



PISCATAWAY TOWNSHIP SCHOOLS

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



Year Ended June 30, 2022

Piscataway Township School District

Piscataway, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Prepared by

Business Office

Piscataway Township School District

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

Introductory Section



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Dr. Frank Ranelli
Superintendent of Schools

David Oliveira
Business Administrator/Board Secretary

March 13, 2023

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, 2022 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, 2022 and the respective changes in financial position and cash flows, where applicable, for the year ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES

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

Piscataway Township is the fifth oldest municipality in New Jersey with an approximate population of 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: Business, Engineering, Health Sciences, Performing Arts, or Visual Arts. 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. The District's *You, I, We Inspire* program was named Grand Prize winner by the National School Boards Association for its combined focus on academic achievement and character education. Piscataway is one of the few districts that provide on-site counseling services at no charge to families through a partnership with Rutgers University.

The 2021-2022 school year was a year of transition back to traditional schooling as the District provided in-person instruction and continued to deal with the impacts of the COVID-19 pandemic. The District embraced the expanded use of technology in classrooms through its one-to-one iPad initiative. The influx of federal funds was utilized to address learning loss, mental health and facilities improvements. Expanded after-school tutoring and summer programs were offered to the entire student population.

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 K-12 schools are listed below. Additional information about all of the District’s school buildings can be found in Schedule J-18.

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

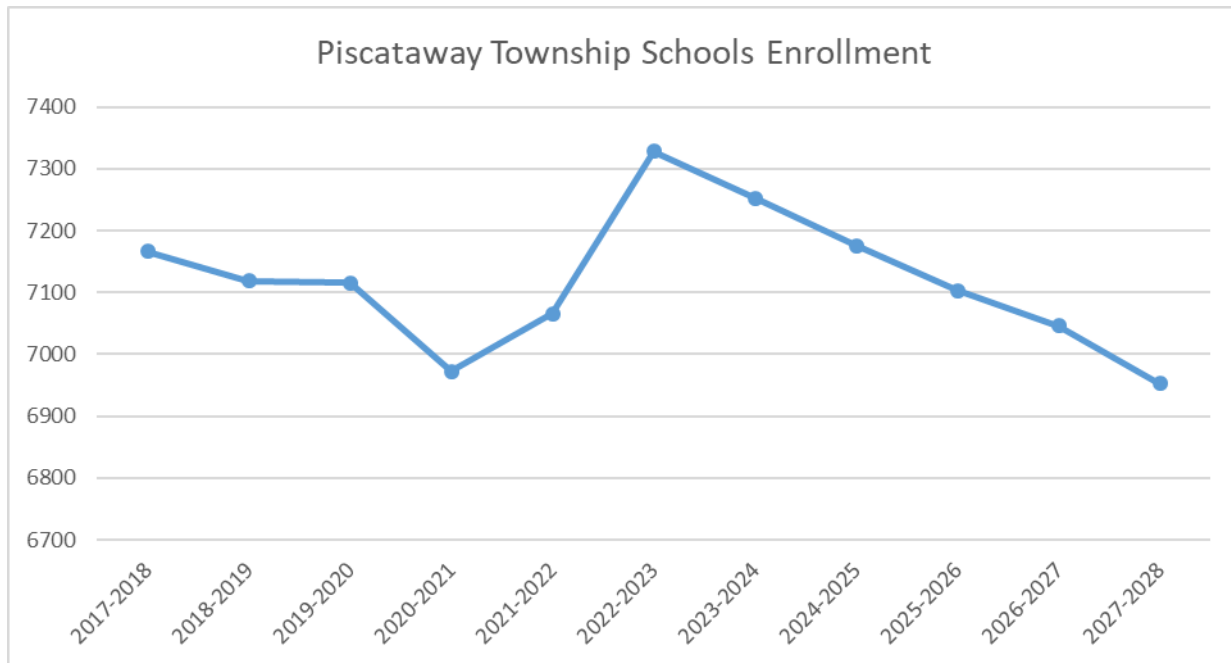
Located within Piscataway Township are several private/parochial schools, the Educational Services Commission of New Jersey schools, and a County vocational and technical high school.

There are no charter schools located within the borders of Piscataway Township; however, during the 2021-2022 school year, the District had 49 students attend nine 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 2021-2022, the District paid \$686,336 to charter schools. The table below details charter school enrollment for the previous five years with projected enrollment for 2022-2023.

Fiscal Year	Enrollment
2017-2018	30
2018-2019	42
2019-2020	46
2020-2021	46
2021-2022	49
2022-2023	44

Enrollment

The exhibit below illustrates the District's actual enrollment based on the annual October 15th count required by the New Jersey Department of Education, as well as projected enrollments through 2027-2028. Starting with a base year of 2017-2018 to the 2021-2022 school year, enrollment decreased from 7,166 to 7,066, a decrease of 100 students or approximately 1.4%. Enrollment projections show that enrollment is expected to decrease to 6,953 during the 2027-2028 school year. That is a further projected decrease of 113 students, or approximately 1.6%.



Enrollment decreases occurred for several years until 2021-2022 due to a lower percentage of children born in Piscataway enrolling in kindergarten despite historically high birth statistics. The increase in enrollment in 2021-2022 is a result of an aggressive expansion of the District's preschool program. The New Jersey Department of Education has prioritized preschool education and has increased state funding for several years. Fully-funded preschool enrollment has increased from 69 students in 2017-2018 to 329 students in 2021-2022. 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 of residential apartment developments completed during the past five years, but these developments have had a low 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

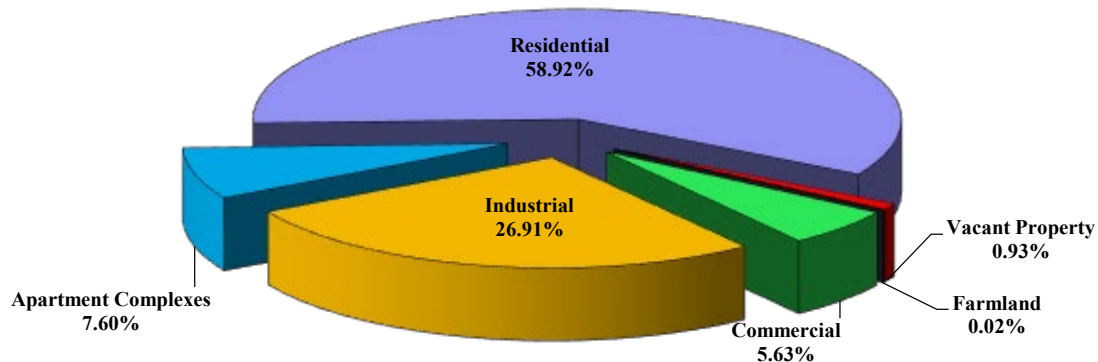
Piscataway is a community with a large residential area and pockets of industrial and warehouse facilities whose economy benefits from its proximity to New York City and an expansive road infrastructure near major roadways. Piscataway is the home of many well-known industrial concerns, research centers 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 District has consistently paid down its outstanding debt and is scheduled to be debt-free at the conclusion of the 2022-2023 school year.

The assessed value of ratables in the Township increased \$603,233,900 from \$7,983,228,100 in 2021 to \$8,586,462,000 in 2022. The increase was primarily attributable to the two largest ratable categories with an 8.2% increase in the value of residential ratables and a 9.5% increase in industrial ratables, which is indicative of strong residential sales and warehouse developments in Piscataway. Piscataway’s ratables are classified in the 2022 Middlesex County Board of Taxation Abstract of Ratables as follows:

Vacant Property	\$ 79,740,800
Residential	5,058,999,100
Farmland	1,892,800
Commercial	483,019,400
Industrial	2,310,364,300
Apartment Complexes	652,445,600
Total Ratables	<u>\$ 8,586,462,000</u>



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 \$513,356 in state aid for the 2021-2022 fiscal year. Tax revenue received by the State of NJ has been above expectations the past couple of years despite the COVID-19 pandemic, thus enabling the Governor and legislature to affirm their commitment to full implementation of school funding reform by 2024-2025.

The District received an increase of \$718,876 in state aid for the 2022-2023 budget year, but due to decreasing K-12 enrollment, further increases in state aid over the next two budget years are not expected to continue. The District projects flat state aid amounts for the future and is budgeting accordingly.

The State budget continues to be positively impacted by federal funding through CARES, ESSER, and ARP allocations from the federal government. The District 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, additional Social-Emotional Learning services, a full PreK-12 one-to-one iPad initiative, and heating, ventilation and air conditioning (HVAC) equipment upgrades. Expenditure of these funds will continue into the 2024-2025 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 offers support specialists for at-risk students, Saturday and Summer Academies, academic partnerships with Rutgers University and Middlesex College, tutoring programs, 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, and instituting cost containment measures. COVID-19 pandemic federal funding has allowed the District to expand the tutoring and mental health services to the full student population.

The District completed numerous additions, renovations and upgrades to its buildings over the past decade through a combination of efficient budgeting, the use of capital reserve, 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.

Budget efficiencies have allowed the District to continue reserving funds in its capital reserve account and subsequently using those funds to address building improvements and infrastructure needs. The District's annual building and facilities improvements focus on providing learning environments that will greatly enhance student achievement. All of the improvements are designed to support the instructional program and help Piscataway keep pace with educational requirements and facilities in surrounding communities. Several small capital projects were initiated in the 2021-2022 school year including a partial roof replacement and the installation of new generators in four schools. COVID-19 impacted supply chain delivery schedules, which delayed the completion of some projects.

The Piscataway Township Schools began work on its energy savings improvement program (ESIP) during the 2021-2022 school year. Construction began on energy conservation measures (ECM) that will be paid for with energy and maintenance savings over the next 18 years, including the installation of solar panels, new LED lighting, and building envelope upgrades. Additional ECMs to be completed include: new HVAC units, transformers, boilers, and water conservation measures.

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. Negotiations on a new agreement will begin in early 2023. A new agreement with the Piscataway Township Principals and Supervisors Association was successfully negotiated prior to the expiration of the previous agreement on June 30, 2022. The new agreement is a five-year contract that provides cost certainty through the 2026-2027 fiscal year.

Going forward, the District's administration will continue to implement a budget process that presents to the Board of Education and the community a balanced approach to providing financial support to instructional programs while seeking efficiencies on the operations side. State operating revenues have exceeded all expectations post-pandemic and have been buffeted by federal stimulus funds. Any decrease in state revenue collections due to a recession or federal funding fiscal cliff could impact state aid to schools and present a challenge for all New Jersey school districts. This could also jeopardize the multi-year phase-in of the school funding reform legislation. 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% except for a few exceptions. In essence, our costs, many of which are beyond our control, need to be kept below the tax levy cap. The only other alternative to increase tax revenue is to return the budget vote to the community if increases larger than 2% are necessary.
- 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. Shortages of staff and inflationary pressures have caused significant increases in labor costs.
- 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. An energy savings company continues to work in the District to identify additional opportunities for cost savings and efficiencies. The District is implementing an energy savings improvement program (ESIP) that includes additional solar panels that will help reduce the amount of electricity purchased from the utility company.
- Technology – Hardware and software purchases will continue to increase and will replace traditional school supplies and textbook purchases. Cybersecurity protective measures require annual increases in technology expenditures.
- Despite the 2% tax levy cap, the District will work to maintain a capital reserve account in order to address any building improvement needs.

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 had declined the previous two years due to the impact of lower interest rates, but interest rate increases by the Federal Reserve has started to improve interest earned on deposits.

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, 2022, the District's outstanding debt issues included serial bonds in the amount of \$3,575,000.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This is the fifth 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 2021-2022 certificate.

10) ACKNOWLEDGMENTS

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

Respectfully Submitted,

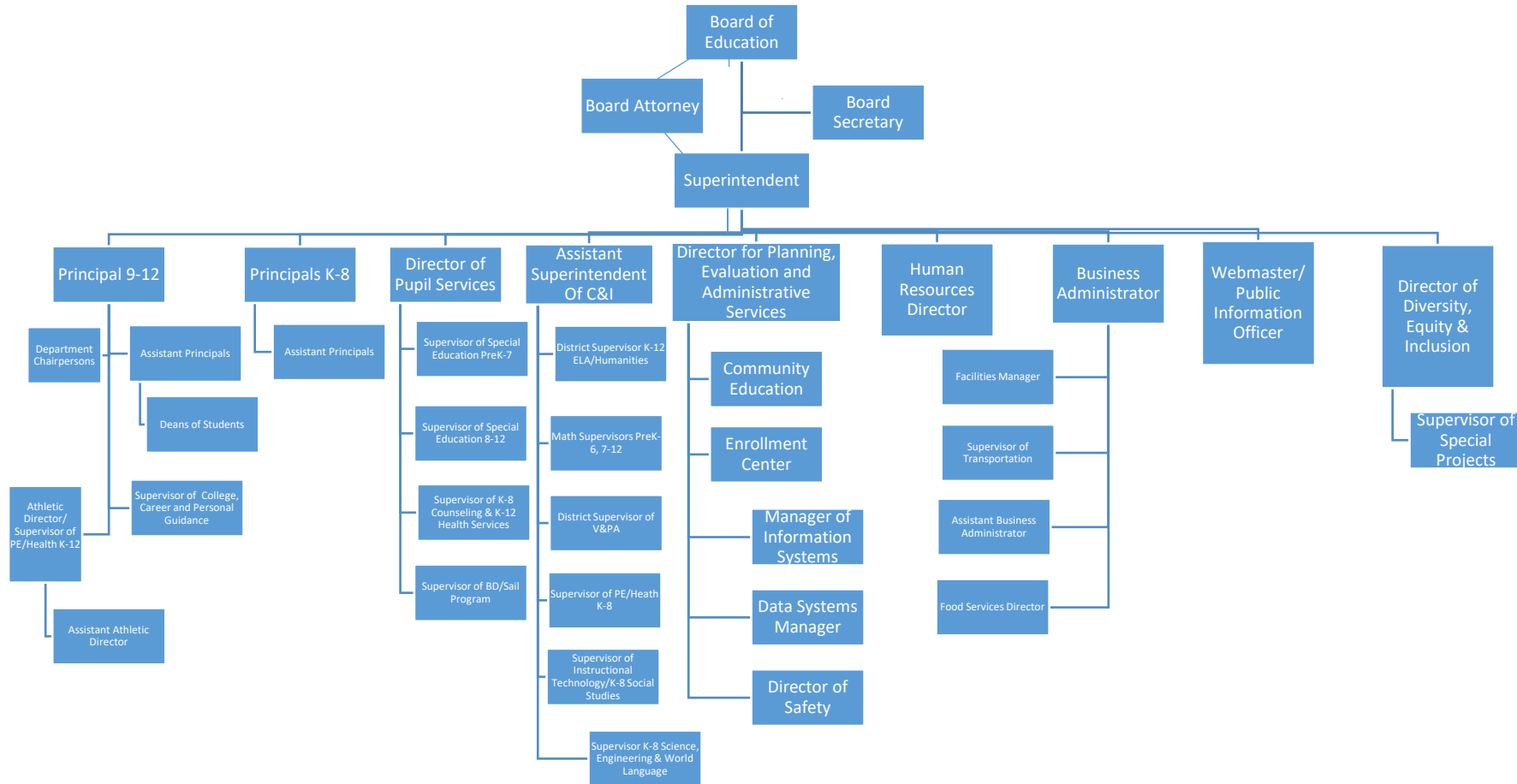


Dr. Frank Ranelli, Superintendent



David Oliveira, Business Administrator

Piscataway Township Schools Organizational Chart 2021- 2022



Piscataway Township School District
Piscataway, New Jersey

Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Tom Connors, President	2024
Shantell Cherry, Vice President	2023
Nancy Corradino	2024
Ralph E. Johnson	2022
Kimberly Lane	2023
Calvin Laughlin	2022
Sarah Rashid	2024
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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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, Middlesex County, New Jersey (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the District as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

We draw attention to Notes 5 and 21 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. 87, "Leases". Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | 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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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 combining and individual fund financial statements, and the schedules of expenditures of federal awards and state financial assistance, 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, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements, 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 Honorable President and Members
of the Board of Education
Piscataway Township School District**

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Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023, 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 13, 2023

David J. Gannon

David J. Gannon, CPA

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, 2022

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, 2022. 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 (2021 - 2022) and the prior fiscal year (2020 - 2021) 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 31 - 32 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 33 - 35 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 36 - 38 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 - 83 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 88 - 111 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, 2022 and 2021:

	2022			2021		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 77,726,696	\$ 4,670,439	\$ 82,397,135	\$ 58,866,120	\$ 5,373,421	\$ 64,239,541
Capital assets, net	87,275,443	412,619	87,688,062	80,334,708	71,048	80,405,756
Total assets	165,002,139	5,083,058	170,085,197	139,200,828	5,444,469	144,645,297
Deferred outflows	3,377,308		3,377,308	5,922,804		5,922,804
Liabilities						
Current liabilities	15,879,242	1,194,659	17,073,901	12,073,818	1,717,101	13,790,919
Net pension liability	21,219,526		21,219,526	29,380,226		29,380,226
Long term liabilities	23,323,152	199,972	23,523,124	7,595,692		7,595,692
Total liabilities	60,421,920	1,394,631	61,816,551	49,049,736	1,717,101	50,766,837
Deferred inflows	13,816,902		13,816,902	13,016,912		13,016,912
Net position						
Net investment in capital assets	74,473,820	147,073	74,620,893	73,291,274	71,048	73,362,322
Restricted	46,958,691		46,958,691	38,776,314		38,776,314
Unrestricted (deficit)	(27,291,886)	3,541,354	(23,750,532)	(29,010,604)	3,656,320	(25,354,284)
Total net position	\$ 94,140,625	\$ 3,688,427	\$ 97,829,052	\$ 83,056,984	\$ 3,727,368	\$ 86,784,352

Key financial highlights for the 2021 - 2022 fiscal year include the following:

- Governmental net position increased \$11,083,641. The increase was primarily driven by significant capital asset acquisitions in the amount of \$5,682,207. Additionally, the District had a significant increase in operating grants and contributions in the amount of \$5,316,239 related to District receiving additional funds in CARES Act, Title grants and IDEA special education grants.
- The District also generated another \$5,837,571 of general fund budgetary fund balance that was the direct result of several cost savings during the year ended June 30, 2022.
- Consistent with the prior year, the State withheld the school district's fiscal 2021-2022 last two state aid payments until July 2022.
- Increase to governmental current and other assets in the amount of \$18,860,576 resulted primarily from the overall increase of approximately \$5,100,000 in governmental cash from the prior year. As previously mentioned, the District generated \$5,764,029 of general fund budgetary fund balance, which yielded this significant cash increase. Also, an increase in accounts receivable of approximately \$4,700,000 due to timing of monies received by year end for federal and state grant funds.
- 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, 2022 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, 2021 and rolled forward to June 30, 2022. The net pension liability associated with the District's governmental activities at June 30, 2022 amounted to \$21,219,526, which decreased by \$8,160,700 from the prior year.
- Long-term liabilities increased due to the impact of GASB 87 being implemented in the June 30, 2022 year end resulting in a net impact of \$20,816,360 and decreased by principal payments made in the amount of \$3,450,000 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 \$8,182,377 during the year ended June 30, 2022.

- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$27,291,886) is mainly the result of liabilities for compensated absences and the net pension liability without an offsetting asset.

	2022			2021		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,320,727	\$ 2,575,961	\$ 3,896,688	\$ 689,444	\$ 4,126,700	\$ 4,816,144
Operating grants and contributions	13,168,872	4,749,499	17,918,371	8,195,891	4,406,241	12,602,132
General revenues:						
Property taxes	98,626,709		98,626,709	97,680,469		97,680,469
State and federal aid not restricted to a specific purpose	48,186,976		48,186,976	61,177,745		61,177,745
Investment income	642,748		642,748	598,436		598,436
Miscellaneous	1,541,515		1,541,515	849,787		849,787
Total revenue	163,487,547	7,325,460	170,813,007	169,191,772	8,532,941	177,724,713
Expenses:						
Instructional services	85,301,182		85,301,182	90,203,669		90,203,669
Support services	66,029,739		66,029,739	64,093,329		64,093,329
Charter school	686,336		686,336	619,468		619,468
Interest on long term debt	386,649		386,649	245,382		245,382
Business type activities		7,364,401	7,364,401		9,239,825	9,239,825
Total expenses	152,403,906	7,364,401	159,768,307	155,161,848	9,239,825	164,401,673
Change in net position	11,083,641	(38,941)	11,044,700	14,029,924	(706,884)	13,323,040
Net position—beginning	83,056,984	3,727,368	86,784,352	69,027,060	4,434,252	73,461,312
Net position—ending	\$ 94,140,625	\$ 3,688,427	\$ 97,829,052	\$ 83,056,984	\$ 3,727,368	\$ 86,784,352

District activities. The key elements of the District's changes in net position for the years ended June 30, 2022 and 2021 are as follows:

With the additional general state aid awarded, property tax revenue only increased \$946,240 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 decrease from 2020/21 to 2021/22 in state and federal aid was (\$12,990,769). This significant decrease was primarily driven by an decrease 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 \$5,000,000. 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, 2022, and the increases in relation to the prior year:

<u>Revenue</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase from 2021</u>	<u>Percent of Increase</u>
Local sources	\$ 102,251,084	61.31%	\$ 2,239,071	2.24%
State sources	57,099,515	34.24%	8,518,950	17.54%
Federal sources	7,428,144	4.45%	3,535,393	90.82%
Total	<u>\$ 166,778,743</u>	<u>100.00%</u>	<u>\$ 14,293,414</u>	<u>9.37%</u>

The increase in local sources is primarily due to an increase in the tax levy of \$946,240. 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 \$6,180,000 and an increase in general state aid of approximately \$640,000. Additionally, there was an increase in the special revenue fund state and federal aid of approximately \$5,100,000 based on increases to preschool aid resulting from expansion of its preschool programs and federal funds 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, 2022 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 53,657,214	32.19%	\$ 1,788,542	3.45%
Support services	108,783,229	65.23%	17,491,561	19.16%
Charter Schools	686,336	0.41%	66,868	10.79%
Debt service:				
Principal	3,450,000	2.07%	135,000	4.07%
Interest and Other Charges	188,313	0.11%	(129,237)	-40.70%
Total	<u>\$ 166,765,092</u>	<u>100.00%</u>	<u>\$ 19,352,734</u>	<u>13.13%</u>

There was an overall increase in total expenditures in 2022 from 2021 based on increases of approximately \$6,200,000 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 \$4,000,000 resulting from the rise of COVID-19 cases. Lastly, the District incurred approximately \$1,500,000 in capital outlay from the 2021-2022 school year as the District completed a large facility project for the year ended June 30, 2022.

General Fund

Fund balance in the General Fund increased by approximately \$5,838,000. Of the \$52,862,646 fund balance in the General Fund, \$6,503,360 is restricted for current year excess surplus, \$8,289,133 is restricted for the prior year excess surplus, \$21,510,430 is restricted in the capital reserve account, \$1,764,429 is restricted for an unemployment reserve, \$6,555,332 is restricted in the maintenance reserve, \$1,000,000 is restricted in the emergency reserve account, \$2,396,842 of encumbrances is assigned to other purposes, and \$4,843,120 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, 2022. The District has an unassigned deficit fund balance of \$451,520 in the Special Revenue Fund as of June 30, 2022 as a result of the State deferring the payment of the final two state aid payments until July 2022.

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 \$12,500,162 is the result of the unspent proceeds from transfers from capital reserve and state grant money that is being used for ongoing capital projects. Also, the District entered into an energy savings program lease agreement in the amount of \$15,503,119 during the 2021-2022 school year.

Internal Service Funds

The District operates a self-insurance program for workers compensation, health, prescription and dental benefits. The Internal Service Fund net position decreased by \$401,822 to \$2,298,433.

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, 2022, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2021</u>	<u>Percent of (Decrease) Increase</u>
Local sources	\$ 2,575,961	35.17%	\$ (1,550,739)	-37.58%
State sources	84,553	1.15%	(38,715)	-31.41%
Federal sources	4,664,946	63.68%	381,973	8.92%
Total	<u>\$ 7,325,460</u>	<u>100.00%</u>	<u>\$ (1,207,481)</u>	<u>-14.15%</u>

The decrease in local sources is mainly attributable to a decrease in Community Education program revenue due to the preschool program now being administered in the special revenue fund. The increase in federal source revenue was caused by increased participation in the food service program during the fiscal year ended June 30, 2022 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 2022.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2022, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2021</u>	<u>Percent of (Decrease) Increase</u>
Salaries	\$ 2,575,086	34.96%	\$ (629,934)	-19.65%
Employee benefits	338,921	4.60%	(575,642)	-62.94%
Other purchased services	1,741,752	23.65%	(83,294)	-4.56%
Supplies and materials	92,518	1.26%	(334,495)	-78.33%
Cost of sales program	2,142,077	29.09%	(674,747)	-23.95%
Other	474,047	6.44%	422,688	823.01%
	<u>\$ 7,364,401</u>	<u>100.00%</u>	<u>\$ (1,875,424)</u>	<u>-20.30%</u>

The overall decrease in the majority of the line items is the result of the preschool program now being administered in the special revenue fund.

Food Service Fund

The food service enterprise fund operated at a \$612,385 net gain this year. Revenues from daily food sales increased from the prior year by \$118,134 or 52.0% as a result of an increase in students purchasing more ala carte menu items. The special function sales increased by \$45,879 or 223.2% as a result of the food service company providing more meals to outside organizations. Federal and state revenues increased from the prior year by \$343,258. Total operating expenses increased from the prior year by \$267,097 or 6.21% 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, \$1,282,111 is comprised of net position - investment in capital assets of \$103,860 and unrestricted net position of \$1,178,251.

Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$2,143,622 for the year ended June 30, 2022. Current year revenues decreased from the prior year by \$1,718,729 or 44.6% as a result of the preschool program now being administered in the special revenue fund. Operating expenses have decreased as a result. 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, \$2,406,316 is comprised of net position investment in capital assets of \$43,213 and unrestricted net position of \$2,363,103. 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, 2022, the District's governmental activities had capital assets of \$87,275,443 (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, 2022 and 2021:

	June 30,	
	2022	2021
		As restated
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	13,815,270	9,305,150
Buildings and building improvements, net	63,270,532	66,241,370
Machinery, equipment, and vehicles, net	3,455,283	3,245,221
Right to Use Assets - Building, net	4,825,731	304,291
Right to Use Assets - Equipment, net	365,660	510,944
Total capital assets, net	<u>\$ 87,275,443</u>	<u>\$ 81,149,943</u>

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

Debt Administration. During the 2022 fiscal year, the District had outstanding long-term liabilities of \$32,663,547 of which \$9,340,394 was classified as the current portion.

At June 30, 2022 and 2021, the District's long-term liabilities consisted of:

	June 30,	
	2022	2021
		As restated
Bonds payable	\$ 3,575,000	\$ 7,025,000
Unamortized premium on bonds	27,745	249,727
Financed purchases payable	15,503,119	
Leases payable	5,313,241	815,235
Compensated absences payable	2,144,467	2,006,828
Accrued liability for insurance claims	6,099,975	5,064,802
Total long-term liabilities	\$ 32,663,547	\$ 15,161,592

Long-term liabilities increased mainly due to the implementation of GASB 87 on leases and the District entering into a energy savings lease offset by 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.

- Undistributed Instruction – regular program - purchased professional-educational services actual expenditures in total were \$1,011,844 and increased from the prior year expenditures of \$449,862 but lower than was anticipated at the time the budget was developed.
- Undistributed Instruction – regular program - general supplies actual expenditures in total were \$2,072,470 lower than anticipated. There were fewer supplies needed as staff utilized materials purchased in prior year that were not used during COVID.

- Undistributed expenditures instruction - Tuition to other LEAs within the state special education – were lower than what was budgeted due to less students being sent out of District than was anticipated.
- Custodial services – Energy – Natural gas and electricity – actual expenditures in total were \$924,242 lower than anticipated in the budget, however, total expenditures were comparable to the prior year.
- Student transportation services – contracted services – ESCs & CTSA's special education - actual expenditures in total were \$1,653,316 lower than anticipated due to the use of available federal funds through the special revenue fund as opposed, to the general fund.
- 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 \$2,999,116 lower than anticipated. However, of that \$1,452,501 was encumbered at year end. Expenditures together with encumbrance is just below the budgeted total for the line item. Planned projects not completed due to supply chain issues that delayed completion of previous projects.

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, 2022.

Piscataway Township School District

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 70,404,253	\$ 4,235,696	\$ 74,639,949
Accounts receivable	5,712,943	377,521	6,090,464
Inventories		27,278	27,278
Investments	1,609,500		1,609,500
Other assets		29,944	29,944
Capital assets, non-depreciable	15,358,237		15,358,237
Capital assets, depreciable/amortized, net	71,917,206	412,619	72,329,825
Total assets	165,002,139	5,083,058	170,085,197
Deferred Outflows Of Resources			
Deferred loss on advanced refunding	25,698		25,698
Pension deferrals	3,351,610		3,351,610
Total deferred outflows	3,377,308		3,377,308
Liabilities			
Accounts payable	4,507,673	292,686	4,800,359
Accrued interest payable	305,913		305,913
Intergovernmental payables - State	91,116		91,116
Unearned revenue	1,279,717	836,399	2,116,116
Other liabilities	354,428		354,428
Net pension liability	21,219,526		21,219,526
Current portion of long-term obligations	9,340,394	65,574	9,405,968
Noncurrent portion of long-term obligations	23,323,153	199,972	23,523,125
Total liabilities	60,421,920	1,394,631	61,816,551
Deferred Inflow Of Resources			
Pension deferrals	13,816,902		13,816,902
Net Position			
Net investment in capital assets	74,473,820	147,073	74,620,893
Restricted for:			
Capital projects	908,379		908,379
Excess surplus	14,792,493		14,792,493
Capital reserve	21,510,430		21,510,430
Emergency reserve	1,000,000		1,000,000
Maintenance reserve	6,555,332		6,555,332
Unemployment liability reserve	1,764,429		1,764,429
Reserve for student activities	410,361		410,361
Reserve for scholarships	17,267		17,267
Unrestricted (deficit)	(27,291,886)	3,541,354	(23,750,532)
Total net position	\$ 94,140,625	\$ 3,688,427	\$ 97,829,052

See accompanying notes to the basic financial statements.

Piscataway Township School District

Statement of Activities

Year ended June 30, 2022

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	
Governmental activities						
Instruction	\$ 85,301,182	\$ 441,555	\$ 5,699,508	\$ (79,160,119)		\$ (79,160,119)
Support services:						
Attendance/social work	399,417			(399,417)		(399,417)
Health services	1,714,926			(1,714,926)		(1,714,926)
Other support services	21,393,365	392,789	7,174,407	(13,826,169)		(13,826,169)
Improvement of instruction	4,212,444			(4,212,444)		(4,212,444)
Other support: instructional staff	6,479			(6,479)		(6,479)
School library	1,003,107			(1,003,107)		(1,003,107)
General administration	2,705,535			(2,705,535)		(2,705,535)
School administration	6,992,269			(6,992,269)		(6,992,269)
Central services	1,991,701			(1,991,701)		(1,991,701)
Administrative information technology	2,170,134			(2,170,134)		(2,170,134)
Plant operation and maintenance	14,430,657		294,957	(14,135,700)		(14,135,700)
Student transportation	9,009,705	486,383		(8,523,322)		(8,523,322)
Charter schools	686,336			(686,336)		(686,336)
Interest on long-term debt	386,649			(386,649)		(386,649)
Total governmental activities	<u>152,403,906</u>	<u>1,320,727</u>	<u>13,168,872</u>	<u>(137,914,307)</u>		<u>(137,914,307)</u>
Business-type activities						
Food Service	4,569,453	432,339	4,749,499		\$ 612,385	612,385
Adult and Community Education	2,794,948	2,143,622			(651,326)	(651,326)
Total business-type activities	<u>7,364,401</u>	<u>2,575,961</u>	<u>4,749,499</u>		<u>(38,941)</u>	<u>(38,941)</u>
Total primary government	<u>\$ 159,768,307</u>	<u>\$ 3,896,688</u>	<u>\$ 17,918,371</u>	<u>(137,914,307)</u>	<u>(38,941)</u>	<u>(137,953,248)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				94,988,397		94,988,397
Property taxes, levied for debt service				3,638,312		3,638,312
State and federal sources—unrestricted				48,186,976		48,186,976
Investment income				483,820		483,820
Interest Income				153,932		153,932
Other Restricted Miscellaneous Revenues				4,996		4,996
Miscellaneous				1,541,515		1,541,515
Total general revenues				<u>148,997,948</u>	<u>-</u>	<u>148,997,948</u>
Change in net position				11,083,641	(38,941)	11,044,700
Net Position—beginning, as restated				83,056,984	3,727,368	86,784,352
Net Position—ending				<u>\$ 94,140,625</u>	<u>\$ 3,688,427</u>	<u>\$ 97,829,052</u>

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Piscataway Township School District
Governmental Funds

Balance Sheet

June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 48,829,742	\$ 351,930	\$ 897,165	\$ 1	\$ 50,078,838
Investments	1,609,500				1,609,500
Accounts receivable:					
State	1,435,659		11,214		1,446,873
Federal	51,049	3,810,260			3,861,309
Other	364,567	40,194			404,761
Interfund	2,432,112				2,432,112
Restricted assets:					
Cash and cash equivalents			11,591,783		11,591,783
Total assets	<u>\$ 54,722,629</u>	<u>\$ 4,202,384</u>	<u>\$ 12,500,162</u>	<u>\$ 1</u>	<u>\$ 71,425,176</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,344,092	\$ 584,794			\$ 1,928,886
Intergovernmental payables:					
State		91,116			91,116
Interfunds payable		2,432,112			2,432,112
Payroll deductions and withholdings payable	29,773				29,773
Unemployment compensation claims payable	224,655				224,655
Unearned revenue	161,463	1,118,254			1,279,717
Other liabilities	100,000				100,000
Total liabilities	<u>1,859,983</u>	<u>4,226,276</u>			<u>6,086,259</u>
Fund balances:					
Restricted for:					
Excess surplus-current year	6,503,360				6,503,360
Excess surplus-prior year	8,289,133				8,289,133
Capital reserve account	21,510,430				21,510,430
Emergency reserve	1,000,000				1,000,000
Unemployment liability reserve	1,764,429				1,764,429
Debt Service				\$ 1	1
Capital projects			\$ 12,500,162		12,500,162
Maintenance reserve	6,555,332				6,555,332
Student activities		410,361			410,361
Scholarships		17,267			17,267
Assigned to:					
Other purposes	2,396,842				2,396,842
Unassigned (deficit):	4,843,120	(451,520)			4,391,600
Total fund balances	<u>52,862,646</u>	<u>(23,892)</u>	<u>12,500,162</u>	<u>1</u>	<u>65,338,917</u>
Total liabilities and fund balances	<u>\$ 54,722,629</u>	<u>\$ 4,202,384</u>	<u>\$ 12,500,162</u>	<u>\$ 1</u>	<u>\$ 71,425,176</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 \$167,196,093 and the accumulated depreciation/amortization is \$79,920,650.	87,275,443
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.	2,298,433
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.	(305,913)
Accounting loss on advanced refunding of debt	25,698
Long-term liabilities, including bonds payable, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(26,563,572)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(10,465,292)
Accrued pension contributions for the June 30, 2022 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.	(2,243,563)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(21,219,526)
Net position of governmental activities	<u>\$ 94,140,625</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, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 94,988,397			\$ 3,638,312	\$ 98,626,709
Tuition	441,555				441,555
Transportation	486,383				486,383
Rents	523,938				523,938
Investment Income	483,820				483,820
Interest Income	150,050		\$ 3,882		153,932
Other Restricted Miscellaneous Revenues	4,996				4,996
Miscellaneous	1,017,577	\$ 516,056			1,533,633
Total local sources	<u>98,096,716</u>	<u>516,056</u>	<u>3,882</u>	<u>3,638,312</u>	<u>102,254,966</u>
State sources	51,355,456	5,744,059			57,099,515
Federal sources	126,598	7,301,546			7,428,144
Total revenues	<u>149,578,770</u>	<u>13,561,661</u>	<u>3,882</u>	<u>3,638,312</u>	<u>166,782,625</u>
Expenditures					
Current:					
Instruction	47,957,706	5,699,508			53,657,214
Undistributed-current:					
Instruction	1,317,662				1,317,662
Attendance/social work	237,620				237,620
Health services	1,041,794				1,041,794
Other support services	8,064,976	7,707,116			15,772,092
Improvement of instruction	2,575,694				2,575,694
Education media library	615,078				615,078
Other support: instructional staff	6,167				6,167
General administration	1,989,633				1,989,633
School administration	4,192,087				4,192,087
Central services	1,251,486				1,251,486
Administrative information technology	1,653,554				1,653,554
Required maintenance of plant services	2,314,908				2,314,908
Operation of plant	10,714,446				10,714,446
Student transportation	7,788,846				7,788,846
Unallocated benefits	22,937,372				22,937,372
On-behalf TPAF social security and pension contributions	28,317,044				28,317,044
Charter schools - current	686,336				686,336
Capital outlay	5,762,789	294,957	3,911,336		9,969,082
Debt Service:					
Principal				3,450,000	3,450,000
Interest				188,313	188,313
Total expenditures	<u>149,425,198</u>	<u>13,701,581</u>	<u>3,911,336</u>	<u>3,638,313</u>	<u>170,676,428</u>
Excess (deficiency) of revenues over (under) expenditures	153,572	(139,920)	(3,907,454)	(1)	(3,893,803)
Other financing sources (uses)					
Proceeds from Financed Purchase Payable Lease (Non-budgeted)			15,503,119		15,503,119
Proceeds from Leases (Non-budgeted)	5,762,789				5,762,789
Transfers in	6,284	85,074			91,358
Transfers out	(85,074)		(6,284)		(91,358)
Total other financing sources (uses)	<u>5,683,999</u>	<u>85,074</u>	<u>15,496,835</u>	<u>-</u>	<u>21,265,908</u>
Net change in fund balances	5,837,571	(54,846)	11,589,381	(1)	17,372,105
Fund balances, July 1	47,025,075	30,954	910,781	2	47,966,812
Fund balances, June 30	<u>\$ 52,862,646</u>	<u>\$ (23,892)</u>	<u>\$ 12,500,162</u>	<u>\$ 1</u>	<u>\$ 65,338,917</u>

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, 2022

Total net change in fund balances - governmental funds (from B-2)		\$ 17,372,105
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlays	\$ 11,444,996	
Depreciation/Amortization expense	<u>(5,319,496)</u>	6,125,500
<p>The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net assets.</p>		
Leases payable	(5,762,789)	
Financed purchases payable Issued	<u>(15,503,119)</u>	(21,265,908)
<p>The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.</p>		
Lease payment	1,264,783	
Bond payment	<u>3,450,000</u>	4,714,783
<p>Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
Amortization of Premium on Bonds	221,982	
Amortization of Deferred Accounting Loss	<u>(205,595)</u>	16,387
<p>In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
		(214,722)
<p>The Internal Service Fund is used by the District to charge the costs of self insurance to other funds. The activity of this fund is included in the Statement of Activities.</p>		
		(401,822)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
		(137,639)
<p>Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>		
Pension benefit		<u>4,874,957</u>
Change in net position of governmental activities (A-2)		<u>\$ 11,083,641</u>

See accompanying notes to the basic financial statements.

Proprietary Funds

Piscataway Township School District
Proprietary Funds

Statement of Net Position

June 30, 2022

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,146,394	\$ 3,089,302	\$ 4,235,696	\$ 8,733,632
Accounts receivable:				
State	4,383		4,383	
Federal	234,573		234,573	
Other	103,820	34,745	138,565	
Other assets		29,944	29,944	
Inventories	27,278		27,278	
Total current assets	1,516,448	3,153,991	4,670,439	8,733,632
Capital assets:				
Equipment	1,089,582	745,950	1,835,532	
Right to use assets - buildings		662,853	662,853	
Accumulated depreciation/amortization	(985,722)	(1,100,044)	(2,085,766)	
Total capital assets, net	103,860	308,759	412,619	
Total assets	1,620,308	3,462,750	5,083,058	8,733,632
Liabilities				
Current liabilities:				
Accounts payable	279,761	12,925	292,686	335,224
Accrued liability for insurance claims				6,099,975
Lease liability - current		65,574	65,574	
Unearned revenue	58,436	777,963	836,399	
Total current liabilities	338,197	856,462	1,194,659	6,435,199
Long-term liabilities				
Lease liability - non-current		199,972	199,972	
Total long-term liabilities	-	199,972	199,972	-
Total liabilities	338,197	1,056,434	1,394,631	6,435,199
Net Position				
Net investment in capital assets	103,860	43,213	147,073	
Unrestricted	1,178,251	2,363,103	3,541,354	2,298,433
Total net position	\$ 1,282,111	\$ 2,406,316	\$ 3,688,427	\$ 2,298,433

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, 2022

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
	Service	Education	Totals	Fund
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	\$ 235,882		\$ 235,882	
Daily food sales non-reimbursable programs	109,504		109,504	
Tuition		\$ 2,135,626	2,135,626	
Charges for services				\$ 23,965,993
Special function	66,435		66,435	
Miscellaneous	20,518	7,996	28,514	
Total operating revenues	<u>432,339</u>	<u>2,143,622</u>	<u>2,575,961</u>	<u>23,965,993</u>
Operating expenses:				
Salaries of the employees and FSMC	1,148,679	1,426,407	2,575,086	
Purchased professional services	30,558		30,558	
Employee benefits of the District and FSMC	253,289	85,632	338,921	24,367,815
Purchased property services		12,138	12,138	
Other purchased services	969,544	729,512	1,699,056	
Supplies and materials	7,809	84,709	92,518	
Cost of sales - program	2,138,792		2,138,792	
Cost of sales - non-program	3,285		3,285	
Depreciation and amortization expense	17,497	394,548	412,045	
Miscellaneous		62,002	62,002	
Total operating expenses	<u>4,569,453</u>	<u>2,794,948</u>	<u>7,364,401</u>	<u>24,367,815</u>
Operating (loss)	(4,137,114)	(651,326)	(4,788,440)	(401,822)
Nonoperating revenues:				
State sources:				
State school lunch program	84,553		84,553	
Federal sources:				
School breakfast program	925,042		925,042	
National school lunch program	3,576,855		3,576,855	
P-EBT Administrative Cost Reimbursements	3,135		3,135	
Food donation program	159,914		159,914	
Total nonoperating revenues	<u>4,749,499</u>	<u>-</u>	<u>4,749,499</u>	<u>-</u>
Change in net position	612,385	(651,326)	(38,941)	(401,822)
Total net position-beginning	<u>669,726</u>	<u>3,057,642</u>	<u>3,727,368</u>	<u>2,700,255</u>
Total net position-ending	<u>\$ 1,282,111</u>	<u>\$ 2,406,316</u>	<u>\$ 3,688,427</u>	<u>\$ 2,298,433</u>

See accompanying notes to the basic financial statements.

Piscataway Township School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2022

	Major Funds			Non-Major Funds
	Business Type Activities -			Internal
	Enterprise Funds			Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
Cash flows from operating activities				
Receipts from customers	\$ 450,381	\$ 2,824,078	\$ 3,274,459	
Payments to employees and FSMC	(1,148,679)	(1,426,407)	(2,575,086)	
Payments for employee FSMC benefits	(253,289)	(85,632)	(338,921)	
Payments to suppliers	(4,182,852)	(908,502)	(5,091,354)	
Receipts from services provided				\$ 23,965,993
Payments for insurance				(23,823,926)
Net cash (used in) provided by operating activities	(5,134,439)	403,537	(4,730,902)	142,067
Cash flows from noncapital financing activities				
Transfers to other funds		(757,364)	(757,364)	
Cash received from state and federal reimbursements	5,088,658		5,088,658	
Net cash provided by (used in) noncapital financing activities	5,088,658	(757,364)	4,331,294	-
Cash flows from capital and related financing activities				
Principal paid on leases		(397,307)	(397,307)	
Acquisition of capital assets	(90,763)		(488,070)	-
Net cash (used in) provided by capital activities	(90,763)	(397,307)	(885,377)	-
Net (decrease) increase in cash and cash equivalents	(136,544)	(751,134)	2,443,151	142,067
Cash and cash equivalents, beginning of year	1,282,938	3,840,436	5,123,374	8,591,565
Cash and cash equivalents, end of year	\$ 1,146,394	\$ 3,089,302	\$ 7,566,525	\$ 8,733,632
Reconciliation of operating (loss) to net cash (used in) provided by operating activities:				
Operating (loss)	\$ (4,137,114)	\$ (651,326)	\$ (4,788,440)	\$ (401,822)
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities:				
Depreciation / amortization	17,497	394,548	412,045	
Change in assets and liabilities:				
Decrease in accounts receivable	42,731	199,106	241,837	757,364
(Decrease) Increase in accounts payable	(1,024,536)	(20,141)	(1,044,677)	327,826
(Decrease) in interfund payable				(1,576,474)
(Increase) in inventory	(8,328)		(8,328)	
(Decrease) Increase in unearned revenue	(24,689)	481,350	456,661	
Increase in accrued liability for insurance claims				1,035,173
Net cash (used in) provided by operating activities	\$ (5,134,439)	\$ 403,537	\$ (4,730,902)	\$ 142,067

Noncash noncapital financing activities:

The District received \$159,914 of food commodities from the Department of Agriculture for the year ended June 30, 2022.

See accompanying notes to the basic financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies

The financial statements of the Piscataway Township School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District’s accounting policies are described below.

A. Reporting Entity

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

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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, 2022

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 criteria defined by the 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.

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 criteria defined by the 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.

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, 2022

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, 2022

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.

Except for the student activity and scholarship funds, 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

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 reports.

E. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

F. Inventories

Enterprise fund inventories are recorded at 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 2021-22 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

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

	<u>Years</u>
Machinery and equipment	2 - 20
Buildings	40
Building improvements	20
Vehicles	5 - 10
Right to use assets – equipment	3 - 5
Right to use assets - buildings	20

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, 2022, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,144,467 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

L. Long-Term Obligations

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

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

M. Leases

The District is a lessee for noncancellable leases of buildings and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements.

At commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

M. Leases (continued)

measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

N. 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, 2022, the District has recorded an unamortized balance of \$25,698 as a deferred outflow of resources and amortization expense for the year was \$205,595.

O. 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, 2022

1. Summary of Significant Accounting Policies (continued)

O. 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, 2022

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

Of the \$52,862,646 of fund balance in the General Fund, \$21,510,430 has been restricted in the capital reserve account, \$1,000,000 has been restricted in the emergency reserve account, \$1,764,429 has been restricted for the unemployment reserve account, \$6,555,332 has been restricted in the maintenance reserve account, \$6,503,360 is restricted for current year excess surplus, \$8,289,133 is restricted for prior year excess surplus, \$2,396,842 of encumbrances are assigned to other purposes, and \$4,843,120 is unassigned. The fund balance in the Special Revenue Fund of \$427,628 is restricted for student activities and scholarships. The fund balance in the Capital Projects Fund of \$12,500,162 is restricted for capital projects, of which the entire balance has been encumbered for projects.

P. 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, 2022

1. Summary of Significant Accounting Policies (continued)

Q. 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.

R. 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.

S. 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, 2022 was \$14,792,493. Of this amount, \$8,289,133 has been appropriated in the 2022-2023 budget and the remaining \$6,503,360 is required to be appropriated in the 2023-2024 budget.

T. 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, 2022

1. Summary of Significant Accounting Policies (continued)

U. 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.

V. Recently Issued Accounting Pronouncements

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 appropriately implemented this standard for the year ended June 30, 2022.

W. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 13, 2023, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and the following requires disclosure:

The District entered into two leases subsequent to year end for space in two buildings. The leases run through 2027 fiscal year and payments due under the lease agreements total \$3,813,052.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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 \$26,653,572 difference are as follows:

Bonds payable	\$ 3,575,000
Unamortized premium on bonds	27,745
Compensated absences	2,144,467
Financed purchases payables	15,503,119
Leases payable	<u>5,313,241</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 26,563,572</u>

3. Deposits and Investments

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

Deposits

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

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2022, the District's carrying amount of deposits was \$74,639,949 and the bank balance was \$77,548,420. Of the bank balance, \$750,000 was secured by federal depository insurance and \$76,046,512 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$751,909 held in the District's agency accounts are not covered by GUDPA. Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are:

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

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

Investments

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

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

Custodial Credit Risk: The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

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

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

As of June 30, 2022, the District's investment balances of \$1,609,500 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, 2022:

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

- Solar Renewable Energy Credits in the amount of \$1,609,500 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, 2022:

	Beginning Balance As Restated	Increases	Ending Balance
Governmental activities:			
Capital assets, not being depreciated/amortized:			
Land	\$ 1,542,967		\$ 1,542,967
Construction in progress	9,305,150	\$ 4,510,120	13,815,270
Total capital assets, not being depreciated/amortized	10,848,117	4,510,120	15,358,237
Capital assets, being depreciated/amortized:			
Buildings and building improvements	131,999,023	335,580	132,334,603
Machinery, equipment and vehicles	12,088,722	836,507	12,925,229
Right to use assets, building	304,291	5,762,789	6,067,080
Right to use assets, equipment	510,944		510,944
Total capital assets being depreciated/amortized	144,902,980	6,934,876	151,837,856
Less accumulated depreciation/amortization for:			
Buildings and building improvements	65,757,653	3,306,418	69,064,071
Machinery, equipment and vehicles	8,843,501	626,445	9,469,946
Right to use assets, building		1,241,349	1,241,349
Right to use assets, equipment		145,284	145,284
Total accumulated depreciation/amortization	74,601,154	5,319,496	79,920,650
Total capital assets, being depreciated/amortized, net	70,301,826	1,615,380	71,917,206
Governmental activities capital assets, net	\$ 81,149,943	\$ 6,125,500	\$ 87,275,443

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

4. Capital Assets (continued)

Depreciation/amortization expense was charged to functions/programs of the District for the year ended June 30, 2022 as follows:

Instruction	\$ 2,781,731
Attendance/social work	12,024
Health services	52,715
Other support services	798,069
Improvement of instruction	130,330
Education media library	31,123
Other support: Instruction staff	312
General administration	100,676
School administration	212,120
Central services	63,325
Administrative information technology	83,670
Plant operation and maintenance	659,285
Student transportation	394,116
Total depreciation/amortization expense - governmental activities	<u>\$ 5,319,496</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2022:

	Beginning Balance As Restated	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated/amortized:			
Equipment	\$ 1,744,769	\$ 90,763	\$ 1,835,532
Less accumulated depreciation/amortization for:			
Equipment	1,673,721	29,603	1,703,324
Equipment, depreciable/amortizable, net	71,048	61,160	132,208
Building	359,548	303,305	662,853
Less accumulated depreciation/amortization for:			
Building		382,442	382,442
Building, depreciable/amortizable, net	359,548	(79,137)	280,411
Total business-type activities capital assets, net	<u>\$ 430,596</u>	<u>\$ (17,977)</u>	<u>\$ 412,619</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

5. Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 2,006,828	\$ 387,030	\$ 249,391	\$ 2,144,467	\$ 214,447
Bonds payable	7,025,000		3,450,000	3,575,000	3,575,000
Unamortized premium on bonds	249,727		221,982	27,745	27,745
Financed purchases payable		15,503,119		15,503,119	676,888
Lease payable	815,235	5,762,789	1,264,783	5,313,241	1,285,314
Accrued liability for insurance claims	5,064,802	25,402,988	24,367,815	6,099,975	3,561,000
Subtotal	15,161,592	47,055,926	29,553,971	32,663,547	9,340,394
Net pension liability	29,380,226		8,160,700	21,219,526	
Governmental activities long-term liabilities	<u>\$ 44,541,818</u>	<u>\$ 47,055,926</u>	<u>\$ 37,714,671</u>	<u>\$ 53,883,073</u>	<u>\$ 9,340,394</u>

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities:					
Lease payable	\$ 344,683	\$ 303,305	\$ 382,442	\$ 265,546	\$ 65,574
Business-type activities long-term liabilities	<u>\$ 344,683</u>	<u>\$ 303,305</u>	<u>\$ 382,442</u>	<u>\$ 265,546</u>	<u>\$ 65,574</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, financed purchases payable 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. The leases payable will be liquidated from the District's general fund, special revenue fund and adult and community education fund.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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:			
2023	\$ 3,575,000	\$ 66,725	\$ 3,641,725
	<u>\$ 3,575,000</u>	<u>\$ 66,725</u>	<u>\$ 3,641,725</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 rate of 3.00%.

See Schedule I-1 for additional information regarding the District's bonds payable, including original amount of debt, interest rates and remaining maturities.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Financed Purchases Payable

The District has financed purchases payable totaling \$15,503,119 with a interest rate of 1.72%. The term of the financed purchases are eighteen years. The following is a schedule of the future minimum lease payments under these financed purchases payable at June 30, 2022:

	Principal	Interest	Total
Year ending			
June 30:			
2023	\$ 676,888	\$ 266,995	\$ 943,883
2024	1,231,301	255,337	1,486,638
2025	1,270,787	234,132	1,504,919
2026	783,466	212,246	995,712
2027	816,063	198,754	1,014,817
2028-2032	3,761,120	722,706	4,483,826
2033-2037	4,660,776	522,746	5,183,522
2038-2040	2,302,718	80,385	2,383,103
	<u>\$ 15,503,119</u>	<u>\$ 2,493,301</u>	<u>\$ 17,996,420</u>

Leases Payable

The District has remaining leases payable totaling \$5,313,241 with interest rates ranging from 1.72% to 3.75%. The terms of the leases are from one to five years, including all extensions. The following is a schedule of the future minimum lease payments at June 30, 2022:

Governmental activities - leases payable

	Principal	Interest	Total
Year ending			
June 30:			
2023	\$ 1,285,314	\$ 96,550	\$ 1,381,864
2024	1,294,646	72,507	1,367,153
2025	1,264,450	48,246	1,312,696
2026	1,257,751	25,527	1,283,278
2027	211,080	3,668	214,748
	<u>\$ 5,313,241</u>	<u>\$ 246,498</u>	<u>\$ 5,559,739</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Leases Payable (continued)

Business-type activities - leases payable

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
Year ending					
June 30:					
2023	\$ 65,574		\$ 4,576		\$ 70,150
2024	60,319		3,444		63,763
2025	62,954		2,405		65,359
2026	65,677		1,321		66,998
2027	11,022		190		11,212
	<u>\$ 265,546</u>		<u>\$ 11,936</u>		<u>\$ 277,482</u>

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, 2022

6. Pension Plans (continued)

Teachers' Pension and Annuity Fund

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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, 2022, the State of New Jersey contributed \$24,299,864 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 \$4,017,180 during the year ended June 30, 2022 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, 2022, 2021 and 2020 were \$2,097,711, \$1,970,918, and \$1,705,719 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, 2022

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, 2022, the District reported a liability of \$21,219,526 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.1791206505 percent, which was a decrease of 0.0010445113 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension benefit of (\$2,777,246) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 334,659	\$ 151,907
Changes of assumptions	110,511	7,554,289
Net difference between projected and actual earnings on pension plan investments		5,589,781
Changes in proportion		520,925
Changes in proportion and differences between District contributions and proportionate share of contributions	662,877	
District contributions subsequent to the measurement date	2,243,563	
	<u>\$ 3,351,610</u>	<u>\$ 13,816,902</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

The \$2,243,563 of deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2023. 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:	
2023	\$ (4,904,115)
2024	(3,701,592)
2025	(2,439,085)
2026	(1,661,234)
2027	(2,829)
	<u>\$ (12,708,855)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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-2021. 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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Mortality Rates (continued)

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	3.00%	9.15%
Real Assets	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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, 2021 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 28,896,691	\$ 21,219,526	\$ 14,704,363

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, 2022

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169
Deferred inflows of resources	\$ 8,339,123,762
Net pension liability	\$ 11,972,782,878

District's Proportion	0.1791206505%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2021 is \$1,599,674,464.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.13, 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, 2021 was \$225,512,147. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2022

6. Pension Plans (continued)

the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4690821892 percent, which was a decrease of 0.0051157703% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$5,306,400 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

Mortality Rates

Pre-retirement Investment Rate of Return 7.00%

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-2021.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 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 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, 2021 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:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 266,818,539	\$ 225,512,147	\$ 190,817,374

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, 2022

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	\$ 27,175,330,929
Net pension liability	\$ 48,075,188,642
State's proportionate share associated with the District	0.4690821892%

Collective pension expense for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.93, 7.99, 8.04, 8.29, 8.30, 8.30, 8.30 and 8.50 years, respectively.

7. Post-Retirement Benefits

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,850,970 for this special funding situation.

The State’s contributions to the SHBP Fund for TPAF retirees’ post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$4,600,812 \$4,354,504, and \$3,927,733, respectively, which equaled the required contributions for each year.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2021 was \$278,872,501 or 0.46%. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on pensions and OPEB can be assessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Employees covered by benefit terms

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2021</u>
Active Plan Members	98,858
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	48,851
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>147,709</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Actuarial Assumptions and Other Inputs

Inflation rate	2.50%	
	TPA/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on age
Thereafter	2.75 - 5.56%	3.00 - 7.00%
	based on years of service	based on age

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 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%.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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.

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, 2020		\$ 316,029,068
Increased by:		
Service cost	\$ 15,083,723	
Interest cost	7,234,246	
Changes of assumptions	275,129	
Member contributions	<u>184,944</u>	
		<u>22,778,042</u>
		338,807,110
Decreased by:		
Diff. between expected and actual exp	53,939,223	
Changes of benefit terms	296,826	
Gross benefit payments	<u>5,698,560</u>	
		<u>(53,934,609)</u>
Balance at June 30, 2021		<u>\$ 278,872,501</u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2021 was \$90,041,853 and \$115,726,112, respectively.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

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

	1% Decrease (1.16%)	At Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 334,045,477	\$ 278,872,501	\$ 235,427,094

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$225,748,196	\$278,872,501	\$350,214,517

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$15,691,184 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 26,769,148,209
Collective OPEB expense	\$ 3,527,672,060

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

8. Deferred Compensation

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

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

9. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,432,112	
Special Revenue Fund		\$ 2,432,112
	<u>\$ 2,432,112</u>	<u>\$ 2,432,112</u>

The interfunds receivable in the General Fund 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 General Fund at June 30, 2022.

All interfunds are expected to be repaid within one year.

10. Economic Dependency

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its approved referendum project. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required. If necessary, the District has made adequate provisions for any potential questioned costs related to its grant programs. The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

12. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this 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 \$6,099,975 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

12. Risk Management (continued)

Self-Insurance (continued)

The IBNR liability for medical, prescription and dental benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has an unrestricted net position of \$2,298,433 for future medical, dental, and prescription claims.

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2022, 2021, and 2020 were:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2021-22	\$ 5,064,802	\$ 25,402,988	\$ 24,367,815	\$ 6,099,975
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

The District has estimated the short-term liability to be \$3,561,000, 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. As of June 30, 2022, the District had \$1,764,429 in its unemployment reserve account.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$15,546,231
Increase:	
Interest Earned	37,557
Deposit approved at the June 2022 Board meeting	6,000,000
Withdrawals:	
By Resolution	<u>(75,760)</u>
Ending balance, June 30, 2022	<u>\$ 21,510,430</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

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).

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

16. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 4,716,739
Increase:	
Interest Earned	9,330
Deposit Approved at the June 2022 Board meeting	<u>1,829,263</u>
Ending balance, June 30, 2022	<u>\$ 6,555,332</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, 2022.

17. Emergency Reserve Account

An emergency reserve account was established by the District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

17. Emergency Reserve Account (continued)

item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent. During the Fiscal Year ended June 30, 2022 the District has the following activity in the Emergency Reserve Account:

Beginning balance, July 1, 2021	\$	-
Increase:		
Deposit Approved at the June 2022 Board meeting		<u>1,000,000</u>
Ending balance, June 30, 2022	\$	<u><u>1,000,000</u></u>

18. Deficit Fund Balance

The District has an unassigned deficit fund balance of \$451,520 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). For budget purposes only, P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, and liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

19. Commitments

There were contractual commitments in the general fund in the amount of \$2,396,842 at June 30, 2022 which are reported as assigned to other purposes. There was \$11,591,783 of contractual commitments at June 30, 2022 to vendors related to ongoing energy savings construction projects (ESIP program) which is reported as restricted for capital projects in the Capital Projects Fund.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

20. Transfers – Reconciliation

The following presents a reconciliation of transfers during the 2022 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 6,284	\$ 85,074
Special Revenue Fund	85,074	
Capital Projects Fund		6,284
	<u>\$ 91,358</u>	<u>\$ 91,358</u>

The transfer from general fund to the special revenue fund represents the preschool inclusion children charged to the special revenue fund. The transfer from the capital projects fund to the general fund represents a transfer of \$2,402 in unspent funds from prior year capital reserve funds and \$3,882 of interest earned during the year.

21. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2022, the District implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. The objective of this Statement is to establish standards of accounting and financial reporting for leases by lessees and lessors. The implementation of the Statement required a restatement of prior year assets and liabilities in the government-wide financial statements. The restatement had no effect on net position.

	Balance June 30, 2021	Restatement Amount	June 30, 2021 As Restated
Statement of Net Position - Governmental Activities			
Assets:			
Capital Assets being depreciated/amortized, net	\$ 80,334,708	\$ 815,235	\$ 81,149,943
Liabilities:			
Current portion of long-term obligations	\$ 6,750,665	\$ 426,168	\$ 7,176,833
Non current portion of long-term obligations	7,595,692	389,067	7,984,759
	<u>\$ 14,346,357</u>	<u>\$ 815,235</u>	<u>\$ 15,161,592</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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset) - Local Group	0.1791206505%	0.1801651618%	0.1753574039%	0.1773917708%	0.1785450280%	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%	n/a
District's proportionate share of the net pension liability (asset)	\$ 21,219,526	\$ 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
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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	166.16%	230.76%	248.53%	281.09%	336.30%	446.84%	318.71%	284.96%	277.44%	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%	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 was 7.00% as of June 30, 2020 and June 30, 2021.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,097,711	\$ 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
Contributions in relation to the contractually required contribution	(2,097,711)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,842,413	\$ 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
Contributions as a percentage of covered-employee payroll	17.71%	15.43%	13.40%	13.97%	13.57%	13.09%	12.17%	11.75%	11.02%	11.45%

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*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.469082189%	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	\$ 225,512,147	\$ 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>\$ 225,512,147</u>	<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	35.52%	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 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

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	Year Ended June 30, 2022
State's proportion of the OPEB Liability associated with the District -	0.47%	0.46%	0.47%	0.47%	0.46%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489	\$ 316,029,068	\$ 278,872,501
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>	<u>\$ 278,872,501</u>
Beginning Balance	\$ 270,987,900	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489	\$ 316,029,068
Increased by:					
Service cost	\$ 11,094,997	\$ 9,174,245	\$ 8,039,866	\$ 8,478,549	\$ 15,083,723
Interest cost	7,960,142	9,214,619	8,487,763	7,005,476	7,234,246
Changes of assumptions			2,897,364	57,727,651	275,129
Member contributions	214,038	197,909	176,823	166,760	184,944
Diff. between expected and actual exp.				53,829,949	
	19,269,177	18,586,773	19,601,816	127,208,385	22,778,042
Decreased by:					
Diff. between expected and actual exp.		(25,094,207)	(33,463,068)		(53,939,223)
Changes of assumptions	(33,487,161)	(24,574,654)			
Changes of benefit terms					(296,826)
Gross benefit payments	(5,812,702)	(5,726,264)	(5,965,121)	(5,501,806)	(5,698,560)
	<u>\$ (39,299,863)</u>	<u>\$ (55,395,125)</u>	<u>\$ (39,428,189)</u>	<u>\$ (5,501,806)</u>	<u>\$ (59,934,609)</u>
Ending Balance	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489	\$ 316,029,068	\$ 278,872,501
Covered by employee payroll	\$ 63,103,173	\$ 63,917,207	\$ 64,683,358	\$ 66,385,742	\$ 67,079,866
Total OPEB liability as a percentage of covered employee payroll.	397.69%	335.04%	300.42%	476.05%	415.73%

* 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 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 94,988,397		\$ 94,988,397	\$ 94,988,397	
Tuition from Individuals	25,000		25,000	23,483	\$ (1,517)
Tuition from LEAs within state	350,000		350,000	418,072	68,072
Transportation Fees from Individuals	300,000		300,000	292,916	(7,084)
Transportation Fees from Other LEAs	100,000		100,000	193,467	93,467
Rents	550,000		550,000	523,938	(26,062)
Investment Income	500,000		500,000	365,272	(134,728)
Interest Income	250,000		250,000	103,163	(146,837)
Interest Earned on Capital Reserve Funds	75,000		75,000	37,557	(37,443)
Interest Earned on Maintenance Reserve Funds	25,000		25,000	9,330	(15,670)
Other Restricted Miscellaneous Revenues				4,996	4,996
Miscellaneous	250,000		250,000	1,017,577	767,577
Total revenues - local sources	97,413,397		97,413,397	97,978,168	564,771
State sources:					
Categorical Special Education Aid	4,920,457		4,920,457	4,920,457	
Categorical Transportation Aid	3,188,747		3,188,747	3,188,747	
Equalization Aid	12,242,761		12,242,761	12,242,761	
Extraordinary Aid	500,000		500,000	1,184,377	684,377
Categorical Security Aid	1,295,620		1,295,620	1,295,620	
Additional Non Public Transportation Aid				48,720	48,720
Homeless Tuition Reimbursement				6,573	6,573
School Security Grant				196,163	196,163
On-behalf TPAF pension contributions (non-budgeted)				19,691,850	19,691,850
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,600,812	4,600,812
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				7,202	7,202
Reimbursed TPAF social security contributions (non-budgeted)				4,017,180	4,017,180
Total - state sources	22,147,585	-	22,147,585	51,400,462	29,252,877
Federal sources:					
Medicaid reimbursement	108,955		108,955	126,598	17,643
Total Federal sources	108,955	-	108,955	126,598	17,643
Total revenues	119,669,937	-	119,669,937	149,505,228	29,835,291
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,639,862	\$ 101,035	1,740,897	1,740,364	533
Grades 1-5	12,612,642	(1,176,228)	11,436,414	11,387,586	48,828
Grades 6-8	8,266,438	(943,000)	7,323,438	7,320,602	2,836
Grades 9-12	12,286,834	(1,182,982)	11,103,852	11,046,896	56,956
Home instruction - regular programs:					
Salaries of teachers	70,000	(2,220)	67,780	67,780	
Purchased professional-educational services	48,000	2,220	50,220	34,872	15,348
Undistributed instruction - regular programs:					
Other salaries for instruction	220,307	-	220,307	213,609	6,698
Purchased professional-educational services	1,655,050	(129,234)	1,525,816	1,011,844	513,972
Other purchased services	53,804	(4,801)	49,003	20,422	28,581
General supplies	2,280,654	317,540	2,598,194	2,072,470	525,724
Textbooks	39,502	(7,342)	32,160	15,118	17,042
Other objects	454,632	76,575	531,207	454,322	76,885
Total instruction - regular programs	39,627,725	(2,948,437)	36,679,288	35,385,885	1,293,403

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Cognitive-mild:					
Salaries of teachers	\$ 472,062		\$ 472,062	\$ 433,767	\$ 38,295
Other salaries for instruction	109,749		109,749	73,001	36,748
Purchased professional ed services	150,052	\$ (25,000)	125,052	48,916	76,136
Other purchased services	350		350		350
General supplies	10,175		10,175	8,936	1,239
Total cognitive-mild	742,388	(25,000)	717,388	564,620	152,768
Learning and/or language disabilities:					
Salaries of teachers	810,759		810,759	674,126	136,633
Other salaries for instruction	348,481	(4,359)	344,122	196,101	148,021
Purchased professional ed services	18,697	115,000	133,697	84,140	49,557
General supplies	2,050		2,050	1,802	248
Total learning and/or language disabilities	1,179,987	110,641	1,290,628	956,169	334,459
Behavioral disabilities:					
Salaries of teachers	625,673	(109,989)	515,684	514,899	785
Other salaries for instruction	46,242		46,242	46,242	
Purchased professional ed services	204,838	(3,584)	201,254	68,310	132,944
General supplies	7,660	30	7,690	6,716	974
Total behavioral disabilities	884,413	(113,543)	770,870	636,167	134,703
Multiple disabilities:					
Salaries of teachers	93,977		93,977	93,977	
Other salaries for instruction	37,525	31	37,556	37,556	
Purchased professional ed services	1,870	(31)	1,839		1,839
Total multiple disabilities	133,372	-	133,372	131,533	1,839
Resource room/center:					
Salaries of teachers	4,658,286	(416,211)	4,242,075	4,177,358	64,717
Other salaries for instruction	127,584	129,211	256,795	188,585	68,210
Purchased professional ed services	585,252	(194,000)	391,252	208,255	182,997
General supplies	13,400		13,400	10,810	2,590
Total resource room/center	5,384,522	(481,000)	4,903,522	4,585,008	318,514
Autism:					
Salaries of teachers	953,766	(18,380)	935,386	907,189	28,197
Other salaries for instruction	257,323	31,742	289,065	244,924	44,141
Purchased professional-educational services	373,587	(113,102)	260,485	174,756	85,729
General supplies	34,800		34,800	30,967	3,833
Total autism	1,619,476	(99,740)	1,519,736	1,357,836	161,900
Preschool disabilities - full time:					
Salaries of teachers	621,448		621,448	554,268	67,180
Other salaries for instruction	185,039		185,039	146,695	38,344
Purchased professional-educational services	335,062	(90,000)	245,062	136,364	108,698
General supplies	3,800		3,800	2,581	1,219
Total preschool disabilities - full time	1,145,349	(90,000)	1,055,349	839,908	215,441
Total special education	11,089,507	(698,642)	10,390,865	9,071,241	1,319,624

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 1,578,173		\$ 1,578,173	\$ 1,298,535	\$ 279,638
General supplies	7,000		7,000	3,503	3,497
Total basic skills/remedial - instruction	1,585,173		1,585,173	1,302,038	283,135
Bilingual education - instruction:					
Salaries of teachers	676,707	\$ (90,000)	586,707	528,398	58,309
General supplies	7,844	2,655	10,499	1,818	8,681
Total bilingual education - instruction	684,551	(87,345)	597,206	530,216	66,990
School - sponsored cocurricular activities:					
Salaries	381,630	(12,600)	369,030	234,911	134,119
Purchased services	35,020	6,321	41,341	37,743	3,598
Supplies and materials	77,420	12,172	89,592	44,972	44,620
Other objects	6,350		6,350	6,100	250
Total school spn. cocurricular activities	500,420	5,893	506,313	323,726	182,587
School - sponsored athletics - instruction:					
Salaries	1,000,585	(21)	1,000,564	979,533	21,031
Purchased services	156,500	(17,329)	139,171	101,778	37,393
Supplies and materials	157,500	13,611	171,111	101,216	69,895
Other objects	43,000	(8,100)	34,900	33,975	925
Total school - sponsored athletics - instruction	1,357,585	(11,839)	1,345,746	1,216,502	129,244
Other supplemental / At Risk programs:					
Salaries of tutors	306,940	(200,000)	106,940	11,480	95,460
Purchased professional ed services	235,000		235,000	116,188	118,812
General supplies	3,000		3,000	430	2,570
Total Other supplemental / At Risk programs	544,940	(200,000)	344,940	128,098	216,842
Total instruction	55,389,901	(3,940,370)	51,449,531	47,957,706	3,491,825
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.	45,000	37,825	82,825	75,798	7,027
Tuition to other LEAs w/in the state - sp.	580,000	703,463	1,283,463	692,051	591,412
Tuition to private schools for the handicapped - within state	800,000	(260,773)	539,227	483,369	55,858
Tuition - state facilities	66,444		66,444	66,444	
Total instruction	1,491,444	480,515	1,971,959	1,317,662	654,297

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 242,099		\$ 242,099	\$ 234,454	\$ 7,645
Other purchased services	4,000		4,000	2,869	1,131
Supplies and materials	1,500		1,500	297	1,203
Total attendance and social work services	247,599		247,599	237,620	9,979
Health services:					
Salaries	1,073,005	\$ (18,900)	1,054,105	971,203	82,902
Purchased professional and technical services	35,000	17,400	52,400	42,395	10,005
Other purchased services	750	200	950	193	757
Supplies and materials	32,000	1,300	33,300	28,003	5,297
Total health services	1,140,755	-	1,140,755	1,041,794	98,961
Speech, OT, PT, and related services related services:					
Salaries	1,574,441		1,574,441	1,571,350	3,091
Purchased professional educational services	127,000	(33,021)	93,979	20,225	73,754
Supplies and materials	15,000	(4,800)	10,200	6,651	3,549
Total Speech, OT, PT, and related services	1,716,441	(37,821)	1,678,620	1,598,226	80,394
Other support services - students - extra services:					
Salaries	643,194	-	643,194	624,607	18,587
Purchased professional educational services	455,661	19,900	475,561	58,447	417,114
Supplies and materials	20,000	4,000	24,000	21,557	2,443
Other objects		9,100	9,100	8,350	750
Total other support services - students - extra services	1,118,855	33,000	1,151,855	712,961	438,894
Guidance:					
Salaries of other professional staff	2,031,859	30,238	2,062,097	2,060,412	1,685
Salaries of secretarial and clerical assistants	361,066	(21,864)	339,202	338,991	211
Other Salaries	59,090	(8,374)	50,716	47,070	3,646
Purchased professional - educational services	321,500	235,569	557,069	309,799	247,270
Other purchased professional - technical	100		100		100
Other purchased services	5,450		5,450	480	4,970
Supplies and materials	36,675	2,636	39,311	28,085	11,226
Other objects	1,125		1,125	962	163
Total guidance	2,816,865	238,205	3,055,070	2,785,799	269,271
Child Study Team:					
Salaries of other professional staff	2,714,950	(76,504)	2,638,446	2,546,344	92,102
Salaries of secretarial and clerical assistants	278,465		278,465	278,465	
Other Salaries	66,500	16,634	83,134	83,023	111
Purchased professional - educational services	55,000	(60)	54,940	36,233	18,707
Other purchased services (400-500 series)	14,500	(500)	14,000	4,110	9,890
Supplies and materials	18,000	2,761	20,761	19,420	1,341
Other objects		500	500	395	105
Total child study team	3,147,415	(57,169)	3,090,246	2,967,990	122,256

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 1,506,387	\$ (35,067)	\$ 1,471,320	\$ 1,403,877	\$ 67,443
Salaries of secretarial and clerical assistants	127,789	336	128,125	128,125	
Other Salaries	142,514	(5,000)	137,514	109,269	28,245
Salaries of facilitators, math & literacy coaches	714,125	34,731	748,856	716,884	31,972
Purchased professional - educational services	32,000		32,000	30,283	1,717
Other purchased services	3,200		3,200	1,865	1,335
Supplies and materials	232,100	12,840	244,940	181,234	63,706
Other objects	8,670		8,670	4,157	4,513
Total improvement of instructional services	2,766,785	7,840	2,774,625	2,575,694	198,931
Educational media services/school library:					
Salaries	452,557	55,848	508,405	494,632	13,773
Salaries of Technology Coordinators	58,411	5,661	64,072	64,072	
Purchased professional and technical services	15,500		15,500	13,149	2,351
Supplies and materials	53,366	1,920	55,286	43,225	12,061
Total educational media services/school library	579,834	63,429	643,263	615,078	28,185
Instructional staff training services:					
Other purchased services	30,850	863	31,713	6,167	25,546
Total instructional staff training services	30,850	863	31,713	6,167	25,546
Support services-general administration:					
Salaries	860,419	(42)	860,377	816,601	43,776
Salaries of attorneys	146,434	42	146,476	146,476	
Legal services	60,000	44,690	104,690	3,381	101,309
Audit fees	80,000		80,000	74,908	5,092
Architectural / engineering services	150,000	137,536	287,536	58,126	229,410
Other purchased professional services	60,000		60,000	41,121	18,879
Purchased technical services	40,000		40,000	30,600	9,400
Communications/telephone	573,000	111,363	684,363	436,670	247,693
BOE Other purchased services	5,000		5,000		5,000
Misc Purch Services	442,000		442,000	267,569	174,431
General supplies	158,500	329	158,829	63,458	95,371
Judgments against the school district	75,000		75,000		75,000
Miscellaneous expenditures	30,000		30,000	20,535	9,465
BOE membership dues and fees	40,000		40,000	30,188	9,812
Total support services-general administration	2,720,353	293,918	3,014,271	1,989,633	1,024,638

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/ assistant principals	\$ 3,071,766	\$ 100,000	\$ 3,171,766	\$ 2,940,251	\$ 231,515
Salaries of other prof staff	145,570		145,570	145,570	
Salaries of secretarial and clerical assistants	971,926		971,926	943,860	28,066
Other salaries	31,041	4,105	35,146	21,680	13,466
Purchased professional and technical services	15,000		15,000	2,814	12,186
Other purchased services	9,150	(550)	8,600	320	8,280
Supplies and materials	151,078	(17,198)	133,880	74,641	59,239
Other objects	51,429	19,847	71,276	62,951	8,325
Total support services-school administration	4,446,960	106,204	4,553,164	4,192,087	361,077
Central services:					
Salaries	1,105,745		1,105,745	1,059,606	46,139
Purchased technical services	65,000	1,500	66,500	51,568	14,932
Misc. purchased services	151,000	6,806	157,806	108,763	49,043
Supplies and materials	40,000	(1,976)	38,024	19,531	18,493
Other objects	12,000	1,976	13,976	12,018	1,958
Total central services	1,373,745	8,306	1,382,051	1,251,486	130,565
Administrative information technology:					
Salaries	928,419	(225,000)	703,419	677,678	25,741
Purchased technical services	12,000	223,545	235,545	223,545	12,000
Other purchased services	20,000	500	20,500	10,979	9,521
Supplies and Materials	71,500	91,562	163,062	143,239	19,823
Other objects	371,079	366,711	737,790	598,113	139,677
Total administrative information technology	1,402,998	457,318	1,860,316	1,653,554	206,762
Required maintenance for school facilities:					
Salaries	1,204,302	(60,000)	1,144,302	1,119,529	24,773
Cleaning, repair and maintenance services	1,314,025	(162,951)	1,151,074	861,845	289,229
General supplies	406,200	(12,184)	394,016	331,380	62,636
Other objects	106,000	(93,991)	12,009	2,154	9,855
Total required maintenance for school facilities	3,030,527	(329,126)	2,701,401	2,314,908	386,493
Custodial Services:					
Salaries	3,224,486	(179,009)	3,045,477	2,921,559	123,918
Salaries of Non-Instructional Aids		16,534	16,534	15,517	1,017
Purchased professional and technical services	331,950	750	332,700	255,763	76,937
Cleaning, repair and maintenance services	255,070	12,542	267,612	215,821	51,791
Rental of land & building	350,000	893,077	1,243,077	1,135,479	107,598
Other purchased property services	260,000	(47,467)	212,533	211,097	1,436
Insurance	1,000,000	11,590	1,011,590	1,006,478	5,112
General supplies	343,000	75,831	418,831	386,824	32,007
Energy - Natural gas	513,000	178,113	691,113	280,871	410,242
Energy - Electricity	1,615,000	(90,415)	1,524,585	1,010,585	514,000
Energy - Gasoline	100,000	(86,679)	13,321	9,853	3,468
Other objects		18,341	18,341	13,481	4,860
Total custodial services	7,992,506	803,208	8,795,714	7,463,328	1,332,386
Care & upkeep of grounds:					
Salaries	434,618		434,618	409,563	25,055
Cleaning, repair and maintenance services	132,000	12,119	144,119	102,331	41,788
General supplies	124,400	15,858	140,258	112,216	28,042
Other objects		1,000	1,000	220	780
Total care & upkeep of grounds	691,018	28,977	719,995	624,330	95,665

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 1,034,671		\$ 1,034,671	\$ 985,691	\$ 48,980
Purchased professional and technical services	160,000	\$ 2,000	162,000	1,591	160,409
Cleaning, repair and maintenance services	20,000		20,000		20,000
General supplies	50,000	102,328	152,328	103,981	48,347
Other objects	10,000		10,000		10,000
Total Security	1,274,671	104,328	1,378,999	1,091,263	287,736
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	12,000		12,000	8,579	3,421
Between home and school - regular	1,327,352	(1,049,560)	277,792	263,849	13,943
Between home and school - special	50,000	997,878	1,047,878	846,132	201,746
Other than between home & school	70,000	(18,768)	51,232	50,169	1,063
Between home and school - non public	70,000	55,459	125,459	125,459	
Other purchased professional services	650,000	(322,382)	327,618	322,184	5,434
Cleaning, repair and maintenance	300,000	(81,889)	218,111	150,589	67,522
Rental payment - school buses	35,000	(5,000)	30,000	20,041	9,959
Contracted services:					
Between home & school - regular	200,000	(20,000)	180,000	165,200	14,800
Other between home & school - regular	40,000	(10,000)	30,000	23,100	6,900
Vendors - between home & school	3,304,000	229,476	3,533,476	3,508,374	25,102
Vendors - other between home & school	584,775	(155,491)	429,284	122,746	306,538
Joint agreements - special ed		32,541	32,541	3,435	29,106
ESCs & CTSA's - regular ed	450,000	479,000	929,000	908,583	20,417
ESCs & CTSA's - special ed	1,225,000	1,328,459	2,553,459	900,113	1,653,346
Travel	2,000		2,000	498	1,502
Miscellaneous purchased services -	50,000	4,512	54,512	53,520	992
General Supplies	90,000	(27,287)	62,713	53,838	8,875
Transportation Supplies and materials	300,000	58,002	358,002	262,437	95,565
Miscellaneous expenditures	2,000		2,000		2,000
Total student transportation services	8,762,127	1,494,950	10,257,077	7,788,846	2,468,231
Unallocated benefits:					
Social security contributions	1,500,000	(174,407)	1,325,593	1,302,178	23,415
Other retirement contributions - PERS	2,000,000	100,186	2,100,186	2,100,186	
Other retirement contributions - ERIP		7,715	7,715	7,715	
Worker's compensation	400,000	(44,612)	355,388	355,388	
Health insurance	15,312,017	3,698,627	19,010,644	18,831,609	179,035
Tuition reimbursement	140,000	(79,000)	61,000	57,038	3,962
Other employee benefits	300,000	(15,426)	284,574	283,258	1,316
Total unallocated benefits	19,652,017	3,493,083	23,145,100	22,937,372	207,728
On-behalf TPAF pension contributions (non-budgeted)				19,691,850	(19,691,850)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				4,600,812	(4,600,812)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				7,202	(7,202)
Reimbursed TPAF social security contributions (non-budgeted)				4,017,180	(4,017,180)
Total personal services: benefits	19,652,017	3,493,083	23,145,100	51,254,416	(28,109,316)
Interest deposit to maintenance reserve	25,000		25,000		25,000
Total undistributed expenditures	66,428,765	7,190,028	73,618,793	93,482,842	(19,864,049)
Total current expenditures	121,818,666	3,249,658	125,068,324	141,440,548	(16,372,224)

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 1-5	\$ 250,000		\$ 250,000		\$ 250,000
Grades 6-8	250,000		250,000		250,000
Grades 9-12	314,750		314,750		314,750
School-spons & other instruction program- Sp Ed		\$ 24,782	24,782	\$ 24,782	
Support Services - Students - Regular		4,576	4,576	4,576	
Admin Info Tech		143,379	143,379	141,972	1,407
Required maintenance for school facilities	637,560	(134,491)	503,069	220,890	282,179
Undistributed expenditure Security		17,750	17,750		17,750
School buses - regular		127,417	127,417		127,417
School buses - special		75,225	75,225		75,225
Total equipment	1,452,310	258,638	1,710,948	392,220	1,318,728
Facilities acquisition and construction services:					
Architectual / engineering	500,000	100,629	600,629	247,507	353,122
Construction services	1,875,000	1,423,287	3,298,287	652,293	2,645,994
Assessment for Debt Service on SDA Funding	243,505		243,505	243,505	
Total facilities acquisition and construction services	2,618,505	1,523,916	4,142,421	1,143,305	2,999,116
Assets acquired under leases (non-budgeted)				5,762,789	(5,762,789)
Interest deposit to capital reserve	75,000		75,000		75,000
Total expenditures - capital outlay	4,145,815	1,782,554	5,928,369	7,298,314	(1,369,945)
Transfer of funds to charter schools	652,442	51,831	704,273	686,336	17,937
Total expenditures	126,616,923	5,084,043	131,700,966	149,425,198	(17,724,232)
(Deficiency) excess of revenues (under) over expenditures	(6,946,986)	(5,084,043)	(12,031,029)	80,030	12,111,059
Other financing sources (uses):					
Proceeds from Leases (Non-budgeted)				5,762,789	5,762,789
Transfers in (Capital Projects Fund)				6,284	6,284
Transfers Out (Special Revenue Fund)	(219,584)		(219,584)	(85,074)	134,510
Total other financing sources (uses)	(219,584)	-	(219,584)	5,683,999	5,903,583
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(7,166,570)	(5,084,043)	(12,250,613)	5,764,029	18,014,642
Fund balances, July 1	47,605,812		47,605,812	47,605,812	
Fund balances, June 30	\$ 40,439,242	\$ (5,084,043)	\$ 35,355,199	\$ 53,369,841	\$ 18,014,642
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted general fund balance	\$ (7,166,570)		\$ (7,166,570)	\$ 10,848,072	\$ 18,014,642
Withdrawal from capital reserve		\$ (75,760)	(75,760)	(75,760)	
Adjustment for prior year encumbrances, net		(5,008,283)	(5,008,283)	(5,008,283)	
Total	\$ (7,166,570)	\$ (5,084,043)	\$ (12,250,613)	\$ 5,764,029	\$ 18,014,642
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 1,000,000	
Capital reserve				21,510,430	
Maintenance reserve				6,555,332	
Unemployment liability reserve				1,764,429	
Excess surplus - prior year				8,289,133	
Excess surplus - current year				6,503,360	
Assigned to:					
Year end encumbrances				2,396,842	
Unassigned fund balance				5,350,315	
				<u>53,369,841</u>	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(2,116,695)	
Solar Renewable Energy Credits (SREC) Income				1,609,500	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 52,862,646</u>	

Piscataway Township School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 6,325,650	\$ 425,484	\$ 6,751,134	\$ 5,679,295	\$ (1,071,839)
Federal sources	2,614,252	13,525,181	16,139,433	8,761,225	(7,378,208)
Other sources		654,248	654,248	568,207	(86,041)
Total revenues	8,939,902	14,604,913	23,544,815	15,008,727	(8,536,088)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	1,384,818	3,031,156	4,415,974	2,242,645	2,173,329
Other salaries from instruction		176,868	176,868	176,868	
Purchased professional technical services	715,000	311,676	1,026,676	724,907	301,769
Other purchased services		612,964	612,964	611,073	1,891
Tuition	1,738,877	(215,279)	1,523,598	1,523,598	
Travel		20,485	20,485		20,485
Supplies and materials	115,000	1,332,803	1,447,803	637,117	810,686
Other objects	23,000	5,350	28,350	7,625	20,725
Total instruction	3,976,695	5,276,023	9,252,718	5,923,833	3,328,885
Support services:					
Salaries of other professional staff	1,074,633	805,728	1,880,361	1,540,952	339,409
Personal services—employee benefits	520,351	522,369	1,042,720	782,489	260,231
Purchased professional technical services	750,000	977,230	1,727,230	1,255,668	471,562
Purchased property services	890,000	370,656	1,260,656	1,155,964	104,692
Other purchased services	1,521,405	1,039,114	2,560,519	1,995,594	564,925
Travel	4,500		4,500	344	4,156
Supplies and materials	110,000	746,027	856,027	395,306	460,721
Scholarships awarded		5,650	5,650	5,650	
Student activities		392,789	392,789	350,859	41,930
Other Objects	2,318	3,500	5,818		5,818
Total support services	4,873,207	4,863,063	9,736,270	7,482,826	2,253,444
Capital outlay:					
Facilities acquisition and construction services:					
Non-instructional equipment		4,185,890	4,185,890	1,532,409	2,653,481
Instructional equipment	90,000	279,937	369,937	114,531	255,406
Total facilities acquisition and construction services	90,000	4,465,827	4,555,827	1,646,940	2,908,887
Total expenditures	8,939,902	14,604,913	23,544,815	15,053,599	8,491,216
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(44,872)	(44,872)
Other financing sources (uses)					
Transfers in - General Fund				85,074	85,074
Total other financing sources (uses)				85,074	85,074
Net change in fund balances				40,202	40,202
Fund Balance, July 1				387,426	
Fund Balance, June 30				<u>\$ 427,628</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 17,267	
Student Activities				410,361	
Total Fund Balance				<u>427,628</u>	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(451,520)	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ (23,892)</u>	

Piscataway Township School District
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2022

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 149,505,228	\$ 15,008,727
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(1,835,231)
Prior year		483,213
General and preschool state aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	2,071,689	356,472
Current year	(2,116,695)	(451,520)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis	<hr/> 118,548	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 149,578,770	<hr/> <hr/> \$ 13,561,661
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 149,425,198	\$ 15,053,599
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		483,213
Current year		(1,835,231)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 149,425,198	<hr/> <hr/> \$ 13,701,581

Supplementary Information

Special Revenue Fund

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2022

	(ACSERS) Additional or Compensatory Special		I.D.E.A.				Title II Part A Regular	Title III Regular	Title III Immigrant	Title IV Drug Free Regular
	Title I Regular	Education and Related Services	Part B Regular	Part B ARP	Part B Preschool	Part B Preschool - ARP				
	Part A									
Revenues:										
State sources	\$ 1,018,358	\$ 478,129	\$ 1,803,657	\$ 310,069	\$ 56,281	\$ 33,404	\$ 201,141	\$ 105,148	\$ 12,254	\$ 50,615
Federal sources										
Other sources										
Total revenues	\$ 1,018,358	\$ 478,129	\$ 1,803,657	\$ 310,069	\$ 56,281	\$ 33,404	\$ 201,141	\$ 105,148	\$ 12,254	\$ 50,615
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers	\$ 423,669							\$ 37,980	\$ 8,000	\$ 4,240
Other salaries from instruction	176,868									
Purchased professional educational services			\$ 96,134							
Other purchased services		\$ 299,671								
Tuition			1,467,317		\$ 56,281					
Supplies and materials	87,770		95,263	\$ 19,785		\$ 132		9,145	4,254	21,953
Other objects										
Total instruction	688,307	299,671	1,658,714	19,785	56,281	132		47,125	12,254	26,193
Support services:										
Salaries of other professional staff	25,684	8,734					\$ 31,900	17,280		
Personal services-employee benefits	236,165	1,979					1,241	21,451		324
Purchased professional educational services			65,395				75,556			
Purchased property services										
Other purchased services	43,206	167,745					73,359	750		20,399
Travel										
Supplies and materials	24,996		79,548	93,319			14,453	19,085	18,542	3,699
Scholarships awarded										
Student activities										
Other objects										
Total support services	330,051	178,458	144,943	93,319		14,453	201,141	58,023		24,422
Capital outlay:										
Equipment:										
Non-Instructional equipment				150,215			18,819			
Instructional equipment				46,750						
Total Equipment				196,965			18,819			
Total expenditures	\$ 1,018,358	\$ 478,129	\$ 1,803,657	\$ 310,069	\$ 56,281	\$ 33,404	\$ 201,141	\$ 105,148	\$ 12,254	\$ 50,615
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	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2022

	New Jersey Non-Public Aid									
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Supplementary Instruction	Nursing	Technology Initiative	Text-books	Security
	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program
Revenues:										
State sources	\$ 117,772	\$ 19,823	\$ 21,433	\$ 68,426	\$ 31,248	\$ 19,824	\$ 140,317	\$ 48,622	\$ 72,820	\$ 231,021
Federal sources										
Other sources										
Total revenues	\$ 117,772	\$ 19,823	\$ 21,433	\$ 68,426	\$ 31,248	\$ 19,824	\$ 140,317	\$ 48,622	\$ 72,820	\$ 231,021
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers										
Other salaries from instruction										
Purchased professional educational services										
Other purchased services										
Tuition										
Supplies and materials										
Other objects										
Total instruction										
Support services:										
Salaries of other professional staff										
Personal services—employee benefits										
Purchased professional educational services	\$ 117,772	\$ 19,823	\$ 21,433	\$ 68,426	\$ 31,248	\$ 19,824	\$ 140,317	\$ 48,622	\$ 72,820	\$ 231,021
Purchased property services										
Other purchased services										
Travel										
Supplies and materials										
Scholarships awarded										
Student activities										
Other objects										
Total support services	117,772	19,823	21,433	68,426	31,248	19,824	140,317	48,622	72,820	231,021
Capital outlay:										
Equipment:										
Non-Instructional equipment										
Instructional equipment										
Total Equipment										
Total expenditures	\$ 117,772	\$ 19,823	\$ 21,433	\$ 68,426	\$ 31,248	\$ 19,824	\$ 140,317	\$ 48,622	\$ 72,820	\$ 231,021
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	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Piscataway Township School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	Elementary and Secondary			Elementary and Secondary			Coronavirus Response and Relief Supplemental	NJ SDA	Preschool	Student				
	School Emergency Relief	CARES ACT	Carl	School Emergency Relief	Appropriations Act (CRRSA)	Learning Acceleration Grant Program	Emergent	Education	Activity	Scholarships	Local			Totals
	ARP Program	Education Stabilization Fund	Perkins	ESSRR II Grant Program			Need Grant	Aid	Fund	Fund	Programs			
Revenues:														
State sources														\$ 5,679,295
Federal sources	\$ 2,498,226	\$ 12,268	\$ 48,529	\$ 2,030,389	\$ 102,757		\$ 170,974	\$ 4,737,015						8,761,225
Other sources									\$ 392,789	\$ 3,922	\$ 171,496			568,207
Total revenues	\$ 2,498,226	\$ 12,268	\$ 48,529	\$ 2,030,389	\$ 102,757		\$ 170,974	\$ 4,737,015	\$ 392,789	\$ 3,922	\$ 171,496			\$ 15,008,727
Expenditures:														
Current expenditures:														
Instruction:														
Salaries of teachers	\$ 80		\$ 4,760	\$ 374,385	\$ 82,873			\$ 1,306,658						\$ 2,242,645
Other salaries from instruction														176,868
Purchased professional educational services			1,980	918				548,071		\$ 77,804				724,907
Other purchased services	300,000			11,318						84				611,073
Tuition														1,523,598
Supplies and materials	18,640	\$ 12,268	14,048	51,500		13,495		244,703			44,161			637,117
Other objects								5,991			1,634			7,625
Total instruction	318,720	12,268	20,788	438,121	96,368			2,105,423			123,683			5,923,833
Support services:														
Salaries of other professional staff	269,201		7,000	41,355				1,139,798						1,540,952
Personal services—employee benefits			899	34,777		6,389		479,264						782,489
Purchased professional educational services	340,603		2,808											1,255,668
Purchased property services			2,039	232,898				921,027						1,155,964
Other purchased services	1,525,670			35,521				128,944						1,995,594
Travel								344						344
Supplies and materials	3,327			55,316				38,338			44,683			395,306
Scholarships awarded										\$ 5,650				5,650
Student activities									\$ 350,859					350,859
Other objects														-
Total support services	2,138,801	-	12,746	399,867	6,389			2,707,715	350,859	5,650	44,683			7,482,826
Capital outlay:														
Equipment:														
Non-Instructional equipment				1,192,401			\$ 170,974							1,532,409
Instructional equipment	40,705		14,995					8,951			3,130			114,531
Total Equipment	40,705		14,995	1,192,401			170,974	8,951			3,130			1,646,940
Total expenditures	\$ 2,498,226	\$ 12,268	\$ 48,529	\$ 2,030,389	\$ 102,757		\$ 170,974	\$ 4,822,089	\$ 350,859	\$ 5,650	\$ 171,496			\$ 15,053,599
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	(85,074)	41,930	(1,728)	-			(44,872)
Other financing sources (uses)														
Transfers in	-	-	-	-	-	-	-	85,074	-	-	-			85,074
Total other financing sources (uses)	-	-	-	-	-	-	-	85,074	-	-	-			85,074
Net change in fund balance	-	-	-	-	-	-	-	-	41,930	(1,728)	-			40,202
Fund Balance, July 1	-	-	-	-	-	-	-	-	368,431	18,995	-			387,426
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,361	\$ 17,267	\$ -			\$ 427,628

Piscataway Township School District
Special Revenue Fund

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

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,347,515	\$ (14,254)	\$ 1,333,261	\$ 1,306,658	\$ 26,603
Purchased Professional Educational Services	715,000	3,749	718,749	548,071	170,678
Supplies and materials	115,000	131,039	246,039	244,703	1,336
Other Objects	23,000		23,000	5,991	17,009
Total instruction services	2,200,515	120,534	2,321,049	2,105,423	215,626
Support services:					
Contracted Pre-Kindergarten					
Salaries of other professional staff	1,050,833	91,428	1,142,261	1,139,798	2,463
Personal services—employee benefits	520,351		520,351	479,264	41,087
Rentals	890,000	135,717	1,025,717	921,027	104,690
Other purchased services	707,133	(216,639)	490,494	128,944	361,550
Travel	4,500		4,500	344	4,156
Supplies and materials	110,000	11,050	121,050	38,338	82,712
Other objects	2,318		2,318		2,318
Total support services	3,285,135	21,556	3,306,691	2,707,715	598,976
Facilities acquisition and cont. serv:					
Instructional equipment	90,000		90,000	8,951	81,049
Total Facilities acquisition and cont. serv:	90,000		90,000	8,951	81,049
Transfer from General Fund				85,074	85,074
Total Expenditures	\$ 5,575,650	\$ 142,090	\$ 5,717,740	\$ 4,822,089	\$ 895,651

Calculation of Budget and Carryover

Total revised 2021-22 Preschool Education Aid Allocation	\$ 4,515,196
Add: Actual Preschool Education Aid Carryover June 30, 2021	982,959
Add: Transfer from General Fund	85,074
Total Preschool Education Aid Funds Available for 2021-22 Budget	5,583,229
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(5,717,740)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	(134,511)
Add: June 30, 2022 Unexpended Preschool Education Aid	895,651
2021-22 Carryover - Preschool Education Aid/Preschool	<u>\$ 761,140</u>
2021-22 Preschool Education Aid Carryover	761,140
Budgeted for Preschool Programs 2022-23	<u>\$ 761,140</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, 2022

Revenues and other financing sources	
Capital lease proceeds and transfers	\$ 15,503,119
Investment Income	3,882
Total revenues	<u>15,507,001</u>
Expenditures and Other Financing Uses	
Construction Services	3,911,336
Total Expenditures	<u>3,911,336</u>
(Deficiency) of revenues (under) expenditures	11,595,665
Other Financing (uses)	
Transfers to General Fund	(6,284)
Total other financing (uses)	<u>(6,284)</u>
(Deficiency) of revenues (under) expenditures and other financing (uses)	(6,284)
Fund Balance, July 1	1,516,367
Fund Balance, June 30	<u>\$ 13,105,748</u>
Fund balance, budgetary-basis	\$ 13,105,748
Less difference in grant revenue recognized	<u>(605,586)</u>
Fund balance, GAAP-basis	<u>\$ 12,500,162</u>

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

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 1,437,178		\$ 1,437,178	\$ 1,437,178
Capital lease proceeds and transfers	-	\$ 15,503,119	15,503,119	15,503,119
Contribution from Private sources				
Transfer from capital reserve	2,691,894	-	2,691,894	2,691,894
Total revenues	<u>4,129,072</u>	<u>15,503,119</u>	<u>19,632,191</u>	<u>\$ 19,632,191</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	240,293	-	240,293	
Land and improvements	-			
Construction services	2,245,011	3,911,336	6,156,347	
Equipment	-			
Transfers to General Fund	127,401	2,402	129,803	
Total expenditures	<u>2,612,705</u>	<u>3,913,738</u>	<u>6,526,443</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,516,367</u>	<u>\$ 11,589,381</u>	<u>\$ 13,105,748</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, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 616,800		\$ 616,800	\$ 616,800
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	925,200		925,200	925,200
Total revenues	<u>1,542,000</u>	<u>-</u>	<u>1,542,000</u>	<u>\$ 1,542,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	28,035		28,035	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>28,035</u>	<u>-</u>	<u>28,035</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,513,965</u>	<u>\$ -</u>	<u>\$ 1,513,965</u>	
Additional project information				
Project number	4130-050-13-2026			
Grant date	4/14/2016			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,542,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,542,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	1.82%			
Original target completion date	N/A			
Revised target completion date	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, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Note proceeds and transfers				
Contribution from Private sources				
Transfer from capital reserve	\$ 205,000		\$ 205,000	\$ 205,000
	<u>205,000</u>	<u>-</u>	<u>205,000</u>	<u>\$ 205,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	96,548		96,548	
Land and improvements				
Construction services	106,289		106,289	
Equipment				
Transfers to General Fund		\$ 2,163	2,163	
Total expenditures	<u>202,837</u>	<u>2,163</u>	<u>205,000</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,163</u>	<u>\$ (2,163)</u>	<u>\$ -</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 205,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 205,000			
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
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, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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
	<u>201,479</u>	<u>-</u>	<u>201,479</u>	<u>\$ 201,479</u>
Total revenues				
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	79,276		79,276	
Equipment				
Transfers to General Fund	121,964	\$ 239	122,203	
Total expenditures	<u>201,240</u>	<u>239</u>	<u>201,479</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 239</u>	<u>\$ (239)</u>	<u>\$ -</u>	
Additional project information				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 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
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 (Budgetary Basis)

Energy Savings Improvement Program

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Financed purchases		\$ 15,503,119	\$ 15,503,119	\$ 15,503,119
Contribution from Private sources				
Transfer from capital reserve				
 Total revenues	<u>-</u>	<u>15,503,119</u>	<u>15,503,119</u>	<u>\$ 15,503,119</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services		3,911,336	3,911,336	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>-</u>	<u>3,911,336</u>	<u>3,911,336</u>	
 Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 11,591,783</u>	<u>\$ 11,591,783</u>	
Additional project information				
Project number	N/A			
Capital lease date	7/1/2021			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$	15,503,119		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	15,503,119		
 Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		25.23%		
Original target completion date	N/A			
Revised target completion date	June 2024			

Piscataway Township School District
Capital Projects Fund
Summary Schedule of Project Expenditures
(Budgetary Basis)
June 30, 2022

<u>Issue/Project Title</u>	<u>Revised</u> <u>Appropriations</u>	<u>Expenditures to Date</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	
HVAC Renovations: Martin Luther King Elementary School	201,479	201,240	239	
Energy Savings Improvement Program	15,503,119		3,911,336	11,591,783
	<u>\$ 17,451,598</u>	<u>\$ 432,112</u>	<u>\$ 3,913,738</u>	<u>\$ 13,105,748</u>

Long-Term Debt

Piscataway Township School District
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2022

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

Piscataway Township School District
Long-Term Debt

Schedule of Obligations Under Financed Purchases and Leases

Year ended June 30, 2022

Financed Purchases Payable

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
ESIP Lease	1.722%	\$ 15,503,119	\$ -	\$ 15,503,119	\$ -	\$ 15,503,119
			<u>\$ -</u>	<u>\$ 15,503,119</u>	<u>\$ -</u>	<u>\$ 15,503,119</u>

Leases Payable

Purpose	Interest Rate	Amount of Original Issue	(Restated) Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
Old NB Road Building	1.720%	\$ 5,762,789		\$ 5,762,789	\$ 865,695	\$ 4,897,094
Cabrini Building	1.720%	291,181	\$ 291,181		260,805	30,376
Fatima Building	1.720%	13,110	13,110			13,110
Copier Lease #1	3.000%	464,980	464,980		131,411	333,569
Copier Lease #2	3.750%	45,964	45,964		6,872	39,092
			<u>\$ 815,235</u>	<u>\$ 5,762,789</u>	<u>\$ 1,264,783</u>	<u>\$ 5,313,241</u>

Piscataway Township School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,638,312		\$ 3,638,312	\$ 3,638,312	
Total revenues	<u>3,638,312</u>		<u>3,638,312</u>	<u>3,638,312</u>	
Expenditures:					
Principal on bonds	3,450,000		3,450,000	3,450,000	
Interest on bonds	<u>188,313</u>		<u>188,313</u>	<u>188,313</u>	
Total expenditures	<u>3,638,313</u>		<u>3,638,313</u>	<u>3,638,313</u>	
Excess of revenues over expenditures	(1)		(1)	(1)	
Fund balance, July 1	2		2	2	
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

Statistical Section (Unaudited)

Other Information

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 74,473,820
Restricted	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	46,958,691
Unrestricted (deficit)	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)	(27,291,886)
Total governmental activities net position	\$ 50,347,682	\$ 53,734,146	\$ 27,463,633	\$ 35,899,557	\$ 40,496,174	\$ 46,204,036	\$ 52,919,830	\$ 69,027,060	\$ 83,056,984	\$ 94,140,625
Business-type activities										
Net investment in capital assets	\$ 104,945	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642	\$ 176,295	\$ 145,735	\$ 94,859	\$ 71,048	\$ 147,073
Unrestricted	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	3,541,354
Total business-type activities net position	\$ 2,097,123	\$ 3,321,549	\$ 4,187,665	\$ 4,094,753	\$ 4,116,955	\$ 4,195,713	\$ 4,364,048	\$ 4,434,252	\$ 3,727,368	\$ 3,688,427
District-wide										
Net investment in capital assets	\$ 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	\$ 74,620,893
Restricted	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	46,958,691
Unrestricted (deficit)	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)	(23,750,532)
Total district net position	\$ 52,444,805	\$ 57,055,695	\$ 31,651,298	\$ 39,994,310	\$ 44,613,129	\$ 50,399,749	\$ 57,283,878	\$ 73,461,312	\$ 86,784,352	\$ 97,829,052

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 85,301,182
Support services:										
Attendance/social work	386,990	386,649	413,128	349,747	395,547	446,750	380,297	366,032	398,625	399,417
Health services	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	1,714,926
Other support services	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	21,393,365
Improvement of instruction	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	4,212,444
Instructional staff training	23,696	28,802	40,621	24,087	15,643	15,308	19,771	10,605	3,461	6,479
School library	940,495	795,633	847,588	894,189	957,837	1,039,347	942,322	946,166	1,103,668	1,003,107
General administration	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	2,705,535
School administration	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	6,992,269
Central Services	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	1,991,701
Administrative Information Technology	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	2,170,134
Required maintenance	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	2,314,908
Operation of plant	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	12,115,749
Student transportation	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	9,009,705
Charter schools	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468	686,336
Interest on debt	1,154,735	1,245,698	950,025	874,589	768,766	657,863	542,686	394,633	245,382	386,649
Total governmental activities	107,285,086	111,938,990	125,733,426	130,063,134	145,944,767	152,727,491	145,451,298	136,655,172	155,161,848	152,403,906
Business-type activities:										
Food service	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	4,569,453
Adult and Community Education	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	2,794,948
Total business-type activities expense	6,433,874	7,010,908	7,538,708	8,826,671	9,777,126	9,645,446	10,212,947	9,776,458	9,239,825	7,364,401
Total district expenses	\$ 113,718,960	\$ 118,949,898	\$ 133,272,134	\$ 138,889,805	\$ 155,721,893	\$ 162,372,937	\$ 155,664,245	\$ 146,431,630	\$ 164,401,673	\$ 159,768,307
Program Revenues										
Governmental activities:										
Charges for services - tuition, transportation and student activities	\$ 866,718	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606	\$ 817,142	\$ 875,661	\$ 810,662	\$ 689,444	\$ 1,320,727
Operating grants and contributions	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	13,168,872
Capital grants and contributions	485,203		986,815	827,637	462,836	526,133	74,474	3,772		
Total governmental activities program revenues	5,381,870	4,476,923	5,395,343	5,800,052	5,373,417	5,554,780	5,889,862	7,017,896	8,885,335	14,489,599
Business-type activities:										
Charges for services										
Food service	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	432,339
Adult and Community Education	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	2,143,622
Operating grants and contributions	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	4,749,499
Total business type activities program revenues	6,918,548	7,701,932	7,932,769	8,139,468	9,786,470	9,707,878	10,288,980	9,721,489	8,532,941	7,325,460
Total district program revenues	\$ 12,300,418	\$ 12,178,855	\$ 13,328,112	\$ 13,939,520	\$ 15,159,887	\$ 15,262,658	\$ 16,178,842	\$ 16,739,385	\$ 17,418,276	\$ 21,815,059
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (137,914,307)
Business-type activities	484,674	691,024	394,061	(687,203)	9,344	62,432	76,033	(54,969)	(706,884)	(38,941)
Total district-wide net expense	\$ (101,418,542)	\$ (106,771,043)	\$ (119,944,022)	\$ (124,950,285)	\$ (140,562,006)	\$ (147,110,279)	\$ (139,485,403)	\$ (129,692,245)	\$ (146,983,397)	\$ (137,953,248)

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 94,988,397
Taxes levied for debt service	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	3,638,312
Unrestricted grants and contributions	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	48,186,976
Investment earnings	18,898			296,015	300,695	639,884	1,034,654	943,729	418,989	483,820
Other restricted miscellaneous income									5,916	4,996
Miscellaneous income	534,778	89,711	931,991	416,278	402,888	368,615	222,117	319,466	1,023,318	1,695,447
Transfers										
Total governmental activities	<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>	<u>148,997,948</u>
Business-type activities:										
Investment earnings										
Miscellaneous income		533,402	472,055	594,291	12,858	16,326	92,302	125,174		
Transfers										
Total business-type activities	<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>	<u>-</u>
Total district-wide	<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>	<u>\$ 148,997,948</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 11,083,641
Business-type activities	484,674	1,224,426	866,116	(92,912)	22,202	78,758	168,335	70,205	(706,884)	(38,941)
Total district	<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>	<u>\$ 11,044,700</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Restated)									
General Fund										
Restricted	\$ 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	\$ 45,622,684
Assigned	3,226,887	1,578,004	840,473	1,235,982	546,031	676,712	1,707,029	5,749,038	5,017,039	2,396,842
Unassigned	467,339	798,369	630,402	1,904,116	1,724,788	1,819,029	1,386,289	1,623,704	4,529,929	4,843,120
Total general fund	<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>	<u>\$ 52,862,646</u>
All Other Governmental Funds										
Restricted reported in:										
Capital projects fund	\$ 7,195,591	\$ 3,866,408	\$ 554,417	\$ 3,252,915	\$ 2,312,446	\$ 1,667,230	\$ 917,809	\$ 910,781	\$ 910,781	\$ 12,500,162
Debt service fund	33,120	33,120	33,120				1	1	2	1
Special revenue fund								519,038	387,426	427,628
Unassigned (deficit), reported in:										
Special revenue fund	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(230,146)	(305,778)	(356,472)	(451,520)
Total all other governmental funds	<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>	<u>\$ 12,476,271</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.

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

(modified accrual basis of accounting)
 Unaudited

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local sources:										
Local tax levy	\$ 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	\$ 98,626,709
Transportation	274,235	363,671	430,554	496,367	447,735	437,238	508,090	314,498	19,656	486,383
Tuition charges	592,483	404,668	213,203	343,202	408,871	379,904	367,571	496,164	476,108	441,555
Investment income	18,898			296,015	300,695	639,884	1,034,654	943,729	604,352	642,748
Miscellaneous	649,013	214,095	481,673	580,045	605,226	619,154	444,084	524,704	1,231,428	2,057,571
Total local sources	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	102,254,966
State sources	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	57,099,515
Federal sources	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	7,428,144
Total revenue	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	166,782,625
Expenditures										
Current										
Instruction	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	53,657,214
Undistributed - current										
Instruction	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	1,317,662
Attendance/social work	271,308	264,650	251,914	207,483	206,467	229,448	214,204	225,924	213,081	237,620
Health services	751,384	785,102	855,552	788,452	909,762	907,223	966,978	984,493	1,100,703	1,041,794
Other support services	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	15,772,092
Improvement of instruction	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	2,575,694
Education media library	670,020	553,768	527,027	546,424	515,058	585,155	570,922	601,387	614,878	615,078
Other support: instructional staff	22,044	27,779	39,121	23,173	15,051	14,729	19,047	10,314	3,338	6,167
General administration	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	1,989,633
School administration	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	4,192,087
Central services	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	1,251,486
Administrative information technology	1,105,734	996,954	999,244	1,057,088	1,044,932	917,410	960,729	1,028,965	1,010,647	1,653,554
Required maintenance of plant services	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	2,314,908
Operation of plant	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	10,714,446
Student transportation	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	7,788,846
Unallocated benefits	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	22,937,372
On-behalf TPAF social security and pension contributions	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	28,317,044
Charter schools	125,255	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468	686,336
Capital outlay	8,107,493	3,344,076	2,474,029	2,256,726	1,478,739	1,586,365	386,243	16,520		4,206,293
Debt Service:										
Principal	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	3,450,000
Interest	1,184,719	1,088,813	1,001,625	924,000	829,675	717,375	602,274	468,300	317,550	188,313
Bond issuance costs										
Total expenditures	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	164,913,639
(Deficiency) excess of revenues (under) over expenditures	(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	1,868,986
Other Financing sources (uses)										
Capital lease										15,503,119
Transfers in	2,700,439	1,171,550	2,920,930	4,012,210	30,000	389,500	533,317		205,297	91,538
Transfers out	(2,700,439)	(126)	(2,920,930)	(4,012,210)	(30,000)	(389,500)	(533,317)		(205,297)	(91,538)
Total other financing sources (uses)	-	1,171,424	-	-	-	-	-	-	-	15,503,119
Net change in fund balances	(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	17,372,105
Fund balance, July 1	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	47,966,812
Fund balance, June 30	\$ 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	\$ 65,338,917
Debt service as a percentage of noncapital expenditures	3.16%	3.08%	3.05%	3.04%	2.94%	2.80%	2.66%	2.67%	2.46%	2.26%

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
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
2022	22,572	441,555	155,046	523,938	92,329	483,820	902,676	486,383	3,108,319

Source: District records

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

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value*	Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable*	Total Direct School Tax Rate ^b
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
2022	79,740,800	5,058,999,100	1,802,800	90,000	483,019,400	2,310,364,300	652,445,600	8,586,462,000	2,063,442,500	23,080,672	8,609,542,672	1.255

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 ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Piscataway Township	Middlesex County	
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
2022	1.21	0.05	1.25	0.61	0.42	2.28

Source: District Records and Municipal Tax Collector.

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

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

* 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

	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 364,500,000	4.25%	\$ 26,938,500	1.20%
Whale Ventures, LLC	150,000,000	1.75%	56,145,200	2.50%
Pleasant View Gardens Owner LLC	150,744,000	1.76%		
US Real Estate Holdings No 2 LTD	126,050,000	1.47%		
Colgate Palmolive Co.	120,069,600	1.40%	16,616,400	0.74%
Royal Gardens Apts LLC	82,900,000	0.97%		
Avalon Piscataway, LLC	78,680,000	0.92%		
Carlton Club Apartments LLC	56,814,000	0.66%	11,600,300	0.52%
H'Y2 Knightsbridge LLC	56,530,000	0.66%		
Centennial Square LLC	51,411,000	0.60%	17,074,500	0.76%
Aspen Court Ventures LLC	54,600,000	0.64%	11,204,100	0.50%
Chanel Inc-C/O D Barbara	50,980,000	0.59%		
South Washington Pk LLC-% CBRE Inc	53,000,000	0.62%		
Ridgedale Gardens	32,760,000	0.38%		
E C Tanglewood Terr-C/O Morgan Prop	25,302,500	0.29%		
Franklin Estate INC	34,133,400	0.40%		
5 Access Road, LLC	33,780,000	0.39%		
GWL 21 Construction	34,240,000	0.40%		
M&M at Hoes Lane, LLC	27,670,000	0.32%		
Cosmair COSM/L'Oreal USA	28,610,000	0.33%		
Corporate Park Associates			40,918,700	1.82%
Telcordia			26,104,000	1.16%
Digital 365			15,694,400	0.70%
Knightsbridge Realty			19,979,800	0.89%
Total	<u>\$ 1,612,774,500</u>	<u>18.78%</u>	<u>\$ 242,275,900</u>	<u>10.81%</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 ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2022	98,626,709	98,626,709	100.00%		98,626,709	100.00%

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

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

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

Unaudited

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Leases Payable	Financed Purchases Payable			
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
2022	3,575,000	\$ 5,313,241	15,503,119	24,391,360	0.60%	400

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

Year Ended June 30,	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding			
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	
2022	3,575,000	27,745		3,602,745	0.04%	59	

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, 2022

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Piscataway	\$ 127,119,055	100.000%	\$ 127,119,055
Middlesex County General Obligation Debt - Township's share	423,106,469	7.063%	<u>29,882,317</u>
Subtotal, overlapping debt			157,001,372
Piscataway School District Direct Debt			<u>24,391,360</u>
Total direct and overlapping debt			<u>\$ 181,392,732</u>

Sources: Debt outstanding data provided by each governmental unit.

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

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

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	2020	\$ 8,632,084,756
	2021	9,889,214,788
	2022	<u>8,610,117,672</u>
	[A]	<u>\$ 27,131,417,216</u>
Average equalized valuation of taxable property	[A/3]	\$ 9,043,805,739
Debt limit (4 % of average equalization value)	[B]	361,752,230 a
Total Net Debt Applicable to Limit	[C]	<u>3,575,000</u>
Legal debt margin	[B-C]	<u>\$ 358,177,230</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 361,752,230
Total net debt applicable to limit	<u>36,359,911</u>	<u>32,247,650</u>	<u>24,823,636</u>	<u>22,205,369</u>	<u>19,365,000</u>	<u>16,490,000</u>	<u>13,536,208</u>	<u>10,340,000</u>	<u>7,025,000</u>	<u>3,575,000</u>
Legal debt margin	<u>\$ 212,704,624</u>	<u>\$ 216,686,122</u>	<u>\$ 221,825,625</u>	<u>\$ 225,626,983</u>	<u>\$ 230,494,642</u>	<u>\$ 249,151,557</u>	<u>\$ 268,860,869</u>	<u>\$ 292,957,003</u>	<u>\$ 315,458,303</u>	<u>\$ 358,177,230</u>
Total net debt applicable to the limit as a percentage of debt limit	14.60%	12.95%	10.06%	8.96%	7.75%	6.21%	4.79%	3.41%	2.18%	0.99%

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

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

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

Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2022	61,042	4,067,838,880	66,640	5.60%

Source:

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

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

^c Per capita personal income by municipality estimated based upon the Census Bureau midyear population estimates

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

Unaudited

Employer	2022			2013		
	# 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%			
GE Healthcare	3,800	2	14.48%			
Telcordia	2,500	3	9.53%			
Chanel Inc.	1,270	4	4.84%			
Colgate-Palmolive Research Center	1,200	5	4.57%			
Piscataway Township Schools	1,000	6	3.81%		Not Available	
Johnson & Johnson Health Care	1,000	7	3.81%			
Institute Electrical & Electronics	750	8	2.86%			
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%			
Pepsi Cola Bottling Co.	400	13	1.52%			
L'Oreal USA Inc.	300	14	1.14%			
Walmart	272	15	1.04%			
American Standard Co. Inc.	270	16	1.03%			
Shop Rite Supermarket	195	17	0.74%			
	<u>26,236</u>			<u>-</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>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>	<u>2022</u>
Instruction										
Instruction	621.0	625.0	617.5	611.5	608.1	601.9	601.6	601.9	600.8	606.2
Support Services:										
Attendance/social work	4.0	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0
Health services	11.0	14.0	14.0	13.0	13.0	13.0	13.3	13.3	13.3	15.5
Other support services	45.0	37.0	40.0	42.5	41.0	43.6	42.6	42.4	44.0	43.6
Child study team	39.0	33.0	31.0	31.0	32.0	31.0	31.0	31.0	30.0	32.0
Improvement of instruction	14.6	15.0	14.5	17.0	19.0	22.2	22.2	22.2	21.2	22.2
School library	10.0	16.0	9.7	9.5	8.7	10.4	10.4	9.4	9.7	8.7
General administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
School administration	40.0	41.0	41.0	39.5	41.5	41.5	45.0	45.0	45.0	45.5
Operations and maintenance	64.0	67.0	76.5	75.0	78.5	77.5	89.5	89.1	91.1	97.8
Student transportation	34.0	34.0	34.0	36.0	32.4	31.8	31.3	31.5	31.3	32.4
Other support services - administrative and professional	25.0	22.0	30.0	35.0	38.8	41.8	41.8	42.8	43.4	42.4
Total	<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>	<u>956.2</u>

Source: District Personnel Records

Piscataway Township School District
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	High School				
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	143,779,808	20,602	11.48%	601	1:13	1:12	1:12	1:12	6,967	6,713	-1.98%	96.35%
2022	7,066	157,069,033	22,229	7.90%	606	1:13	1:12	1:12	1:12	7,064	6,700	1.39%	94.85%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
Elementary										
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	589	581	568	522	508	548	559	556	520	515
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	541	545	537	563	547	530	508	507	478	509
Grandview Elementary School (1953/1968/2002/2019)										
Square Feet	59,282	59,282	59,282	59,282	59,282	59,282	59,282	63,282	63,282	63,282
Capacity (students)	451	451	451	451	451	451	451	481	481	481
Enrollment *	622	788	777	770	747	738	788	849	862	945
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	533	503	524	532	528	510	472	465	474	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	501	505	495	494	505	492	505	516	505	508
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	598	496	567	551	532	466	470	464	423	423
Middle Schools										
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	437	457	482	490	527	472	484	476	495	481
Quibbltown 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	564	555	577	562	541	513	496	475	493	519
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	611	605	613	583	579	569	576	572	575	553
High School										
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	2,230	2,187	2,168	2,168	2,245	2,272	2,260	2,242	2,154	2,140
Other										
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, 2022										
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. a-includes - Preschool Students located in Leased Facilities.

Piscataway Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities*	Year ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Arbor	\$ 91,228	\$ 40,784	\$ 81,820	\$ 349,007	\$ 91,698	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661	\$ 22,469
Conackamack	161,113	135,665	113,784	198,006	135,146	161,019	112,556	67,609	123,684	19,571
Eisenhower	121,265	31,791	77,788	99,795	43,690	59,842	29,999	63,378	120,586	6,897
Grandview	303,264	95,108	179,786	134,886	94,065	147,803	124,274	81,185	76,398	17,370
High School	903,837	723,928	1,048,212	930,416	916,985	568,204	675,695	600,006	278,893	448,798
King	35,332	135,188	114,014	196,685	67,238	85,522	44,545	68,436	117,073	8,099
Knollwood	118,425	125,311	271,103	97,433	76,504	82,670	85,744	100,377	102,970	26,033
Quibbletown	200,599	381,865	146,153	193,304	183,851	218,992	166,470	144,284	97,987	22,719
Randolphville	97,870	187,125	115,266	60,560	133,208	106,345	91,275	108,150	102,970	20,593
Schor	157,741	341,583	161,091	87,611	97,586	182,486	94,989	52,371	67,520	18,035
Total School Facilities	2,190,674	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
Other Facilities - Fellowship Farms	124,234	317,724	100,490	34,900	111,475	50,179	76,354	108,737	64,622	6,510
Grand Total	\$ 2,314,908	\$ 2,516,072	\$ 2,409,507	\$ 2,382,603	\$ 1,951,446	\$ 1,821,362	\$ 1,649,530	\$ 1,448,229	\$ 1,254,364	\$ 617,094

* 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, 2022

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property		
Real and Personal Property	\$ 279,209,608	\$ 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	Included	
 School Board Legal		
Limit of liability	31,000,000	15,000
 Primary Umbrella		
Limit of liability	31,000,000	
Self-insured retention	none	
 Catastrophe Access		
Limit of liability	25,000,000	
 Environmental Impairment Liability		
Limit of liability - Each Loss	1,000,000	
Limit of liability - Aggregate	1,000,000	

Source: District Records and Insurance Company.

Piscataway Township School District
Insurance Schedule
Year ended June 30, 2022

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Liability		
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	
Business Auto		
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
Student Accident		
Limit of Liability	6,000,000	
Bonds		
Board Secretary/Business Administrator	455,000	
Workers Comp		
Part II - Limits of Liability	3,000,000	
Section "A"	Statutory	
Supplementary	1,750	per week
Crime		
Money & Securities-inside	50,000	
Money & Securities-outside	50,000	
Employee Dishonesty	1,000,000	
Depositors Forgery	1,000,000	

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, 2022, 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 13, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 13, 2023

David J. Gannon

David J. Gannon, CPA
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**

Opinion on Each Major Federal and State Program

We have audited 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 13, 2023

David J. Gannon

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

Piscataway Township School District
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2022

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, 2021	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2022			Amount Provided to Subrecipients
					From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services														
Passed Through State Department of Education														
General Fund:														
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	\$ 126,598	7/1/2021	6/30/2022		\$ 75,549	\$ (126,598)		\$ (51,049)			
Total General Fund								75,549	(126,598)		(51,049)			
U.S. Department of Education--Passed-Through State Department of Education														
Special Revenue Fund:														
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A220030	N/A	910,586	10/1/2021	9/30/2022		695,943	(1,018,358)		(322,415)			
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A210030	N/A	704,327	10/1/2020	9/30/2021	\$ (148,815)	148,815						
Title I Part A Subtotal:							(148,815)	844,758	(1,018,358)		(322,415)			
Title II A, Improving Teacher Quality State Grants	84.367A	S367A220029	N/A	180,666	10/1/2021	9/30/2022		10,650	(201,141)	\$ 7,330	(183,161)			
Title II A, Improving Teacher Quality State Grants	84.367A	S367A210029	N/A	163,702	10/1/2020	9/30/2021	(14,492)	14,492						
Title II A Subtotal:							(14,492)	25,142	(201,141)	7,330	(183,161)			
Title III English Language Acquisition Grants	84.365A	S365A220030	N/A	104,877	10/1/2021	9/30/2022		22,666	(105,148)	(7,330)	(89,812)			
Title III English Language Acquisition Grants	84.365A	S365A210030	N/A	110,779	10/1/2020	9/30/2021	(20,513)	20,513						
Title III, Supplemental Immigrant Student Aid	84.365A	S365A220030	N/A	4,254	10/1/2021	9/30/2022		4,254	(4,254)					
Title III, Supplemental Immigrant Student Aid	84.365A	S365A210030	N/A	15,509	10/1/2020	9/30/2021	(20,513)	8,000	(8,000)					
Title III Subtotal:							(20,513)	55,433	(117,402)	(7,330)	(89,812)			
Title IV	84.424A	S424A220031	N/A		10/1/2021	9/30/2022		1,575	(50,615)		(49,040)			
Title IV	84.424A	S424A210031	N/A	51,045	10/1/2020	9/30/2021	(16,425)	16,425						
Title IV Subtotal:							(16,425)	18,000	(50,615)		(49,040)			
Special Education Cluster:														
IDEA Special Education Grants to States	84.027	S027A220100	N/A	1,896,432	10/1/2021	9/30/2022		1,322,490	(1,803,657)		(481,167)			
IDEA Special Education Grants to States	84.027	S027A210100	N/A	1,989,847	10/1/2020	9/30/2021	(196,705)	196,705						
ARP IDEA Special Education Grants to States	84.027X	H027X210100	N/A	401,195	10/1/2021	9/30/2022		139,187	(310,069)		(170,882)			
IDEA Preschool Grants for Children with Disabilities	84.173	S173A220114	N/A	56,281	10/1/2021	9/30/2022		39,339	(56,281)		(16,942)			
IDEA Preschool Grants for Children with Disabilities	84.173	S173A210114	N/A	55,890	10/1/2020	9/30/2021	(11,675)	11,675						
ARP IDEA Preschool Grants for Children with Disabilities	84.173X	H173X210114	N/A	34,148	10/1/2021	9/30/2022		10,736	(33,404)		(22,668)			
Subtotal of Special Education Cluster:							(208,380)	1,720,132	(2,203,411)		(681,659)			
Carl D. Perkins Vocational Education	84.048	S048A220030	N/A	48,529	7/1/2021	6/30/2022		40,050	(48,529)		(8,479)			
Carl D. Perkins Vocational Education	84.048	S048A210030	N/A	47,294	7/1/2020	6/30/2021	(3,463)	3,463						
Carl D. Perkins Vocational Education Subtotal:							(3,463)	43,513	(48,529)		(8,479)			
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SE	N/A	478,857	7/1/2021	6/30/2022		248,416	(478,129)		(229,713)			
CRF Subtotal		S						248,416	(478,129)		(229,713)			
COVID-19 - CARES Act - Stabilization Fund	84.425D	S425D200027	21-5120-513	777,152	3/13/2020	9/30/2024	(25,716)	25,715	(12,268)	391	(11,878)			
COVID-19 - CARES Act - CRRSA - ESSER II	84.425D	S425D200027	21-5120-513	2,270,771	3/13/2020	9/30/2024	(79,331)	868,282	(2,030,389)		(1,241,438)			
COVID-19 - CARES Act - CRRSA - ESSER III	84.425D	S425D200027	21-5120-513	5,103,410	3/13/2020	9/30/2024			(2,498,226)		(2,498,226)			
COVID-19 - CARES Act - CRSSA - Act-Learning Acceleration	84.425D	S425D200027	21-5120-513	145,726	3/13/2020	9/30/2024	(640)	56,528	(102,757)		(46,869)			
CARES Act Subtotal							(105,687)	950,525	(4,643,640)	391	(3,798,411)			
Total Special Revenue Fund							(517,775)	3,905,919	(8,761,225)	391	(5,372,690)			
U.S. Department of Agriculture--Passed-Through State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
Food Donation Program (NC)	10.555	221NJ304N1099	N/A	159,914	7/1/2021	6/30/2022		159,914	(159,914)					
School Breakfast Program	10.553	221NJ304N1099	N/A	925,044	7/1/2021	6/30/2022		880,927	(925,044)		(44,117)			
School Breakfast Program	10.553	211NJ304N1099	N/A	1,497,196	7/1/2020	6/30/2021	(163,615)	163,615						
COVID-19 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	221NJ304N1099	N/A	3,576,853	7/1/2021	6/30/2022		3,386,397	(3,576,853)		(190,456)			
National School Lunch Program	10.555	211NJ304N1099	N/A	2,528,011	7/1/2020	6/30/2021	(300,277)	300,277						
National Snack Program	10.555	211NJ304N1099	N/A	31,842	7/1/2020	6/30/2021	(8,507)	8,507						
Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	N/A	50,416	7/1/2020	6/30/2021	(5,988)	5,988						
Subtotal Child Nutrition Cluster:							(542,105)	4,969,343	(4,661,811)		(234,573)			
P-EBT Administrative Cost Reimbursement	10.649	202221S900941	N/A	3,135	7/1/2021	6/30/2022		3,135	(3,135)					
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							(545,168)	4,975,541	(4,664,946)		(234,573)			
Total Federal Awards							\$(1,062,943)	\$ 8,957,009	\$ (13,552,769)	\$ 391	\$ (5,658,312)	\$ -	\$ -	\$ -
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, 2022

State Grantor/Program Title	Grant or Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
			From	To	Unearned Rev. Due to Grantor (Accts Rec)	Due to Grantor	Cash Received			Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education														
General Fund:														
Special Education Categorical Aid	495-034-5120-089	\$ 4,920,457	7/1/2021	6/30/2022				\$ 4,439,336	\$ (4,920,457)				\$ (481,121)	\$ (4,920,457)
Special Education Categorical Aid	495-034-5120-089	4,407,101	7/1/2020	6/30/2021	\$ (432,007)		432,007							
Categorical Transportation Aid	495-034-5120-014	3,188,747	7/1/2021	6/30/2022				2,876,952	(3,188,747)				(311,795)	(3,188,747)
Categorical Transportation Aid	495-034-5120-014	3,188,747	7/1/2020	6/30/2021	(312,578)		312,578							
Finalization Aid	495-034-5120-078	12,242,761	7/1/2021	6/30/2022				11,045,667	(12,242,761)				(1,197,094)	(12,242,761)
Equalization Aid	495-034-5120-078	12,242,761	7/1/2020	6/30/2021	(1,200,100)		1,200,100							
Security Aid	495-034-5120-084	1,295,620	7/1/2021	6/30/2022				1,168,935	(1,295,620)				(126,685)	(1,295,620)
Security Aid	495-034-5120-084	1,295,620	7/1/2020	6/30/2021	(127,004)		127,004							
Homeless Tuition Reimbursement	N/A	6,573	7/1/2021	6/30/2022					(6,573)		\$ (6,573)			(6,573)
Homeless Tuition Reimbursement	N/A	21,776	7/1/2020	6/30/2021	(21,776)		21,776							
Extraordinary Aid	100-034-5120-473	1,184,377	7/1/2021	6/30/2022								(1,184,377)		(1,184,377)
Extraordinary Aid	100-034-5120-473	986,885	7/1/2020	6/30/2021	(986,885)		986,885							
Additional NP Transportation Aid	Not Available	48,720	7/1/2021	6/30/2022					(48,720)		(48,720)			(48,720)
Additional NP Transportation Aid	Not Available	100,802	7/1/2020	6/30/2021	(100,802)		100,802							
School Security Grant	588-034-5120-001	196,163	7/1/2021	6/30/2022				196,163	(196,163)					(196,163)
Reimbursed TPAF - Social Security	495-034-5094-003	4,017,180	7/1/2021	6/30/2022				3,821,191	(4,017,180)				(195,989)	(4,017,180)
Reimbursed TPAF - Social Security	495-034-5094-003	3,876,478	7/1/2020	6/30/2021	(190,710)		190,710							
On-behalf TPAF Contributions	495-034-5094-002	19,691,850	7/1/2021	6/30/2022				19,691,850	(19,691,850)					(19,691,850)
Post-Retirement Medical Contribution	495-034-5094-001	4,600,812	7/1/2021	6/30/2022				4,600,812	(4,600,812)					(4,600,812)
Long-Term Disability Insurance	495-034-5094-004	7,202	7/1/2021	6/30/2022				7,202	(7,202)					(7,202)
Total General Fund					(3,371,362)			51,219,470	(51,400,462)		(1,435,659)		(2,116,695)	(51,400,462)
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	4,515,196	7/1/2021	6/30/2022				4,148,750	(3,839,130)		\$ 761,140		(451,520)	(3,839,130)
Preschool Education Aid	495-034-5120-086	3,564,715	7/1/2020	6/30/2021	(356,472)		356,472							
Preschool Education Aid	495-034-5120-086	3,057,780	7/1/2019	6/30/2020										(982,959)
New Jersey Non-Public Aid:														
Nursing Aid	100-034-5120-070	148,960	7/1/2021	6/30/2022				148,960	(140,317)		\$ 8,643			(140,317)
Nursing Aid	100-034-5120-070	140,352	7/1/2020	6/30/2021		\$ 6,846			\$ 6,846					
Textbook Aid	100-034-5120-064	79,226	7/1/2021	6/30/2022				79,226	(72,820)				6,406	(72,820)
Textbook Aid	100-034-5120-064	82,961	7/1/2020	6/30/2021		5,932			5,932					
Technology Initiative	100-034-5120-070	55,440	7/1/2021	6/30/2022				55,440	(48,622)				6,818	(48,622)
Security Aid	100-034-5120-509	232,750	7/1/2021	6/30/2022				232,750	(231,021)				1,729	(231,021)
Security Aid	100-034-5120-509	240,800	7/1/2020	6/30/2021		2,420								
Non Public Auxiliary Services (Ch. 192):														
English as a Second Language	100-034-5120-067	19,823	7/1/2021	6/30/2022				19,823	(19,823)					(19,823)
English as a Second Language	100-034-5120-067	23,980	7/1/2020	6/30/2021		16,875			16,875					
Compensatory Education	100-034-5120-068	160,348	7/1/2021	6/30/2022				160,348	(117,772)				42,576	(117,772)
Compensatory Education	100-034-5120-068	171,569	7/1/2020	6/30/2021		63,576			63,576					
Transportation	100-034-5120-068	21,433	7/1/2021	6/30/2022				21,433	(21,433)					(21,433)
Non Public Handicapped Services (Ch. 193):														
Supplemental Instruction	100-034-5120-066	39,648	7/1/2021	6/30/2022				39,648	(19,824)				19,824	(19,824)
Supplemental Instruction	100-034-5120-066	49,378	7/1/2020	6/30/2021		14,570			14,570					
Examination and Classification	100-034-5120-066	73,546	7/1/2021	6/30/2022				73,546	(68,426)				5,120	(68,426)
Examination and Classification	100-034-5120-066	71,518	7/1/2020	6/30/2021		13,194			13,194					
Corrective Speech	100-034-5120-066	31,248	7/1/2021	6/30/2022				31,248	(31,248)					(31,248)
Corrective Speech	100-034-5120-066	40,102	7/1/2020	6/30/2021		8,203			8,203					
NJ SDA Emergent Need Grant	Not Available	170,974	7/1/2021	6/30/2022				170,974	(170,974)					(170,974)
Total Special Revenue Fund					626,487	131,616	5,538,618	(5,764,369)	131,616	761,140		91,116	(451,520)	(5,764,369)
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program (State share)	100-010-3360-067	84,553	7/1/2021	6/30/2022				80,170	(84,553)				(4,383)	(84,553)
State School Lunch Program (State share)	100-010-3360-067	123,268	7/1/2020	6/30/2021				32,947						
Total Enterprise Fund					(32,947)			32,947					(4,383)	(84,553)
Total State Financial Assistance					\$ (2,777,822)	\$ 131,616	\$ 56,871,205	\$ (57,249,384)	\$ 131,616	\$ 761,140	\$ (1,440,042)	\$ 91,116	\$ (2,568,215)	\$ (57,249,384)
State Financial Assistance Not Subject to Single Audit Determination:														
General Fund:														
On-behalf TPAF Contributions	495-034-5094-002	19,691,850	7/1/2021	6/30/2022				(19,691,850)	19,691,850					19,691,850
Post-Retirement Medical Contribution	495-034-5094-001	4,600,812	7/1/2021	6/30/2022				(4,600,812)	4,600,812					4,600,812
Long-Term Disability Insurance	495-034-5094-004	7,202	7/1/2021	6/30/2022				(7,202)	7,202					7,202
Total State Financial Assistance Subject to Audit Determination					\$ (2,777,822)	\$ 131,616	\$ 32,571,341	\$ (32,949,520)	\$ 131,616	\$ 761,140	\$ (1,440,042)	\$ 91,116	\$ (2,568,215)	\$ (32,949,520)

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, 2022

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, 2022

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>Add: PY Encumbrances</u>	<u>Less: CY Encumbrances</u>	<u>GAAP Basis</u>
Federal	\$ 5,372,690	\$ - 0 -	\$ 1,562,430	\$ 3,810,260

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$45,006) for the general fund and (\$95,048) 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	\$ 126,598	\$ 51,355,456	\$ 51,482,054
Special Revenue Fund	7,301,546	5,744,059	13,045,605
Food Service Enterprise Fund	4,664,946	84,553	4,749,499
Total financial award revenues	<u>\$12,093,090</u>	<u>\$ 57,184,068</u>	<u>\$ 69,277,158</u>

Piscataway Township School District

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

Year ended June 30, 2022

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, 2022.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2022 amounted to \$24,299,864. 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, 2022.

Piscataway Township School District
 Schedule of Findings and Questioned Costs (continued)
 Year ended June 30, 2022

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of auditors’ report issued:	<u>Unmodified</u>
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:	<u>Unmodified</u>
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, 2022

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

Identification of major federal programs:

Assistance Listing Number(s)	FAIN Numbers	Name of Federal Program or Cluster
84.010	S010A220030	Title I, Part A – Grants to Local Educational Agencies
84.425D	S425D200027	COVID-19 Elementary and Secondary School Emergency Relief Funds (ESSER) - ESF
21.027	SLFRFDOE1SES	COVID-19 Additional or Compensatory Special Education and Related Services (ACSERS)
		Special Education Cluster:
84.027	S027A220100	IDEA Special Education Grants to States
84.027X	H027X210100	IDEA Special Education Grants to States - ARP
84.173	S173A220114	IDEA Preschool Grants for Children with Disabilities
84.173X	H173X210114	IDEA Preschool Grants for Children with Disabilities - ARP

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

\$750,000

Auditee qualified as low-risk auditee?

X Yes No

Piscataway Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2022

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

State Awards Section

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

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

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

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
	State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-014	Transportation Aid
495-034-5120-086	Preschool Education Aid
495-034-5120-044	Extraordinary Special Education Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____
\$988,486

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

Piscataway Township School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

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, 2022

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 Prior Year Findings

Year ended June 30, 2022

Status of Prior Year Findings:

None.