471,769
Other objects	10,000	27,112	37,112	1,562	35,550
<b>Total instruction</b>	<b>1,679,891</b>	<b>3,705,536</b>	<b>5,385,427</b>	<b>3,399,618</b>	<b>1,985,809</b>
<b>Support services:</b>					
Salaries of other professional staff	592,504	163,925	756,429	384,725	371,704
Personal services—employee benefits	110,721	241,640	352,361	108,010	244,351
Purchased professional technical services	3,526,519	1,133,825	4,660,344	4,041,894	618,450
Rentals	475,000	(281,606)	193,394		193,394
Other purchased services	1,156,273	(536,676)	619,597	349,364	270,233
Supplies and materials	254,926	282,889	537,815	377,776	160,039
Scholarships awarded		23,995	23,995	5,000	18,995
Student activities		323,362	323,362	323,362	
Other Objects	10,000	-	10,000		10,000
<b>Total support services</b>	<b>6,125,943</b>	<b>1,351,354</b>	<b>7,477,297</b>	<b>5,590,131</b>	<b>1,887,166</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment	285,810	1,110,404	1,396,214	270,638	1,125,576
<b>Total facilities acquisition and construction services</b>	<b>285,810</b>	<b>1,110,404</b>	<b>1,396,214</b>	<b>270,638</b>	<b>1,125,576</b>
<b>Total expenditures</b>	<b>8,091,644</b>	<b>6,167,294</b>	<b>14,258,938</b>	<b>9,260,387</b>	<b>4,998,551</b>
Excess (deficiency) of revenues over (under) expenditures				(336,909)	(336,909)
Other financing sources (uses)					
Transfers in - General Fund				205,297	205,297
<b>Total other financing sources (uses)</b>				<b>205,297</b>	<b>205,297</b>
<b>Net change in fund balances</b>				<b>(131,612)</b>	
Fund Balance, July 1 - Restated				519,038	
Fund Balance, June 30				<u>\$ 387,426</u>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Scholarships				\$ 18,994	
Student Activities				368,432	
<b>Total Fund Balance</b>				<u>387,426</u>	
<b>Reconciliation to Government Funds Statements GAAP:</b>					
Last two state aid payments not recognized on GAAP basis				(356,472)	
<b>Fund balance per Government Funds (GAAP) (B-1)</b>				<u>\$ 30,954</u>	

Piscataway Township School District  
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

	<b>General Fund</b>	<b>Special Revenue Fund</b>
	<hr/>	<hr/>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 140,491,043	\$ 8,923,478
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(483,213)
Prior year		-
General and preschool state aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	2,024,041	305,778
Current year	(2,071,689)	(356,472)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis	<hr/> 19,812	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 140,463,207	<hr/> <hr/> \$ 8,389,571
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 135,002,634	\$ 9,260,387
<b>Differences - budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		-
Current year		(483,213)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 135,002,634	<hr/> <hr/> \$ 8,777,174

## **Supplementary Information**

## **Special Revenue Fund**



Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2021

	Title I		I.D.E.A.		Title II	Title III	Title III	Title IV
	Regular	Part B	Part B	Part A	Part A	Regular	Immigrant	Drug Free
	Part A	Regular	Preschool	Regular	Regular	Regular	Regular	Regular
Revenues:								
State sources								
Federal sources	\$ 465,755	\$ 1,601,572	\$ 55,890	\$ 93,788	\$ 79,223	\$ 11,948	\$ 57,863	
Other sources								
Total revenues	\$ 465,755	\$ 1,601,572	\$ 55,890	\$ 93,788	\$ 79,223	\$ 11,948	\$ 57,863	
Expenditures:								
Current expenditures:								
Instruction:								
Salaries of teachers	\$ 270,687				\$ 37,303			
Tuition		\$ 1,540,405	\$ 55,890					
Purchased professional technical services						17,317	\$ 9,288	\$ 1,452
Supplies and materials	66,327					3,609		17,183
Other objects	912							
Total instruction	337,926	1,540,405	55,890			58,229	9,288	18,635
Support services:								
Salaries of other professional staff	15,867			\$ 5,174				28,680
Personal services—employee benefits	88,500			384	15,999			2,194
Purchased professional educational services		61,167		49,663	361			2,949
Other purchased professional services	9,539			11,300				
Supplies and materials	13,923			27,267	4,634	2,660		5,405
Scholarships awarded								
Student activities								
Total support services	127,829	61,167	-	93,788	20,994	2,660		39,228
Capital outlay:								
Equipment:								
Instructional equipment								
Total Equipment								
Total expenditures	\$ 465,755	\$ 1,601,572	\$ 55,890	\$ 93,788	\$ 79,223	\$ 11,948	\$ 57,863	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures  
Budgetary Basis

Year ended June 30, 2021

	New Jersey Non-Public Aid								
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Supplementary Instruction	Nursing	Text - books	Security
	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular
	Program	Program	Program	Program	Program	Program	Program	Program	Program
Revenues:									
State sources	\$ 107,993	\$ 7,105	\$ 19,842	\$ 58,324	\$ 31,899	\$ 34,808	\$ 133,506	\$ 77,029	\$ 238,380
Federal sources									
Other sources									
Total revenues	\$ 107,993	\$ 7,105	\$ 19,842	\$ 58,324	\$ 31,899	\$ 34,808	\$ 133,506	\$ 77,029	\$ 238,380
Expenditures:									
Current expenditures:									
Instruction:									
Salaries of teachers									
Tuition									
Purchased professional technical services									
Supplies and materials									
Other objects									
Total instruction									
Support services:									
Salaries of other professional staff									
Personal services—employee benefits									
Purchased professional educational services	\$ 107,993	\$ 7,105	\$ 19,842	\$ 58,324	\$ 31,899	\$ 34,808	\$ 133,506	\$ 77,029	\$ 238,380
Other purchased professional services									
Supplies and materials									
Scholarships awarded									
Student activities									
Total support services	107,993	7,105	19,842	58,324	31,899	34,808	133,506	77,029	238,380
Capital outlay:									
Equipment:									
Instructional equipment									
Total Equipment									
Total expenditures	\$ 107,993	\$ 7,105	\$ 19,842	\$ 58,324	\$ 31,899	\$ 34,808	\$ 133,506	\$ 77,029	\$ 238,380
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2021

	Coronavirus Relief Funds		Carl Perkins	Elementary and Secondary	Elementary and Secondary	Coronavirus Response	Preschool	Student	Scholarships	Local	Totals
	School Reopening	Nonpublic		School Emergency Relief							
	and Remote Learning	Technology		Funds (ESSER) CARES Act Education Stabilization Fund	ESSRR II Grant Program	Appropriations Act (CRRSA) Learning Acceleration Grant Program	Aid	Fund	Fund		
Revenues:											
State sources							\$ 4,021,789				\$ 4,730,675
Federal sources	\$ 488,544	\$ 58,696	\$ 47,294	\$ 764,361	\$ 79,331	\$ 640					3,804,905
Other sources								\$ 193,680	\$ 3,070	\$ 191,148	387,898
Total revenues	\$ 488,544	\$ 58,696	\$ 47,294	\$ 764,361	\$ 79,331	\$ 640	\$ 4,021,789	\$ 193,680	\$ 3,070	\$ 191,148	\$ 8,923,478
Expenditures:											
Current expenditures:											
Instruction:											
Salaries of teachers			\$ 8,120		\$ 38,864	\$ 640					\$ 355,614
Tuition											1,596,295
Purchased professional technical services										\$ 87,780	115,837
Supplies and materials	\$ 348,390	\$ 58,696	28,571	\$ 750,420						57,114	1,330,310
Other objects										650	1,562
Total instruction	348,390	58,696	36,691	750,420	38,864	640				-	3,399,618
Support services:											
Salaries of other professional staff			4,080				\$ 330,924				384,725
Personal services—employee benefits			933								108,010
Purchased professional educational services							3,218,868				4,041,894
Other purchased professional services					40,467		288,058				349,364
Supplies and materials	6,046		5,590	13,941			252,706			45,604	377,776
Scholarships awarded								\$ 5,000			5,000
Student activities								\$ 323,362			323,362
Total support services	6,046		10,603	13,941	40,467		4,090,556	323,362	5,000	45,604	5,590,131
Capital outlay:											
Equipment:											
Instructional equipment	134,108						136,530				270,638
Total Equipment	134,108						136,530				270,638
Total expenditures	\$ 488,544	\$ 58,696	\$ 47,294	\$ 764,361	\$ 79,331	\$ 640	\$ 4,227,086	\$ 323,362	\$ 5,000	\$ 191,148	\$ 9,260,387
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	\$ (205,297)	\$ (129,682)	\$ (1,930)	-	\$ (336,909)
Other financing sources (uses)											
Transfers in	-	-	-	-	-	-	205,297	-	-	-	205,297
Total other financing sources (uses)	-	-	-	-	-	-	205,297	-	-	-	205,297
Net change in fund balance	-	-	-	-	-	-	-	(129,682)	(1,930)	-	(131,612)
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	498,113	20,925	-	519,038
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368,431	\$ 18,995	\$ -	\$ 387,426

Piscataway Township School District  
Special Revenue Fund

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

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Supplies and materials	\$ 55,500		\$ 55,500		\$ 55,500
<b>Support services:</b>					
Contracted Pre-Kindergarten					
Salaries of other professional staff	562,504	\$ (9,678)	552,826	\$ 330,924	221,902
Personal services—employee benefits	110,721		110,721		110,721
Purchased professional educational services	2,689,715	712,236	3,401,951	3,218,868	183,083
Other purchased professional services	918,000	(281,606)	636,394	288,058	348,336
Supplies and materials	254,926		254,926	252,706	2,220
Other objects	10,000		10,000		10,000
<b>Total support services</b>	<b>4,601,366</b>	<b>420,952</b>	<b>5,022,318</b>	<b>4,090,556</b>	<b>931,762</b>
<b>Facilities acquisition and cont. serv:</b>					
Instructional equipment	285,810		285,810	136,530	149,280
<b>Total Facilities acquisition and cont. serv:</b>	<b>285,810</b>		<b>285,810</b>	<b>136,530</b>	<b>149,280</b>
<b>Transfer from General Fund</b>				<b>205,297</b>	<b>205,297</b>
<b>Total Expenditures</b>	<b>\$ 4,887,176</b>	<b>\$ 420,952</b>	<b>\$ 5,308,128</b>	<b>\$ 4,227,086</b>	<b>\$ 1,081,042</b>

Calculation of Budget and Carryover

Total revised 2020-21 Preschool Education Aid Allocation	\$ 3,564,715
Add: Actual Preschool Education Aid Carryover June 30, 2020	1,440,033
Add: Transfer from General Fund	<u>205,297</u>
Total Preschool Education Aid Funds Available for 2020-21 Budget	5,210,045
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(5,308,128)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	(98,083)
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>1,081,042</u>
2020-21 Carryover - Preschool Education Aid/Preschool	<u>\$ 982,959</u>
2020-21 Preschool Education Aid Carryover	\$ 982,959
Budgeted for Preschool Programs 2021-22	<u>\$ 982,959</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, 2021

**Revenues and other financing sources**

State Sources - SDA Grant	
Total revenues	-

**Expenditures and Other Financing Uses**

Cancellation of SDA grant awards	\$ (3,535)
(Deficiency) of revenues (under) expenditures	(3,535)
Fund Balance, July 1	1,519,902
Fund Balance, June 30	\$ 1,516,367

Fund balance, budgetary-basis	\$ 1,516,367
Less difference in grant revenue recognized	(605,586)
Fund balance, GAAP-basis	\$ 910,781

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, 2021

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,438,876	\$ (3,535)	\$ 1,435,341	\$ 1,435,341
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	<u>2,691,894</u>	<u>-</u>	<u>2,691,894</u>	<u>2,691,894</u>
Total revenues	<u>4,130,770</u>	<u>(3,535)</u>	<u>4,127,235</u>	<u>\$ 4,127,235</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services	240,293	-	240,293	
Land and improvements	-			
Construction services	2,245,011	-	2,245,011	
Equipment	-			
Transfers to General Fund	<u>125,564</u>		<u>125,564</u>	
Total expenditures	<u>2,610,868</u>	<u>-</u>	<u>2,610,868</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,519,902</u>	<u>\$ (3,535)</u>	<u>\$ 1,516,367</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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 616,800		\$ 616,800	\$ 616,800
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	925,200		925,200	925,200
Total revenues	<u>1,542,000</u>	<u>-</u>	<u>1,542,000</u>	<u>\$ 1,542,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	28,035		28,035	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>28,035</u>	<u>-</u>	<u>28,035</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,513,965</u>	<u>\$ -</u>	<u>\$ 1,513,965</u>	
<b>Additional project information</b>				
Project number	4130-050-13-2026			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,542,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,542,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	1.82%			
Original target completion date	N/A			
Revised target completion date	To Be Determined			



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, 2021

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
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><u>\$ 205,000</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services	96,548		96,548	
Land and improvements				
Construction services	106,289		106,289	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>202,837</u>	<u>-</u>	<u>202,837</u>	
Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ 2,163</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,163</u></u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 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 2021		

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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 31,949		\$ 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>\$ 201,479</u>	<u>\$ -</u>	<u>\$ 201,479</u>	<u>\$ 201,479</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional/tech services				
Land and improvements				
Construction services	79,276		79,276	
Equipment				
Transfers to General Fund	121,964		121,964	
Total expenditures	<u>201,240</u>	<u>-</u>	<u>201,240</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 239</u>	
<b>Additional project information</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 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 2021		

Piscataway Township School District  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 (Budgetary Basis)  
 June 30, 2021

<u>Issue/Project Title</u>	<u>Revised</u> <u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Adjustments</u>	<u>Unexpended</u> <u>Balance</u>
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>		
Replacement of Exterior Metal Panels: Piscataway High School	\$ 1,542,000	\$ 28,035			\$ 1,513,965
Predevelopment Costs: Grandview Elementary School	205,000	202,837			2,163
Predevelopment Costs: Piscataway High School	184,500	184,500			
Security and Communications System Upgrade High School	338,994	340,690		\$ (1,698)	
HVAC Renovations: Martin Luther King Elementary School	201,479	201,240			239
Bathroom ADA Renovations: High School	1,655,264	1,657,101		(1,837)	
	<u>\$ 4,127,237</u>	<u>\$ 2,614,403</u>	<u>\$ -</u>	<u>\$ (3,535)</u>	<u>\$ 1,516,367</u>

## **Long-Term Debt**

Piscataway Township School District  
 Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
Refunding Bonds	8/15/2011	\$ 27,280,000	8/15/2021	\$ 3,450,000	2.75 - 5.00 %	\$ 10,340,000	\$ 3,315,000	\$ 7,025,000
			8/15/2022	3,575,000	3.00 - 5.00			
						<u>\$ 10,340,000</u>	<u>\$ 3,315,000</u>	<u>\$ 7,025,000</u>

Piscataway Township School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Revenues:					
Local sources:					
Local tax levy	\$ 3,632,551		\$ 3,632,551	\$ 3,632,551	
Total revenues	<u>3,632,551</u>		<u>3,632,551</u>	<u>3,632,551</u>	
Expenditures:					
Principal on bonds	3,315,000		3,315,000	3,315,000	
Interest on bonds	<u>317,550</u>		<u>317,550</u>	<u>317,550</u>	
Total expenditures	<u>3,632,550</u>		<u>3,632,550</u>	<u>3,632,550</u>	
Excess of revenues over expenditures	1		1	1	
Fund balance, July 1	1		1	1	
Fund balance, June 30	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</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 annual comprehensive financial reports (ACFR) for the relevant year.*



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

(accrual basis of accounting)  
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 73,291,274
Restricted	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558	27,445,978	29,490,749	35,826,876	38,776,314
Unrestricted (deficit)	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)	(29,010,604)
<b>Total governmental activities net position</b>	<u>\$ 42,748,686</u>	<u>\$ 50,347,682</u>	<u>\$ 53,734,146</u>	<u>\$ 27,463,633</u>	<u>\$ 35,899,557</u>	<u>\$ 40,496,174</u>	<u>\$ 46,204,036</u>	<u>\$ 52,919,830</u>	<u>\$ 69,027,060</u>	<u>\$ 83,056,984</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 161,558	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642	\$ 176,295	\$ 145,735	\$ 94,859	\$ 71,048
Unrestricted	1,450,891	1,992,178	3,123,809	3,838,372	3,816,947	3,900,313	4,019,418	4,218,313	4,339,393	3,656,320
<b>Total business-type activities net position</b>	<u>\$ 1,612,449</u>	<u>\$ 2,097,123</u>	<u>\$ 3,321,549</u>	<u>\$ 4,187,665</u>	<u>\$ 4,094,753</u>	<u>\$ 4,116,955</u>	<u>\$ 4,195,713</u>	<u>\$ 4,364,048</u>	<u>\$ 4,434,252</u>	<u>\$ 3,727,368</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 73,362,322
Restricted	8,288,243	9,150,815	14,489,314	13,624,731	18,054,248	24,710,558	27,445,978	29,490,749	35,826,876	38,776,314
Unrestricted (deficit)	3,148,547	3,463,290	3,089,324	(25,901,619)	(25,706,634)	(30,732,257)	(32,177,091)	(32,062,804)	(27,757,033)	(25,354,284)
<b>Total district net position</b>	<u>\$ 44,361,135</u>	<u>\$ 52,444,805</u>	<u>\$ 57,055,695</u>	<u>\$ 31,651,298</u>	<u>\$ 39,994,310</u>	<u>\$ 44,613,129</u>	<u>\$ 50,399,749</u>	<u>\$ 57,283,878</u>	<u>\$ 73,461,312</u>	<u>\$ 86,784,352</u>

Source: ACFR 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.

GASB 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$2,272,556. This amount is not reflected in the June 30, 2020 Net Position above.

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 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	\$ 90,203,669
Support services:										
Attendance/social work	389,436	386,990	386,649	413,128	349,747	395,547	446,750	380,297	366,032	398,625
Health services	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	2,020,695
Other support services	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	19,253,434
Improvement of instruction	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	4,709,866
Instructional staff training	34,678	23,696	28,802	40,621	24,087	15,643	15,308	19,771	10,605	3,461
School library	939,383	940,495	795,633	847,588	894,189	957,837	1,039,347	942,322	946,166	1,103,668
General administration	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	2,657,087
School administration	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	7,691,606
Central Services	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	2,077,909
Administrative Information Technology	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	1,589,993
Required maintenance	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	2,516,072
Operation of plant	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	13,690,787
Student transportation	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	6,380,126
Charter schools	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468
Interest on debt	1,220,708	1,154,735	1,245,698	950,025	874,589	768,766	657,863	542,686	394,633	245,382
Total governmental activities	<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>	<u>155,161,848</u>
<b>Business-type activities:</b>										
Food service	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	4,302,356
Adult and Community Education	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	4,937,469
Total business-type activities expense	<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>	<u>9,239,825</u>
Total district expenses	<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>	<u>\$ 164,401,673</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services - tuition, transportation and student activities	\$ 944,938	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606	\$ 817,142	\$ 875,661	\$ 810,662	\$ 689,444
Operating grants and contributions	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	8,195,891
Capital grants and contributions	659,323	485,203		986,815	827,637	462,836	526,133	74,474	3,772	
Total governmental activities program revenues	<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>	<u>8,885,335</u>
<b>Business-type activities:</b>										
Charges for services										
Food service	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	250,079
Adult and Community Education	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	3,876,621
Operating grants and contributions	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	4,406,241
Total business type activities program revenues	<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>	<u>8,532,941</u>
Total district program revenues	<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>	<u>\$ 17,418,276</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (146,276,513)
Business-type activities	270,806	484,674	691,024	394,061	(687,203)	9,344	62,432	76,033	(54,969)	(706,884)
Total district-wide net expense	<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>	<u>\$ (146,983,397)</u>

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 94,047,918
Taxes levied for debt service	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	3,632,551
Unrestricted grants and contributions	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	61,177,745
Investment earnings	12,753	18,898			296,015	300,695	639,884	1,034,654	943,729	418,989
Other restricted miscellaneous income										5,916
Miscellaneous income	617,694	534,778	89,711	931,991	416,278	402,888	368,615	222,117	319,466	1,023,318
Transfers	(150,000)									
Total governmental activities	<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>	<u>160,306,437</u>
Business-type activities:										
Investment earnings	1,886									
Miscellaneous income			533,402	472,055	594,291	12,858	16,326	92,302	125,174	
Transfers	150,000									
Total business-type activities	<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>	<u>-</u>
Total district-wide	<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>	<u>\$ 160,306,437</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 14,029,924
Business-type activities	422,692	484,674	1,224,426	866,116	(92,912)	22,202	78,758	168,335	70,205	(706,884)
Total district	<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>	<u>\$ 13,323,040</u>

Source: ACFR 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.

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Restated)									
General Fund										
Restricted	\$ 189,286	\$ 2,855,345	\$ 7,963,374	\$ 13,070,314	\$ 15,148,489	\$ 22,398,112	\$ 25,778,748	\$ 28,572,940	\$ 34,397,057	\$ 37,478,107
Assigned	2,973,382	3,226,887	1,578,004	840,473	1,235,982	546,031	676,712	1,707,029	5,749,038	5,017,039
Unassigned	1,074,418	467,339	798,369	630,402	1,904,116	1,724,788	1,819,029	1,386,289	1,623,704	4,529,929
Total general fund	<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>\$ 41,769,799</u>	<u>\$ 47,025,075</u>
All Other Governmental Funds										
Restricted reported in:										
Capital projects fund	\$ 12,117,881	\$ 7,195,591	\$ 3,866,408	\$ 554,417	\$ 3,252,915	\$ 2,312,446	\$ 1,667,230	\$ 917,809	\$ 910,781	\$ 910,781
Debt service fund	33,120	33,120	33,120	33,120				1	1	2
Special revenue fund									519,038	387,426
Unassigned (deficit), reported in:										
Special revenue fund	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(230,146)	(305,778)	(356,472)
Total all other governmental funds	<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>\$ 1,124,042</u>	<u>\$ 941,737</u>

Source: ACFR Schedule B-1 and District records.

Note 1: The deficits in the special revenue fund are the result of the last state aid payments being deferred until the subsequent fiscal year. See notes to the basic financial statements for additional information.

Note 2: GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for scholarship and student activity accounts.

Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years

(modified accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Local sources:										
Local tax levy	\$ 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	\$ 97,680,469
Transportation	275,071	274,235	363,671	430,554	496,367	447,735	437,238	508,090	314,498	19,656
Tuition charges	669,867	592,483	404,668	213,203	343,202	408,871	379,904	367,571	496,164	476,108
Investment income	12,753	18,898			296,015	300,695	639,884	1,034,654	943,729	604,352
Miscellaneous	973,400	649,013	214,095	481,673	596,044	605,226	619,154	444,084	524,704	1,231,428
Total local sources	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	100,012,013
State sources	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	48,580,565
Federal sources	3,030,929	3,156,304	2,892,514	2,873,396	3,181,211	2,864,366	2,943,911	2,117,760	2,816,918	3,892,751
Total revenue	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	152,485,329
<b>Expenditures</b>										
Current										
Instruction	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	50,764,620
Undistributed - current										
Instruction	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	1,104,052
Attendance/social work	259,050	271,308	264,650	251,914	207,483	206,467	229,448	214,204	225,924	213,081
Health services	822,246	751,384	785,102	855,552	788,452	909,762	907,223	966,978	984,493	1,100,703
Other support services	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	12,793,479
Improvement of instruction	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	2,676,002
Education media library	634,932	670,020	553,768	527,027	546,424	515,058	585,155	570,922	601,387	614,878
Other support: instructional staff	32,495	22,044	27,779	39,121	23,173	15,051	14,729	19,047	10,314	3,338
General administration	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	1,924,093
School administration	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	4,162,646
Central services	869,824	973,106	949,034	1,088,981	1,062,601	1,053,185	1,043,699	1,140,853	1,209,639	1,175,176
Administrative information technology	952,811	1,105,734	996,954	999,244	1,057,088	1,044,932	917,410	960,729	1,028,965	1,010,647
Required maintenance of plant services	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	2,516,072
Operation of plant	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	17,092,087
Student transportation	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	5,234,934
Unallocated benefits	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	18,641,066
On-behalf TPAF social security and pension contributions	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	22,133,466
Charter schools	66,686	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468
Capital outlay	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	1,290,000	2,270,000	2,380,000	2,540,000	2,635,000	2,740,000	2,875,000	3,005,000	3,145,000	3,315,000
Interest	1,260,385	1,184,719	1,088,813	1,001,625	924,000	829,675	717,375	602,274	468,300	317,550
Bond issuance costs	253,257									
Total expenditures	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	147,412,358
(Deficiency) excess of revenues (under) over expenditures	553,441	(2,609,805)	(710,431)	889,451	5,816,181	5,439,875	2,960,342	2,456,423	8,267,363	5,072,971
<b>Other Financing sources (uses)</b>										
Bonds issued	27,280,000									
Premium on issuances	2,441,798									
Payment to escrow agent	(29,568,542)									
Capital lease	8,185,000									
Transfers in	2,012,389	2,700,439	1,171,550	2,920,930	4,012,210	30,000	389,500	533,317		205,297
Transfers out	(2,162,389)	(2,700,439)	(126)	(2,920,930)	(4,012,210)	(30,000)	(389,500)	(533,317)		(205,297)
Total other financing sources (uses)	8,188,256	-	1,171,424	-	-	-	-	-	-	-
Net change in fund balances	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	5,072,971
Fund balance, July 1, as restated	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	42,893,841
Fund balance, June 30	\$ 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	\$ 47,966,812
Debt service as a percentage of noncapital expenditures	2.39%	3.16%	3.08%	3.05%	3.04%	2.94%	2.80%	2.66%	2.67%	2.46%

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
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
2021	32,981	476,108	185,363	6,370	184,987	418,989	619,533	19,656	1,943,987

Source: District records

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

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value*	Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable*	Total Direct School Tax Rate <sup>b</sup>
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
2021	128,222,500	4,673,513,900	1,665,200	85,900	461,455,200	2,109,149,500	609,135,900	7,983,228,100	1,907,331,500	22,414,516	8,005,642,616	1.249

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

Note:

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

**b** Tax rates are per \$100

\* A property revaluation of the Township was completed in 2014. Property values are revalued annually based on an assessment of the real estate market. Properties are revalued with an inspection once every five years.

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

Unaudited

Year Ended June 30,	Piscataway Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Piscataway Township	Middlesex County	
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
2021	1.20	0.05	1.25	0.63	0.41	2.30

Source: District Records and Municipal Tax Collector.

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

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* A property revaluation of the Township was completed in 2014. Property values are revalued annually based on an assessment of the real estate market. Properties are revalued with an inspection once every five years.



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

Unaudited

	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 364,500,000	4.57%	\$ 26,938,500	1.20%
Whale Ventures, LLC	150,000,000	1.88%		
Pleasant View Gardens Owner LLC	137,040,000	1.72%		
US Real Estate Holdings No 2 LTD	126,050,000	1.58%		
Colgate Palmolive Co.	120,069,600	1.50%	16,628,200	0.74%
Royal Gardens Apts LLC	82,900,000	1.04%		
Avalon Piscataway, LLC	78,680,000	0.99%		
Carlton Club Apartments LLC	56,814,000	0.71%	11,600,300	0.52%
H'Y2 Knightsbridge LLC	56,530,000	0.71%	42,741,500	1.91%
Centennial Square LLC	56,000,000	0.70%	26,307,000	1.17%
Aspen Court Ventures LLC	50,738,000	0.64%		
Chanel Inc-C/O D Barbara	45,840,000	0.57%		
South Washington Pk LLC-% CBRE Inc	33,460,000	0.42%		
Ridgedale Gardens	30,744,000	0.39%		
E C Tanglewood Terr-C/O Morgan Prop	29,960,000	0.38%		
Franklin Estate INC	29,840,000	0.37%		
5 Access Road, LLC	29,800,000	0.37%		
GWL 21 Construction	29,050,000	0.36%		
M&M at Hoes Lane, LLC	27,670,000	0.35%		
Cosmair COSM/L'Oreal USA	26,820,000	0.34%		
Home Properties			25,181,100	1.12%
Corporate Park Associates			55,056,200	2.46%
Telcordia			29,624,000	1.32%
2004 Land			12,134,200	0.54%
Mariner One Centennial LLC			10,350,000	0.46%
Total	<u>\$ 1,562,505,600</u>	<u>19.57%</u>	<u>\$ 256,561,000</u>	<u>11.46%</u>

Source: District ACFR & Piscataway Municipal Tax Assessor.

\* A property revaluation of the Township was completed in 2014. Property values are revalued annually based on an assessment of the real estate market. Properties are revalued with an inspection once every five years.

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

Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2021	97,680,469	97,680,469	100.00%		97,680,469	100.00%

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

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

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

Unaudited

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases			
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
2021	7,025,000			7,025,000	0.19%	123

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

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

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

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

Unaudited

General Bonded Debt Outstanding						
Year Ended June 30,	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
2012	\$ 31,930,000	\$ 165,917	\$ 33,120	\$ 32,062,797	1.43%	\$ 572
2013	29,660,000	149,530	33,120	29,776,410	1.33%	523
2014	27,280,000	133,143	33,120	27,380,023	0.45%	477
2015	24,740,000	116,756	33,120	24,823,636	0.40%	431
2016	22,105,000	100,369		22,205,369	0.35%	384
2017	19,365,000	83,982		19,448,982	0.31%	337
2018	16,490,000	67,595		16,557,595	0.23%	286
2019	13,485,000	51,208		13,536,208	0.18%	238
2020	10,340,000	34,821		10,374,821	0.13%	183
2021	7,025,000	18,434		7,043,434	0.09%	123

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, 2021

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Piscataway	\$ 123,334,893	100.000%	\$ 123,334,893
Middlesex County General Obligation Debt - Township's share	437,455,272	7.063%	<u>30,895,716</u>
Subtotal, overlapping debt			154,230,609
Piscataway School District Direct Debt			<u>7,025,000</u>
<b>Total direct and overlapping debt</b>			<b><u><u>\$ 161,255,609</u></u></b>

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 2021**

Equalized valuation basis

2019	\$	7,548,520,332
2020		8,632,084,756
2021		8,005,642,616
<b>[A]</b>	<b>\$</b>	<b><u>24,186,247,704</u></b>

Average equalized valuation of taxable property

<b>[A/3]</b>	<b>\$</b>	<b>8,062,082,568</b>
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Debt limit (4 % of average equalization value)

<b>[B]</b>		<b>322,483,303</b>	<b>a</b>
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Total Net Debt Applicable to Limit

<b>[C]</b>		<b>7,025,000</b>
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Legal debt margin

<b>[B-C]</b>	<b>\$</b>	<b><u>315,458,303</u></b>
--------------	-----------	---------------------------

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 322,483,303
Total net debt applicable to limit	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	7,025,000
Legal debt margin	\$ 222,498,781	\$ 212,704,624	\$ 216,686,122	\$ 221,825,625	\$ 225,626,983	\$ 230,494,642	\$ 249,151,557	\$ 268,860,869	\$ 292,957,003	\$ 315,458,303
Total net debt applicable to the limit as a percentage of debt limit	12.55%	14.60%	12.95%	10.06%	8.96%	7.75%	6.21%	4.79%	3.41%	2.18%

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2012	56,044	\$ 2,648,079,000	\$ 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%
2021	57,164	3,627,455,948	63,457	8.30%

Source:

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

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

<sup>c</sup> Per capita personal income by municipality estimated based upon the Census Bureau midyear population estimates

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

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

Unaudited

Employer	2021			2012		
	# 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	41.93%	8,000	1	39.29%
University of Medicine and Dentistry				3,000	2	14.73%
GE Healthcare	3,800	2	14.48%			
Telcordia	2,500	3	9.53%	2,000	3	9.82%
Chanel Inc.	1,270	4	4.84%	800	5	3.93%
Colgate-Palmolive Research Center	1,200	5	4.57%			
Piscataway Township Schools	1,000	6	3.81%	1,350	4	6.63%
Johnson & Johnson Health Care	1,000	6	3.81%	500	9	2.46%
Institute Electrical & Electronics	750	8	2.86%	500	9	2.46%
Ericsson	570	9	2.17%			
Qualcare Inc.	450	10	1.72%			
Township of Piscataway, Municipal	434	11	1.65%			
Altice/Cablevision	425	12	1.62%			
Siemens Hearing Instruments	400	13	1.52%	350	11	1.72%
Pepsi Cola Bottling Co.	400	13	1.52%	460	10	2.26%
L'Oreal USA Inc.	300	15	1.14%			
Walmart	272	16	1.04%			
American Standard Co. Inc.	270	17	1.03%			
Shop Rite Supermarket	195	18	0.74%	500	9	2.46%
Cosmair, Inc.				750	6	3.68%
Amersham Pharmacia Biotech, Inc.				600	7	2.95%
Anthem Health & Life Insurance Co.				550	8	2.70%
AT&T				500	9	2.46%
Western Union International Inc.				500	9	2.46%
	<u>26,236</u>			<u>20,360</u>		

Source: Township of Piscataway



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

Unaudited

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Instruction	626.0	621.0	625.0	617.5	611.5	608.1	601.9	601.6	601.9	600.8
Support Services:										
Attendance/social work	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Health services	13.0	11.0	14.0	14.0	13.0	13.0	13.0	13.3	13.3	13.3
Other support services	35.0	45.0	37.0	40.0	42.5	41.0	43.6	42.6	42.4	44.0
Child study team	37.0	39.0	33.0	31.0	31.0	32.0	31.0	31.0	31.0	30.0
Improvement of instruction	14.6	14.6	15.0	14.5	17.0	19.0	22.2	22.2	22.2	21.2
School library	18.7	10.0	16.0	9.7	9.5	8.7	10.4	10.4	9.4	9.7
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	41.0	41.0	39.5	41.5	41.5	45.0	45.0	45.0
Operations and maintenance	61.0	64.0	67.0	76.5	75.0	78.5	77.5	89.5	89.1	91.1
Student transportation	34.0	34.0	34.0	34.0	36.0	32.4	31.8	31.3	31.5	31.3
Other support services - administrative and professional	25.0	25.0	22.0	30.0	35.0	38.8	41.8	41.8	42.8	43.4
Total	<u>913.3</u>	<u>912.6</u>	<u>913.0</u>	<u>917.7</u>	<u>919.5</u>	<u>922.5</u>	<u>924.2</u>	<u>938.2</u>	<u>938.1</u>	<u>939.3</u>

Source: District Personnel Records

Piscataway Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
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%
2021	6,979	134,497,204	19,272	4.28%	601	1:13	1:12	1:12	1:12	6,967	6,713	-1.98%	96.35%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Arbor Elementary School (1961/2001)										
Square Feet	64,282	64,282	64,282	64,282	64,282	64,282	64,282	64,282	64,282	64,282
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	556	589	581	568	522	508	548	559	556	520
Eisenhower Elementary School (1968)										
Square Feet	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190	67,190
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment <sup>a</sup>	530	541	545	537	563	547	530	508	507	478
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	63,282	63,282
Capacity (students)	451	451	451	451	451	451	451	451	481	481
Enrollment	610	622	788	777	770	747	738	788	849	862
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	533	503	524	532	528	510	472	465	474
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	501	505	495	494	505	492	505	516	505
Randolphville Elementary School (1961/1992)										
Square Feet	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493	60,493
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	558	598	496	567	551	532	466	470	464	423
<b><u>Middle Schools</u></b>										
Conackamack Middle School (1964/2008)										
Square Feet	77,258	77,258	77,258	77,258	77,258	77,258	77,258	77,258	77,258	77,258
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	433	437	457	482	490	527	472	484	476	495
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	564	555	577	562	541	513	496	475	493
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	611	605	613	583	579	569	576	572	575
<b><u>High School</u></b>										
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	2,230	2,187	2,168	2,168	2,245	2,272	2,260	2,242	2,154
<b><u>Other</u></b>										
Maintenance Building (unknown)										
Square Feet	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035	85,035
Central Administration (1949)										
Square Feet	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440	36,440
Number of Schools at June 30, 2021										
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>									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Arbor	\$ 40,784	\$ 81,820	\$ 349,007	\$ 91,698	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661	\$ 22,469	\$ 120,452
Conackamack	135,665	113,784	198,006	135,146	161,019	112,556	67,609	123,684	19,571	95,922
Eisenhower	31,791	77,788	99,795	43,690	59,842	29,999	63,378	120,586	6,897	190,211
Grandview	95,108	179,786	134,886	94,065	147,803	124,274	81,185	76,398	17,370	64,911
High School	723,928	1,048,212	930,416	916,985	568,204	675,695	600,006	278,893	448,798	333,135
King	135,188	114,014	196,685	67,238	85,522	44,545	68,436	117,073	8,099	37,412
Knollwood	125,311	271,103	97,433	76,504	82,670	85,744	100,377	102,970	26,033	97,531
Quibbletown	381,865	146,153	193,304	183,851	218,992	166,470	144,284	97,987	22,719	63,100
Randolphville	187,125	115,266	60,560	133,208	106,345	91,275	108,150	102,970	20,593	58,707
Schor	341,583	161,091	87,611	97,586	182,486	94,989	52,371	67,520	18,035	159,740
Total School Facilities	2,198,348	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
Other Facilities - Fellowship Farms	317,724	100,490	34,900	111,475	50,179	76,354	108,737	64,622	6,510	112,364
Grand Total	<u>\$ 2,516,072</u>	<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>

\* 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, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Property</b>		
Real and Personal Property	\$ 279,253,638	\$ 5,000
Extra expense	50,000,000	5,000
Demolition/Increased cost of construction	10,000,000	
Flood (Special Flood)	20,000,000	500,000
Musical instruments	Included	
Miscellaneous equipment	Included	
EDP	1,000,000	
<b>School Board Legal</b>		
Limit of liability	31,000,000	15,000
<b>Primary Umbrella</b>		
Limit of liability	31,000,000	
Self-insured retention	none	
<b>Catastrophe Access</b>		
Limit of liability	25,000,000	
<b>Environmental Impairment Liability</b>		
Limit of liability - Each Loss	1,000,000	10,000
Limit of liability - Aggregate	1,000,000	

Source: District Records and Insurance Company.

Piscataway Township School District  
Insurance Schedule  
Year ended June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Liability</b>		
Bodily Injury & Property Damage - Each Occurrence	\$ 31,000,000	
Personal Injury/Advertising	31,000,000	
Medical Expense	10,000	
Employee Benefits Liability	31,000,000	
<b>Business Auto</b>		
Bodily Injury & Property Damage	31,000,000	
Personal Injury Protection	Statutory	
Medical Payments (PIP)	10,000	
Uninsured/Underinsured	1,000,000	
Comprehensive Deductible		\$ 1,000
Collision Deductible		1,000
<b>Student Accident</b>		
Limit of Liability	6,000,000	
<b>Bonds</b>		
Board Secretary/Business Administrator	455,000	
<b>Workers Comp</b>		
Part II - Limits of Liability	3,000,000	
Section "A"	Statutory	
Supplementary	1,750	per week
<b>Crime</b>		
Money & Securities-inside	50,000	
Money & Securities-outside	50,000	
Employee Dishonesty	1,000,000	
Depositors Forgery	1,000,000	

## **Single Audit Section**

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major and non-major fund, and the aggregate remaining fund information of the Piscataway Township School District, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2022.

**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



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*

Cranford, New Jersey  
March 1, 2022

*David J. Gannon*

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, 2021. 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our 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, 2021.

### **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*

Cranford, New Jersey  
March 1, 2022

*David J. Gannon*

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

Piscataway Township School District  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2021

K-3  
 Schedule A

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant or Project Number	Award Amount	Grant Period		Balance at June 30, 2020	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2021		
					From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Health and Human Services</b>													
<b>Passed Through State Department of Education</b>													
General Fund:													
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	N/A	\$ 141,792	7/1/2020	6/30/2021		\$ 141,792	\$ (141,792)				
Total General Fund								141,792	(141,792)				
<b>U.S. Department of Education—Passed-Through State Department of Education</b>													
Special Revenue Fund:													
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A210030	N/A	704,327	10/1/2020	9/30/2021		316,940	(465,755)		\$ (148,815)		
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	N/A	688,821	7/1/2019	9/30/2020	\$ (142,517)	142,517					
Title I Part A Subtotal:							(142,517)	459,457	(465,755)		(148,815)		
Title II A, Improving Teacher Quality State Grants	84.367A	S367A210029	N/A	163,702	10/1/2020	9/30/2021		79,296	(93,788)		(14,492)		
Title II A, Improving Teacher Quality State Grants	84.367A	S367A200029	N/A	167,416	7/1/2019	9/30/2020	(8,072)	8,072					
Title II A Subtotal:							(8,072)	87,368	(93,788)		(14,492)		
Title III English Language Acquisition Grants	84.365A	S365A210030	N/A	110,779	10/1/2020	9/30/2021		70,658	(91,171)		(20,513)		
Title III English Language Acquisition Grants	84.365A	S365A200030	N/A	105,538	7/1/2019	9/30/2020	(35,835)	35,835					
Title III, Supplemental Immigrant Student Aid	84.365A	S365A200030	N/A	36,761	7/1/2019	9/30/2020	(17)	17					
Title III Subtotal:							(35,852)	106,510	(91,171)		(20,513)		
Title IV	84.424A	S424A210031	N/A	51,045	10/1/2020	9/30/2021		41,438	(57,863)		(16,425)		
Title IV	84.424A	S424A200031	N/A	36,848	7/1/2019	9/30/2020	(622)	622					
Title IV Subtotal:							(622)	42,060	(57,863)		(16,425)		
Special Education Cluster:													
IDEA Special Education Grants to States	84.027	S027A210100	N/A	1,989,847	10/1/2020	9/30/2021		1,404,867	(1,601,572)		(196,705)		
IDEA Special Education Grants to States	84.027	S027A200100	N/A	1,855,654	7/1/2019	9/30/2020	(416,459)	416,459					
IDEA Preschool Grants for Children with Disabilities	84.173	S173A210114	N/A	55,890	10/1/2020	9/30/2021		44,215	(55,890)		(11,675)		
IDEA Preschool Grants for Children with Disabilities	84.173	S173A200114	N/A	55,394	7/1/2019	9/30/2020	(28,080)	28,080					
Subtotal of Special Education Cluster:							(444,539)	1,893,621	(1,657,462)		(208,380)		
Carl D. Perkins Vocational Education	84.048	S048A210030	N/A	47,294	7/1/2020	6/30/2021		43,831	(47,294)		(3,463)		
Carl D. Perkins Vocational Education	84.048	S048A200030	N/A	48,626	7/1/2019	6/30/2020	(9,186)	9,186					
Carl D. Perkins Vocational Education Subtotal:							(9,186)	53,017	(47,294)		(3,463)		
COVID-19 - CRF - Nonpublic Technology	21.019	S377A130031	21-5120-515	59,075	7/16/2020	10/31/2020		58,740	(58,696)	\$ (44)			
COVID-19 - CRF - School Reopening and Remote Learning Program	21.019	S377A130031	21-5120-517	488,544	3/13/2020	9/30/2022		488,544	(488,544)				
CRF Subtotal								547,284	(547,240)	(44)			
COVID-19 - CARES Act - Stabilization Fund	84.425D	S425D200027	21-5120-513	777,152	3/13/2020	9/30/2022		738,645	(764,361)		(25,716)		
COVID-19 - CARES Act - CRRSA - ESSER II	84.425D	S425D200027	21-5120-513	2,270,771	3/13/2020	9/30/2022			(79,331)		(79,331)		
COVID-19 - CARES Act - CRSSA - Act-Learning Acceleration	84.425D	S425D200027	21-5120-513	145,726	3/13/2020	9/30/2022			(640)		(640)		
CARES Act Subtotal								738,645	(844,332)		(105,687)		
Total Special Revenue Fund							(640,788)	3,927,962	(3,804,905)	(44)	(517,775)		
<b>U.S. Department of Agriculture—Passed-Through State Department of Education</b>													
Enterprise Fund:													
Child Nutrition Cluster:													
Food Donation Program (NC)	10.555	211NJ304N1099	N/A	108,727	7/1/2020	6/30/2021		108,727	(108,727)				
School Breakfast Program	10.553	211NJ304N1099	N/A	1,497,196	7/1/2020	6/30/2021		1,113,022	(1,276,637)		(163,615)		
School Breakfast Program - CARES Act	10.553	201NJ304N1099	N/A	1,497,196	7/1/2020	6/30/2021		220,559	(220,559)				
School Breakfast Program	10.553	201NJ304N1099	N/A	311,481	7/1/2019	6/30/2020	(138,719)	138,719					
Emergency Operational Cost Program - Schools	10.555	202121H170341	N/A	63,718	7/1/2020	6/30/2021			(63,718)		(63,718)		
National School Lunch Program	10.555	211NJ304N1099	N/A	2,528,011	7/1/2020	6/30/2021		1,850,681	(2,150,958)		(300,277)		
National School Lunch Program - CARES Act	10.555	211NJ304N1099	N/A	2,528,011	7/1/2020	6/30/2021		377,053	(377,053)				
National School Lunch Program - CARES Act	10.555	201NJ304N1099	N/A	957,169	7/1/2019	6/30/2020	(216,177)	216,177					
National Snack Program	10.555	211NJ304N1099	N/A	31,842	7/1/2020	6/30/2021		23,335	(31,842)		(8,507)		
Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	N/A	50,416	7/1/2020	6/30/2021		44,428	(50,416)		(5,988)		
Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	N/A	30,472	7/1/2019	6/30/2020	(4,437)	4,437					
Subtotal Child Nutrition Cluster:							(359,333)	4,097,138	(4,279,910)		(542,105)		
P-EBT Administrative Cost Reimbursement	10.649	202121S900941	N/A	3,063	7/1/2020	6/30/2021			(3,063)		(3,063)		
Total Enterprise Fund							(359,333)	4,097,138	(4,282,973)		(545,168)		
Total Federal Awards							\$ (1,000,121)	\$ 8,166,892	\$ (8,229,670)	\$ (44)	\$ (1,062,943)	\$ -	
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, 2021

K-4  
 Schedule B

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020				Repayment of Prior		Balance June 30, 2021			Memo		
			From	To	Unearned Rev. Due to Grantor (Accts Rec)	Due to Grantor	Cash Received	Budgetary Expenditures	Years' Balances	Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<b>State Department of Education</b>																
General Fund:																
Special Education Categorical Aid	495-034-5120-089	\$ 4,407,101	7/1/2020	6/30/2021			\$ 3,975,094	\$ (4,407,101)							\$ (432,007)	\$ (4,407,101)
Special Education Categorical Aid	495-034-5120-089	4,407,101	7/1/2019	6/30/2020	\$ (432,229)		432,229									
Categorical Transportation Aid	495-034-5120-014	3,188,747	7/1/2020	6/30/2021			2,876,169	(3,188,747)							(312,578)	(3,188,747)
Categorical Transportation Aid	495-034-5120-014	3,188,747	7/1/2019	6/30/2020	(312,738)		312,738									
Equalization Aid	495-034-5120-078	12,242,761	7/1/2020	6/30/2021			11,042,661	(12,242,761)							(1,200,100)	(12,242,761)
Equalization Aid	495-034-5120-078	11,746,094	7/1/2019	6/30/2020	(1,152,005)		1,152,005									
Securiv Aid	495-034-5120-084	1,295,620	7/1/2020	6/30/2021			1,168,616	(1,295,620)							(127,004)	(1,295,620)
Securiv Aid	495-034-5120-084	1,295,620	7/1/2019	6/30/2020	(127,069)		127,069									
Homeless Tuition Reimbursement	N/A	21,776	7/1/2020	6/30/2021				(21,776)			\$ (21,776)					(21,776)
Extraordinary Aid	100-034-5120-473	986,885	7/1/2020	6/30/2021				(986,885)			(986,885)					(986,885)
Extraordinary Aid	100-034-5120-473	549,858	7/1/2019	6/30/2020	(549,858)		549,858				(100,802)					(100,802)
Additional NP Transportation Aid	Not Available	32,799	7/1/2019	6/30/2020	(32,799)						(100,802)					(100,802)
Reimbursed TPAF - Social Security	495-034-5094-003	3,876,428	7/1/2020	6/30/2021			3,686,218	(3,876,428)			(190,210)					(3,876,428)
Reimbursed TPAF - Social Security	495-034-5094-003	3,630,357	7/1/2019	6/30/2020	(188,824)		188,824									
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	13,895,087	7/1/2020	6/30/2021			13,895,087	(13,895,087)								(13,895,087)
Post-Retirement Medical Contribution	495-034-5094-001	4,354,504	7/1/2020	6/30/2021			4,354,504	(4,354,504)								(4,354,504)
Long-Term Disability Insurance	495-034-5094-004	7,447	7/1/2020	6/30/2021			7,447	(7,447)								(7,447)
<b>Total General Fund</b>					(2,795,522)		43,801,318	(44,377,158)			(1,299,673)				(2,071,689)	(44,377,158)
<b>Social Revenue Fund:</b>																
Preschool Education Aid	495-034-5120-086	3,564,715	7/1/2020	6/30/2021			3,208,248	(3,564,717)	\$ (3)						(356,472)	(3,564,717)
Preschool Education Aid	495-034-5120-086	3,057,780	7/1/2019	6/30/2020	1,134,255		511,073	(662,369)		\$ 982,959					(662,369)	
<b>New Jersey Non-Public Aid:</b>																
Nursing Aid	100-034-5120-070	140,352	7/1/2020	6/30/2021			140,352	(133,506)			\$ 6,846					(133,506)
Nursing Aid	100-034-5120-070	138,419	7/1/2019	6/30/2020		\$ 2,503			\$ (2,503)							
Textbook Aid	100-034-5120-064	82,961	7/1/2020	6/30/2021			82,961	(77,029)			5,932					(77,029)
Textbook Aid	100-034-5120-064	74,110	7/1/2019	6/30/2020		1,002					(436)					
Technology Initiative	100-034-5120-070	50,616	7/1/2019	6/30/2020		436										
Security Aid	100-034-5120-509	240,800	7/1/2020	6/30/2021			240,800	(238,380)			2,420					(238,380)
Security Aid	100-034-5120-509	214,050	7/1/2019	6/30/2020		32,131										
<b>Non Public Auxiliary Services (Ch. 192):</b>																
English as a Second Language	100-034-5120-067	23,980	7/1/2020	6/30/2021			23,980	(7,105)			16,875					(7,105)
English as a Second Language	100-034-5120-067	19,854	7/1/2019	6/30/2020	(2,084)	2,482	2,084	(2,482)								
Compensatory Education	100-034-5120-068	171,569	7/1/2020	6/30/2021			171,569	(107,993)			63,576					(107,993)
Compensatory Education	100-034-5120-068	169,539	7/1/2019	6/30/2020	(16,855)	24,336	16,855	(24,336)								
Transportation	100-034-5120-068	19,842	7/1/2020	6/30/2021			19,842	(19,842)								(19,842)
Transportation	100-034-5120-068	21,922	7/1/2019	6/30/2020	(2,192)		2,192									
<b>Non Public Handicapped Services (Ch. 193):</b>																
Supplemental Instruction	100-034-5120-066	49,378	7/1/2020	6/30/2021			49,378	(34,808)			14,570					(34,808)
Supplemental Instruction	100-034-5120-066	48,569	7/1/2019	6/30/2020	(8,305)	9,714	8,305	(9,714)								
Examination and Classification	100-034-5120-066	71,518	7/1/2020	6/30/2021			71,518	(58,324)			13,194					(58,324)
Examination and Classification	100-034-5120-066	67,816	7/1/2019	6/30/2020	(3,068)	18,582	3,068	(18,582)								
Corrective Speech	100-034-5120-066	40,102	7/1/2020	6/30/2021			40,102	(31,899)			8,203					(31,899)
Corrective Speech	100-034-5120-066	42,836	7/1/2019	6/30/2020	(4,549)	12,760	4,549	(12,760)								
School Security Aid	20E00115	399,333	7/1/2020	6/30/2022												
NJ Advanced Computer Science Competitive Grant	19E00147	70,944	7/1/2019	6/30/2020	(8,300)		8,300									
<b>Total Special Revenue Fund</b>					1,088,902	103,946	4,605,176	(4,935,972)	(103,946)		982,959	-	131,616		(356,472)	(4,935,972)
<b>State Department of Agriculture</b>																
Enterprise Fund:																
State School Lunch Program (State share)	100-010-3360-067	123,268	7/1/2020	6/30/2021			90,321	(123,268)			(32,947)					(123,268)
State School Lunch Program (State share)	100-010-3360-067	30,088	7/1/2019	6/30/2020	(10,461)		10,461									
<b>Total Enterprise Fund</b>					(10,461)		100,782	(123,268)			(32,947)					(123,268)
<b>Total State Financial Assistance</b>					<u>\$ (1,717,081)</u>	<u>\$ 103,946</u>	<u>\$ 48,507,276</u>	<u>\$ (49,436,398)</u>	<u>\$ (103,946)</u>	<u>\$ (3)</u>	<u>\$ 982,959</u>	<u>\$ (1,332,620)</u>	<u>\$ 131,616</u>		<u>\$ (2,428,161)</u>	<u>\$ (49,436,398)</u>
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																
General Fund:																
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	13,895,087	7/1/2020	6/30/2021			(13,895,087)	13,895,087								13,895,087
Post-Retirement Medical Contribution	495-034-5094-001	4,354,504	7/1/2020	6/30/2021			(4,354,504)	4,354,504								4,354,504
Long-Term Disability Insurance	495-034-5094-004	7,447	7/1/2020	6/30/2021			(7,447)	7,447								7,447
<b>Total State Financial Assistance Subject to Audit Determination</b>					<u>\$ (1,717,081)</u>	<u>\$ 103,946</u>	<u>\$ 30,250,238</u>	<u>\$ (31,179,360)</u>	<u>\$ (103,946)</u>	<u>\$ (3)</u>	<u>\$ 982,959</u>	<u>\$ (1,332,620)</u>	<u>\$ 131,616</u>		<u>\$ (2,428,161)</u>	<u>\$ (31,179,360)</u>

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, 2021

**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, 2021

**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.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

<u>Accounts Receivable</u>	<u>Budgetary Basis</u>	<u>Less: Encumbrances</u>	<u>GAAP Basis</u>
Federal	\$ 517,775	\$ 53,946	\$ 463,829

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$47,648) for the general fund and (\$50,694) 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	\$ 141,792	\$ 44,329,510	\$ 44,471,302
Special Revenue Fund	3,750,959	4,251,055	8,002,014
Food Service Enterprise Fund	4,282,973	123,268	4,406,241
Total financial award revenues	<u>\$ 8,175,724</u>	<u>\$ 48,703,833</u>	<u>\$ 56,879,557</u>



Piscataway Township School District

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

Year ended June 30, 2021

**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, 2021.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$18,257,038. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

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

**7. Adjustments**

The trivial adjustments presented on schedules K-3 and K-4 represent changes to expenditures to correctly state federal and state accounts receivable balances at June 30, 2021.

Piscataway Township School District  
 Schedule of Findings and Questioned Costs (continued)  
 Year ended June 30, 2021

**Part I – Summary of Auditor’s Results**

**Financial Statements Section**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Are any material weaknesses identified?	_____ Yes <u>  X  </u> No
Are any significant deficiencies identified?	_____ Yes <u>  X  </u> None Reported
Is any noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

**Federal Awards**

Internal control over major federal programs:	
Are any material weaknesses identified?	_____ Yes <u>  X  </u> No
Are any significant deficiencies identified?	_____ Yes <u>  X  </u> 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 <u>  X  </u> No

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

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

Identification of major federal programs:

<b>Assistance Listing Number(s)</b>	<b>FAIN Numbers</b>	<b>Name of Federal Program or Cluster</b>
<b>Child Nutrition Cluster:</b>		
10.555	211NJ304N1099	Food Donation Program
10.555	211NJ304N1099	National School Lunch Program
10.555	211NJ304N1099	National School Lunch Program – CARES Act
10.555	211NJ304N1099	Healthy Hunger-Free Kids Act
10.553	211NJ304N1099	School Breakfast Program
10.553	211NJ304N1099	School Breakfast Program – CARES Act
10.555	211NJ304N1099	National Snack Program
10.555	202121H170341	NSLP – Emergency Operational Costs
84.425D	S425D200027	Elementary and Secondary School Emergency Relief Funds
21.019	S377A130031	Coronavirus Relief Funds

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

\$750,000



Piscataway Township School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

**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, 2021

**Part III – Schedule of Federal Awards and State Financial Assistance 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 Financial Assistance Programs**

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

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

Status of Prior Year Findings:

None.