



PISCATAWAY TOWNSHIP SCHOOLS

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



Year Ended June 30, 2023

Piscataway Township School District

Piscataway, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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



1515 Stelton Road
Piscataway, NJ 08854
732 572-2289
Fax 732 572-7889
www.piscatawayschools.org

Dr. Frank Ranelli
Superintendent of Schools

David Oliveira
Business Administrator/Board Secretary

December 5, 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, 2023 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, 2023 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 7,300 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 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 three 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

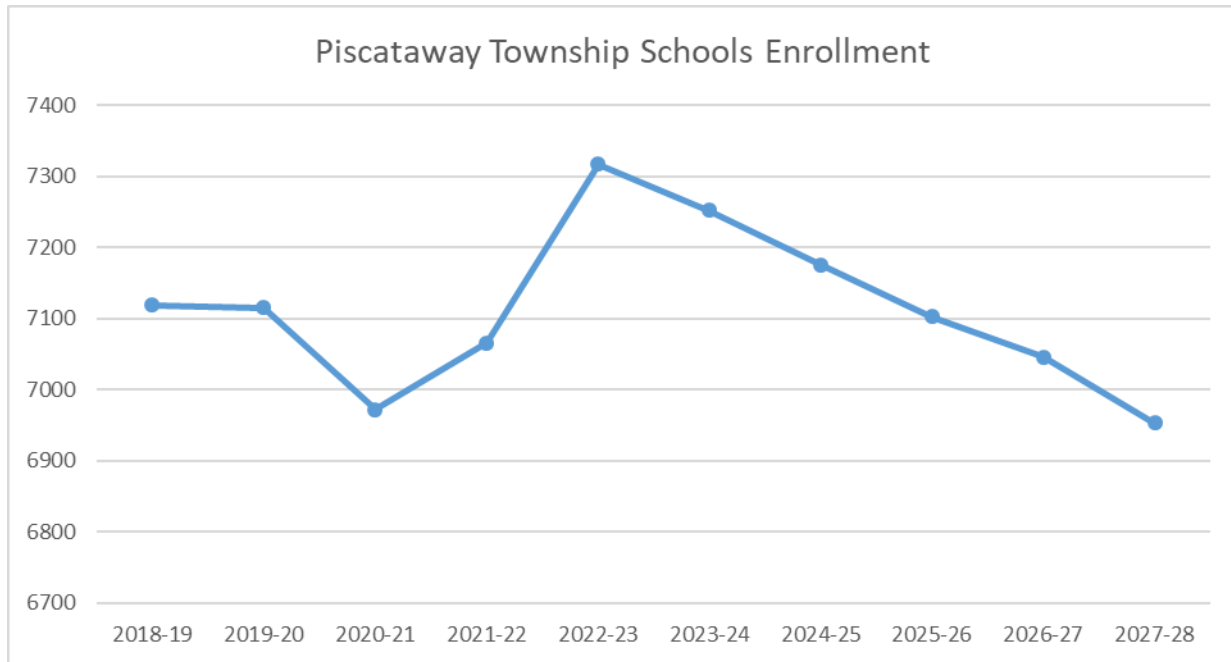
Located within Piscataway Township are several private/parochial schools, the Educational Services Commission of New Jersey schools, and a County vocational and technical high school.

There are no charter schools located within the borders of Piscataway Township; however, during the 2022-2023 school year, the District had 50 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 2022-2023, the District paid \$750,866 to charter schools. The table below details charter school enrollment for the previous five years with projected enrollment for 2023-2024.

Fiscal Year	Enrollment
2018-2019	42
2019-2020	46
2020-2021	46
2021-2022	49
2022-2023	50
2023-2024	48

Enrollment

The exhibit below illustrates the District’s actual enrollment inclusive of preschool 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 2018-2019 to the 2020-2021 school year, enrollment decreased from 7,119 to 6,972, a decrease of 147 students or approximately 2.1%. Enrollment spiked in 2021-2022 and 2022-2023 due to 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 and 518 students in 2022-2023. 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. Overall, the District projects declining enrollment due to smaller grade-level sizes and limited opportunities for further preschool expansion.

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

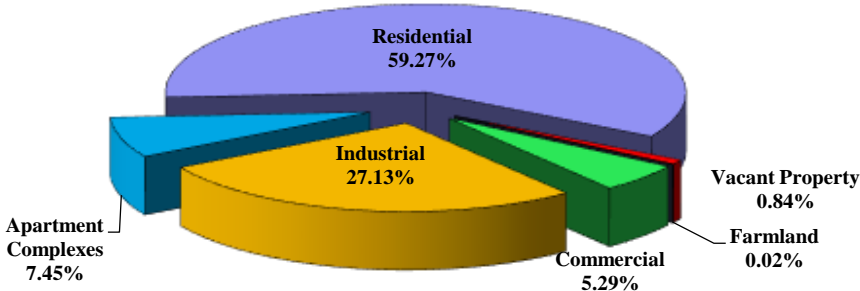
Piscataway is a community with a large residential area and pockets of industrial and warehouse facilities whose economy benefits from its proximity to New York City and an expansive road infrastructure near major roadways. Piscataway is the home of many well-known industrial concerns, research centers 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 made its final outstanding bonded debt payment in 2022-2023.

The assessed value of ratables in the Township increased \$901,062,000 from \$8,586,462,000 in 2022 to \$9,487,524,000 in 2023. The increase was primarily attributable to the two largest ratable categories with an 12.1% increase in the value of residential ratables and a 12.5% 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	\$ 79,855,200
Residential	5,623,123,200
Farmland	2,067,500
Commercial	502,088,500
Industrial	2,573,834,900
Apartment Complexes	706,554,700
Total Ratables	\$ 9,487,524,000



3) LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES

As a public school district, we are constantly faced with challenges resulting from a changing educational landscape. Despite years of increased contributions, the State of New Jersey still has not fully funded the School Funding Reform Act. The Piscataway Township Schools were short-changed for many years with 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 the allocation of resources in the local budget.

In July 2018, the Governor of the State of New Jersey signed school funding reform legislation that moves 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 \$718,876 in state aid for the 2022-2023 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.

Unexpectedly, the state aid formula shifted the District from being considered underfunded to overfunded for the 2023-2024 school year, resulting in a decrease in state aid of \$530,419. This adjustment was due to the downward K-12 enrollment trend, increased property rates in Piscataway, and strong income reported by District residents. The State mitigated the state aid decrease by providing \$350,077 of stabilization aid for 2023-2024, but this supplemental aid is not expected to continue. Future state aid amounts are uncertain, but the District is projecting flat state aid and is budgeting accordingly. State statutes limit the District's ability to raise tax revenue to offset the state aid reductions.

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 one-to-one iPad initiative, and heating, ventilation and air conditioning (HVAC) equipment upgrades. Several of these grants have already been expended, but full expenditure of the grant 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 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. Although a new round of ROD grants were just announced, the District's projects were not selected. The last round of ROD grants received by the District 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. Two capital projects were initiated in the 2022-2023 school year: the replacement of 33 water bottle filling stations and paving projects at 5 schools. COVID-19 impacted supply chain delivery schedules, which delayed the completion of some projects including the HVAC replacement project and the installation of new generators at four schools.

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. Completion of the ESIP projects is expected during the 2023-2024 school year.

Personnel costs are a significant component of the annual budget. The Piscataway Board of Education maintains positive working relationships with the two local bargaining units and has a history of negotiating successor agreements before the expiration of the prior agreement. The District completed negotiations on a five-year agreement with the Piscataway Township Education Association in June 2023 that covers all affiliated employees other than administrators and provides cost certainty through the 2027-2028 fiscal year. The current agreement with the Piscataway Township Principals and Supervisors Association 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 supplemented 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 final 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,

as evidenced by average salary increases of 3.4%-4% in the newly negotiated bargaining agreements. Health benefit costs have also increased well above the 2% tax levy cap.

- 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. The District adopted an investment policy that allows the investment of limited cash funds in secure investments as outlined in N.J.S.A. 18A:20-37. Interest rate increases by the Federal Reserve dramatically improved interest earned on deposits and investments during 2022-2023.

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 bonded debt was retired in the 2022-2023 school year.

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, 2022. This is the sixth 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 annual comprehensive 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 2022-2023 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,

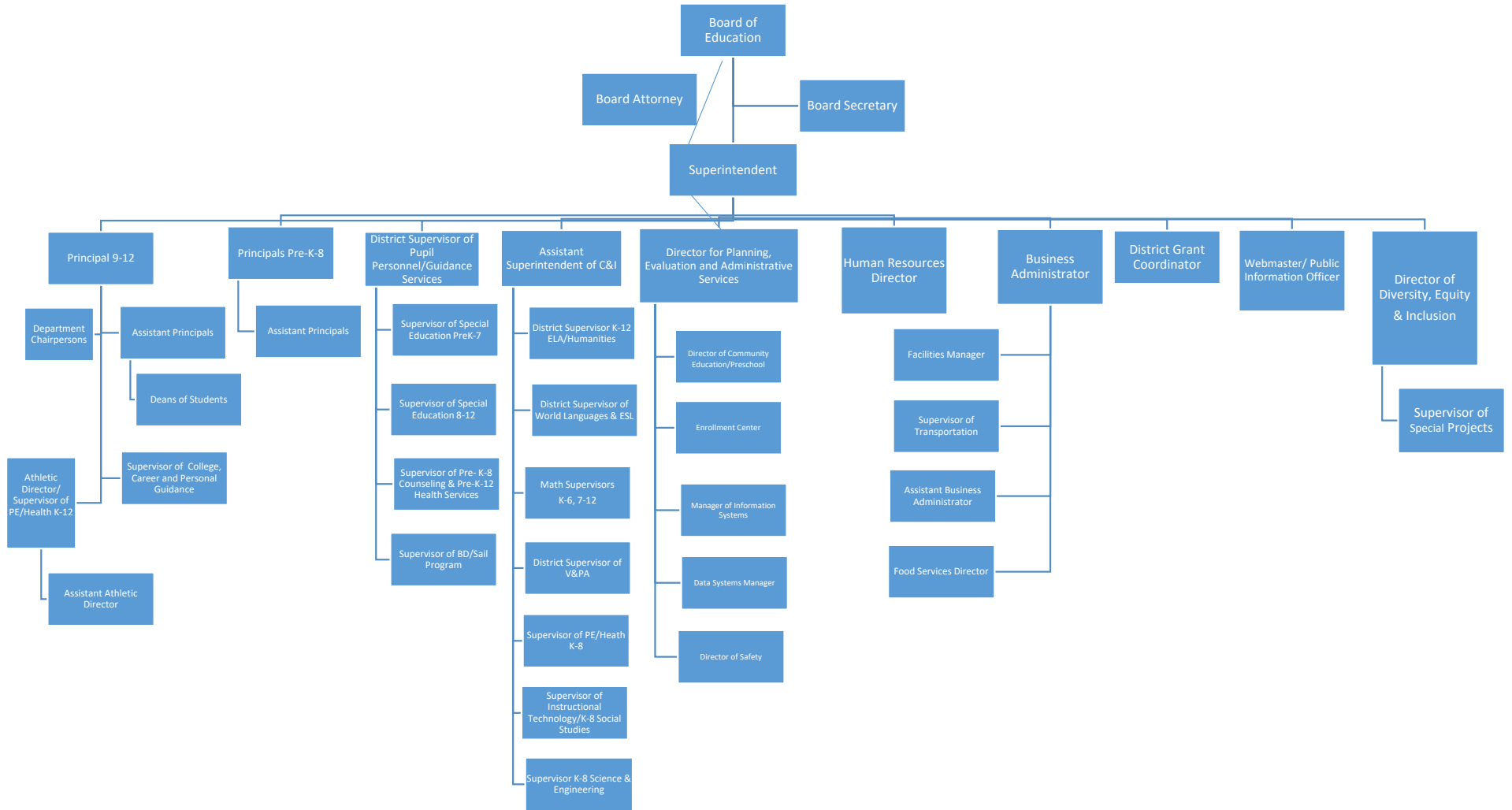


Dr. Frank Ranelli, Superintendent



David Oliveira, Business Administrator

Piscataway Township Schools Organizational Chart 2022-2023



Piscataway Township School District
Piscataway, New Jersey

Roster of Officials

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Shantell Cherry, President	2023
Dr. Tom Connors, Vice President	2024
Nancy Corradino	2024
Courtney King	2025
Kimberly Lane	2023
Sarah Rashid	2024
Nancy Salgado-Cowan	2025
Zoe Scotto	2023
Brenda Smith	2025

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

Citizens 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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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, 2023, 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, 2023, 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.

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.

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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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.

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.

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

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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.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. 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.

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

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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 December 5, 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
December 5, 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, 2023

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, 2023. 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 (2022 - 2023) and the prior fiscal year (2021 - 2022) 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 30 - 31 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 32 - 34 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 35 - 37 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 38 - 80 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 85 - 106 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, 2023 and 2022:

	2023			2022		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 78,233,196	\$ 5,216,015	\$ 83,449,211	\$ 77,726,696	\$ 4,670,439	\$ 82,397,135
Capital assets, net	92,304,068	905,859	93,209,927	87,275,443	412,619	87,688,062
Total assets	170,537,264	6,121,874	176,659,138	165,002,139	5,083,058	170,085,197
Deferred outflows	3,943,795		3,943,795	3,377,308		3,377,308
Liabilities						
Current liabilities	14,463,792	1,435,860	15,899,652	15,879,242	1,194,659	17,073,901
Net pension liability	26,849,457		26,849,457	21,219,526		21,219,526
Long term liabilities	22,420,922	462,941	22,883,863	23,323,152	199,972	23,523,124
Total liabilities	63,734,171	1,898,801	65,632,972	60,421,920	1,394,631	61,816,551
Deferred inflows	4,650,634		4,650,634	13,816,902		13,816,902
Net position						
Net investment in capital assets	74,856,392	290,389	75,146,781	74,473,820	147,073	74,620,893
Restricted	53,013,255		53,013,255	46,958,691		46,958,691
Unrestricted (deficit)	(21,773,393)	3,932,684	(17,840,709)	(27,291,886)	3,541,354	(23,750,532)
Total net position	\$ 106,096,254	\$ 4,223,073	\$ 110,319,327	\$ 94,140,625	\$ 3,688,427	\$ 97,829,052

Key financial highlights for the 2022 - 2023 fiscal year include the following:

- Governmental activities net position increased \$11,955,629. The increase was primarily driven by significant capital asset acquisitions in the amount of \$5,028,625. Additionally, the District realized an increase in revenue from property taxes by \$3,652,293 in the current year.
- The District also generated another \$7,650,437 of general fund budgetary fund balance that was the direct result of several cost savings during the year and several revenues that exceeded anticipated amounts in the budget.
- Consistent with the prior year, the State withheld the school district's fiscal 2022-2023 last two state aid payments until July 2023.
- Increase to governmental current and other assets in the amount of \$506,500 resulted primarily from the overall increase of approximately \$7,200,000 in governmental cash from the prior year. As previously mentioned, the District generated \$7,650,437 of general fund budgetary fund balance, which yielded this significant cash increase. Also, an offset of a decrease in state and federal aid of \$5,630,427 due to less monies from COVID-19 funds utilized in current year compared to prior years.
- 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, 2023 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, 2022 and rolled forward to June 30, 2023. The net pension liability associated with the District's governmental activities at June 30, 2023 amounted to \$26,849,457, which increased by \$5,629,931 from the prior year.
- Long-term liabilities decreased due to principal payments made in the amount of \$3,575,000 for the final installment payment for the District's 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 \$6,054,564 during the year ended June 30, 2023.

- The deficit (negative) balance of governmental activities unrestricted net position in the amount of (\$21,773,393) is mainly the result of liabilities for compensated absences and the net pension liability without an offsetting asset.

	2023			2022		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,286,208	\$ 5,097,365	\$ 6,383,573	\$ 1,320,727	\$ 2,575,961	\$ 3,896,688
Operating grants and contributions	14,198,747	2,328,085	16,526,832	13,168,872	4,749,499	17,918,371
General revenues:						
Property taxes	102,279,002		102,279,002	98,626,709		98,626,709
State and federal aid not restricted to a specific purpose	42,556,549		42,556,549	48,186,976		48,186,976
Investment income	346,737		346,737	642,748		642,748
Miscellaneous	2,975,221		2,975,221	1,541,515		1,541,515
Total revenue	163,642,464	7,425,450	171,067,914	163,487,547	7,325,460	170,813,007
Expenses:						
Instructional services	83,335,521		83,335,521	85,301,182		85,301,182
Support services	67,585,814		67,585,814	66,029,739		66,029,739
Charter school	750,866		750,866	686,336		686,336
Interest on long term debt	14,634		14,634	386,649		386,649
Business type activities		6,890,804	6,890,804		7,364,401	7,364,401
Total expenses	151,686,835	6,890,804	158,577,639	152,403,906	7,364,401	159,768,307
Change in net position	11,955,629	534,646	12,490,275	11,083,641	(38,941)	11,044,700
Net position—beginning	94,140,625	3,688,427	97,829,052	83,056,984	3,727,368	86,784,352
Net position—ending	\$ 106,096,254	\$ 4,223,073	\$ 110,319,327	\$ 94,140,625	\$ 3,688,427	\$ 97,829,052

District activities. The key elements of the District's changes in net position for the years ended June 30, 2023 and 2022 are as follows:

With the additional general state aid awarded, property tax revenue only increased \$3,652,293 to balance the budget for increases to salaries and health benefits. The overall total decrease from 2021/22 to 2022/23 in state and federal aid was (\$5,630,427). 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 based on changes in assumptions and other variables including mortality rates and discount rates in the actuarial GASB 68 and 75 calculations. 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, 2023, and the increases in relation to the prior year:

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 107,051,971	61.48%	\$ 4,800,887	4.70%
State sources	60,726,051	34.87%	3,626,536	6.35%
Federal sources	6,355,265	3.65%	(1,072,879)	-14.44%
Total	<u>\$ 174,133,287</u>	<u>100.00%</u>	<u>\$ 7,354,544</u>	<u>4.41%</u>

The increase in local sources is primarily due to an increase in the tax levy of \$3,652,293. 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 additional Preschool Aid in the amount of \$2,484,000 and an increase in general state aid of approximately \$640,000.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2023 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 57,770,415	34.02%	\$ 4,113,201	7.68%
Support services	107,698,775	63.40%	(1,084,454)	-1.00%
Charter Schools	750,866	0.44%	64,530	9.40%
Debt service:				
Principal	3,575,000	2.10%	125,000	3.62%
Interest and Other Charges	66,725	0.04%	(121,588)	-64.57%
Total	<u>\$ 169,861,781</u>	<u>100.00%</u>	<u>\$ 3,096,689</u>	<u>1.86%</u>

There was an overall increase in total expenditures in 2023 from 2022 of less than 2% as a result of the District's cost saving efforts.

General Fund

Fund balance in the General Fund increased by approximately \$7,500,000. Of the \$60,412,154 fund balance in the General Fund, \$7,678,114 is restricted for current year excess surplus, \$6,503,360 is restricted for the prior year excess surplus, \$28,160,921 is restricted in the capital reserve account, \$1,800,671 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, \$3,049,257 of designated for subsequent year's expenditures, \$2,765,377 of encumbrances is assigned to other purposes, and \$2,899,122 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. As preschool enrollment has continued to grow, staffing costs have also increased during the year ended June 30, 2023. The District has an unassigned deficit fund balance of \$724,475 in the Special Revenue Fund as of June 30, 2023 as a result of the State deferring the payment of the final two state aid payments until July 2023.

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 \$4,808,280 is the result of the unspent proceeds from the District's energy savings program lease which has not yet been completed.

Internal Service Funds

The District operates a self-insurance program for workers compensation, health, prescription and dental benefits. The Internal Service Fund net position was unchanged at year end at \$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, 2023, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 5,097,365	68.66%	\$ 2,521,404	97.88%
State sources	72,130	0.97%	(12,423)	-14.69%
Federal sources	2,255,955	30.38%	(2,408,991)	-51.64%
Total	<u>\$ 7,425,450</u>	<u>100.00%</u>	<u>\$ 99,990</u>	<u>1.36%</u>

The increase in local sources is mainly attributable to an increase in Community Education program revenue due to increased participation in programs, including the summer program, to pre-pandemic levels. The decrease in federal source revenue was caused by the federal government no longer providing free meals to all students as was done during the pandemic timeframe.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2023, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2022</u>	<u>Percent of Increase (Decrease)</u>
Salaries	\$ 3,218,800	46.71%	\$ 643,714	25.00%
Employee benefits	453,933	6.59%	115,012	33.93%
Other purchased services	1,122,720	16.29%	(619,032)	-35.54%
Supplies and materials	38,897	0.56%	(53,621)	-57.96%
Cost of sales program	1,780,249	25.84%	(361,828)	-16.89%
Other	276,205	4.01%	(197,842)	-41.73%
	<u>\$ 6,890,804</u>	<u>100.00%</u>	<u>\$ (473,597)</u>	<u>-6.43%</u>

The overall decrease in the expenditures relates to the food service fund as a result of no longer providing free meals to all students, offset by an increase in expenditures for the Adult and Community Education program based on increased participation in programs.

Food Service Fund

The food service enterprise fund operated at a \$331,705 net gain this year. Revenues from daily food sales increased from the prior year by \$1,116,107 or 323.15% as a result of the federal government no longer providing free lunches to all students as they did during the pandemic. As a result, federal and state revenues decreased from the prior year by \$2,421,414. Total operating expenses decreased from the prior year by \$1,001,525 or 21.92% due to the COVID-19 pandemic resulting in Food Service costs that increased in prior years and there were much less expenditures in the current year, when not every child qualified for a meal. The net position of the food service fund, \$1,613,816 is comprised of net position - investment in capital assets of \$283,192 and unrestricted net position of \$1,330,624.

Adult and Community Education Fund

The adult and community education fund realized operating revenue of \$3,525,817 for the year ended June 30, 2023. Current year revenues increased from the prior year by \$1,454,525 or 60.19% as a result of increased enrollment in Before-and-Aftercare enrollment and summer programs year over year. 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 moderated any increases to tuition rates.

The net position of the adult and community education fund, \$2,609,257 is comprised of net position investment in capital assets of \$7,197 and unrestricted net position of \$2,602,060. 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, 2023, the District's governmental activities had capital assets of \$92,304,068 (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, 2023 and 2022:

	June 30,	
	2023	2022
	<u> </u>	<u> </u>
Land	\$ 1,542,967	\$ 1,542,967
Construction in progress	10,231,945	13,815,270
Buildings and building improvements, net	70,407,024	63,270,532
Machinery, equipment, and vehicles, net	3,775,844	3,455,283
Right to Use Assets - Building, net	6,125,912	4,825,731
Right to Use Assets - Equipment, net	220,376	365,660
Total capital assets, net	<u>\$ 92,304,068</u>	<u>\$ 87,275,443</u>

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

Debt Administration. During the 2023 fiscal year, the District had outstanding long-term liabilities of \$30,140,162 of which \$7,719,240 was classified as the current portion.

At June 30, 2023 and 2022, the District's long-term liabilities consisted of:

	June 30,	
	2023	2022
	<u> </u>	<u> </u>
Bonds payable		\$ 3,575,000
Unamortized premium on bonds		27,745
Financed purchases payable	\$ 14,826,231	15,503,119
Leases payable	6,558,061	5,313,241
Compensated absences payable	2,146,501	2,144,467
Accrued liability for insurance claims	6,609,369	6,099,975
Total long-term liabilities	<u>\$ 30,140,162</u>	<u>\$ 32,663,547</u>

Long-term liabilities decreased mainly due to the final principal payments made on the District's bonds during 2023. 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.

Realized Revenues:

- Local sources – Interest income – actual interest income in total were \$1,214,734 higher than anticipated due to increased federal fund rate by the financial institutions from 1% to 4% annual interest rate.
- State sources – Extraordinary aid – actual revenues in were \$688,828 higher than anticipated in the budget. Expenditures eligible for extraordinary aid increased \$600,000 from \$1.4 million to \$2.0 million due to more students and higher tuition rates resulting in more reimbursable aid.

Realized Expenditures:

- Instruction – regular programs – salaries of teachers, grades 1-5 – actual expenditures in total were \$588,390 lower than anticipated due to the nationwide teacher shortage made filling vacancies for certain positions difficult, thereby resulting in lower salary expenditures.
- Instruction – regular programs – salaries of teachers, grades 9-12 – actual expenditures in total were \$504,706 lower than anticipated due to the nationwide teacher shortage made filling vacancies for certain positions difficult, thereby resulting in lower salary expenditures.
- Undistributed Instruction – regular programs – general supplies - actual expenditures in total were \$1,053,482 lower than anticipated due to new iPads were not purchased during 2022-2023 due to Apple products not being available under a co-op contract and the District's restructuring of its 1:1 iPad initiative (impact of \$850,000). Remaining balance is instructional supplies budgeted but not deemed necessary at individual schools.
- Unallocated benefits – Health Insurance – actual expenditures in total were \$2,557,863 lower than anticipated in the budget due to less claims submitted during 2022-2023 and reimbursement in claims that exceeded the stop-loss thresholds in the District's insurance policy.

- 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%.
- Capital outlay equipment – Administrative information technology - actual expenditures in total were \$725,628 lower than anticipated. However, of that \$650,000 is encumbered for server upgrades that have been delayed due to supply chain issues in obtaining the required equipment.
- Construction and construction services expenditures in total were \$1,656,485 lower than anticipated. Paving projects were \$900,000 under budget. Encumbrances of \$600,000 are open for billing issues related to several 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, 2023.

Piscataway Township School District

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 57,613,459	\$ 4,872,550	\$ 62,486,009
Accounts receivable	4,008,405	308,245	4,316,650
Inventories		35,220	35,220
Investments	16,604,172		16,604,172
Other assets	7,160		7,160
Capital assets, non-depreciable	11,774,912		11,774,912
Capital assets, depreciable/amortized, net	80,529,156	905,859	81,435,015
Total assets	<u>170,537,264</u>	<u>6,121,874</u>	<u>176,659,138</u>
Deferred Outflows Of Resources			
Pension deferrals	<u>3,943,795</u>		<u>3,943,795</u>
Liabilities			
Accounts payable	4,179,544	234,457	4,414,001
Accrued interest payable	255,869		255,869
Intergovernmental payables - State	89,110		89,110
Unearned revenue	1,962,561	1,048,874	3,011,435
Other liabilities	257,468		257,468
Net pension liability	26,849,457		26,849,457
Current portion of long-term obligations	7,719,240	152,529	7,871,769
Noncurrent portion of long-term obligations	22,420,922	462,941	22,883,863
Total liabilities	<u>63,734,171</u>	<u>1,898,801</u>	<u>65,632,972</u>
Deferred Inflow Of Resources			
Pension deferrals	<u>4,650,634</u>		<u>4,650,634</u>
Net Position			
Net investment in capital assets	74,856,392	290,389	75,146,781
Restricted for:			
Capital projects	871,665		871,665
Excess surplus	14,181,474		14,181,474
Capital reserve	28,160,921		28,160,921
Emergency reserve	1,000,000		1,000,000
Maintenance reserve	6,555,332		6,555,332
Unemployment liability reserve	1,800,671		1,800,671
Reserve for student activities	427,867		427,867
Reserve for scholarships	15,325		15,325
Unrestricted (deficit)	<u>(21,773,393)</u>	<u>3,932,684</u>	<u>(17,840,709)</u>
Total net position	<u>\$ 106,096,254</u>	<u>\$ 4,223,073</u>	<u>\$ 110,319,327</u>

See accompanying notes to the basic financial statements.

Piscataway Township School District

Statement of Activities

Year ended June 30, 2023

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	\$ 83,335,521	\$ 392,399	\$ 7,000,047	\$ (75,943,075)		\$ (75,943,075)
Support services:						
Attendance/social work	395,209			(395,209)		(395,209)
Health services	1,689,972			(1,689,972)		(1,689,972)
Other support services	19,589,666	541,048	5,355,519	(13,693,099)		(13,693,099)
Improvement of instruction	4,359,871			(4,359,871)		(4,359,871)
Other support: instructional staff	8,477			(8,477)		(8,477)
School library	953,556			(953,556)		(953,556)
General administration	2,703,149			(2,703,149)		(2,703,149)
School administration	6,589,100			(6,589,100)		(6,589,100)
Central services	1,927,288			(1,927,288)		(1,927,288)
Administrative information technology	1,837,073			(1,837,073)		(1,837,073)
Plant operation and maintenance	16,531,398		1,843,181	(14,688,217)		(14,688,217)
Student transportation	11,001,055	352,761		(10,648,294)		(10,648,294)
Charter schools	750,866			(750,866)		(750,866)
Interest on long-term debt	14,634			(14,634)		(14,634)
Total governmental activities	<u>151,686,835</u>	<u>1,286,208</u>	<u>14,198,747</u>	<u>(136,201,880)</u>		<u>(136,201,880)</u>
Business-type activities						
Food Service	3,567,928	1,571,548	2,328,085		\$ 331,705	331,705
Adult and Community Education	3,322,876	3,525,817			202,941	202,941
Total business-type activities	<u>6,890,804</u>	<u>5,097,365</u>	<u>2,328,085</u>		<u>534,646</u>	<u>534,646</u>
Total primary government	<u>\$ 158,577,639</u>	<u>\$ 6,383,573</u>	<u>\$ 16,526,832</u>	<u>(136,201,880)</u>	<u>534,646</u>	<u>(135,667,234)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				98,637,278		98,637,278
Property taxes, levied for debt service				3,641,724		3,641,724
State and federal sources—unrestricted				42,556,549		42,556,549
Investment income				346,737		346,737
Interest Income				1,551,448		1,551,448
Other Restricted Miscellaneous Revenues				36,241		36,241
Miscellaneous				1,387,532		1,387,532
Total general revenues				<u>148,157,509</u>	-	<u>148,157,509</u>
Change in net position				11,955,629	534,646	12,490,275
Net Position—beginning				94,140,625	3,688,427	97,829,052
Net Position—ending				<u>\$ 106,096,254</u>	<u>\$ 4,223,073</u>	<u>\$ 110,319,327</u>

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Piscataway Township School District
Governmental Funds

Balance Sheet

June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 41,089,564	\$ 210,082	\$ 897,165		\$ 42,196,811
Investments	16,604,172				16,604,172
Accounts receivable:					
State	1,768,524	1,380	11,214		1,781,118
Federal		1,937,578			1,937,578
Other	245,086	44,623			289,709
Interfund	2,594,577				2,594,577
Prepaid expenses	7,160				7,160
Restricted assets:					
Cash and cash equivalents			3,936,615		3,936,615
Total assets	<u>\$ 62,309,083</u>	<u>\$ 2,193,663</u>	<u>\$ 4,844,994</u>	<u>\$ -</u>	<u>\$ 69,347,740</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,377,297	\$ 685,439			\$ 2,062,736
Intergovernmental payables:					
State		89,110			89,110
Interfunds payable			\$ 36,714		36,714
Unemployment compensation claims payable	157,468				157,468
Unearned revenue	262,164	1,700,397			1,962,561
Other liabilities	100,000				100,000
Total liabilities	<u>1,896,929</u>	<u>2,474,946</u>	<u>36,714</u>		<u>4,408,589</u>
Fund balances:					
Restricted for:					
Excess surplus-current year	7,678,114				7,678,114
Excess surplus-prior year	6,503,360				6,503,360
Capital reserve account	28,160,921				28,160,921
Emergency reserve	1,000,000				1,000,000
Unemployment liability reserve	1,800,671				1,800,671
Capital projects			4,808,280		4,808,280
Maintenance reserve	6,555,332				6,555,332
Student activities		427,867			427,867
Scholarships		15,325			15,325
Assigned to:					
Other purposes	2,765,377				2,765,377
Designated for subsequent year's expenditures	3,049,257				3,049,257
Unassigned (deficit):	<u>2,899,122</u>	<u>(724,475)</u>	<u>4,808,280</u>	<u>-</u>	<u>2,174,647</u>
Total fund balances	<u>60,412,154</u>	<u>(281,283)</u>	<u>4,808,280</u>	<u>-</u>	<u>64,939,151</u>
Total liabilities and fund balances	<u>\$ 62,309,083</u>	<u>\$ 2,193,663</u>	<u>\$ 4,844,994</u>	<u>\$ -</u>	<u>\$ 69,347,740</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 \$178,250,887 and the accumulated depreciation/amortization is \$85,946,819.	92,304,068
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.	(255,869)
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.	(23,530,793)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(706,839)
Accrued pension contributions for the June 30, 2023 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.	(2,102,440)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(26,849,457)</u>
Net position of governmental activities	<u>\$ 106,096,254</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, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 98,637,278			\$ 3,641,724	\$ 102,279,002
Tuition	392,399				392,399
Transportation	352,761				352,761
Rents	709,878				709,878
Investment Income	346,737				346,737
Interest Income	1,514,734		\$ 36,714		1,551,448
Other Restricted Miscellaneous Revenues	36,241				36,241
Miscellaneous	677,654	\$ 742,565			1,420,219
Total local sources	<u>102,667,682</u>	<u>742,565</u>	<u>36,714</u>	<u>3,641,724</u>	<u>107,088,685</u>
State sources	52,932,462	7,793,589			60,726,051
Federal sources	151,624	6,203,641			6,355,265
Total revenues	<u>155,751,768</u>	<u>14,739,795</u>	<u>36,714</u>	<u>3,641,724</u>	<u>174,170,001</u>
Expenditures					
Current:					
Instruction	48,982,077	7,000,047			55,982,124
Undistributed-current:					
Instruction	1,788,291				1,788,291
Attendance/social work	253,682				253,682
Health services	1,112,222				1,112,222
Other support services	8,668,677	6,418,570			15,087,247
Improvement of instruction	2,888,042				2,888,042
Education media library	629,154				629,154
Other support: instructional staff	8,005				8,005
General administration	2,078,493				2,078,493
School administration	4,262,492				4,262,492
Central services	1,290,280				1,290,280
Administrative information technology	1,387,328				1,387,328
Required maintenance of plant services	2,281,858				2,281,858
Operation of plant	9,152,757				9,152,757
Student transportation	9,662,140				9,662,140
Unallocated benefits	21,390,231				21,390,231
On-behalf TPAF social security and pension contributions	28,519,122				28,519,122
Charter schools - current	750,866				750,866
Capital outlay	5,852,541	1,843,181	7,691,882		15,387,604
Debt Service:					
Principal				3,575,000	3,575,000
Interest				66,725	66,725
Total expenditures	<u>150,958,258</u>	<u>15,261,798</u>	<u>7,691,882</u>	<u>3,641,725</u>	<u>177,553,663</u>
Excess (deficiency) of revenues over (under) expenditures	4,793,510	(522,003)	(7,655,168)	(1)	(3,383,662)
Other financing sources (uses)					
Proceeds from Leases (Non-budgeted)	2,983,896				2,983,896
Transfers in	36,714	264,612			301,326
Transfers out	(264,612)		(36,714)		(301,326)
Total other financing sources (uses)	<u>2,755,998</u>	<u>264,612</u>	<u>(36,714)</u>	<u>-</u>	<u>2,983,896</u>
Net change in fund balances	7,549,508	(257,391)	(7,691,882)	(1)	(399,766)
Fund balances, July 1	52,862,646	(23,892)	12,500,162	1	65,338,917
Fund balances, June 30	<u>\$ 60,412,154</u>	<u>\$ (281,283)</u>	<u>\$ 4,808,280</u>	<u>\$ -</u>	<u>\$ 64,939,151</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, 2023

Total net change in fund balances - governmental funds (from B-2) \$ (399,766)

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

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

	\$ 11,395,085	
Capital outlays		
Depreciation/Amortization expense	(6,366,460)	
		5,028,625

The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position.

Leases payable		(2,983,896)
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The repayment of the principal of long-term debt, including lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.

Lease and financed purchase payment	2,415,964	
Bond payment	3,575,000	
		5,990,964

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences.

Amortization of Premium on Bonds	27,745	
Amortization of Deferred Accounting Loss	(25,698)	
		2,047

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.		50,044
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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).

(2,034)

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

Pension benefit		4,269,645
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Change in net position of governmental activities (A-2)		\$ 11,955,629
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See accompanying notes to the basic financial statements.

Proprietary Funds

Piscataway Township School District
Proprietary Funds

Statement of Net Position

June 30, 2023

	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	\$ 1,322,845	\$ 3,549,705	\$ 4,872,550	\$ 11,480,033
Accounts receivable:				
State	4,642		4,642	
Federal	107,097		107,097	
Other	148,064	48,442	196,506	
Inventories	35,220		35,220	
Total current assets	1,617,868	3,598,147	5,216,015	11,480,033
Capital assets:				
Equipment	1,311,816	745,950	2,057,766	
Right to use assets - buildings		792,332	792,332	
Accumulated depreciation/amortization	(1,028,624)	(915,615)	(1,944,239)	
Total capital assets, net	283,192	622,667	905,859	
Total assets	1,901,060	4,220,814	6,121,874	11,480,033
Liabilities				
Current liabilities:				
Accounts payable	222,578	11,879	234,457	14,368
Interfund payable				2,557,863
Accrued liability for insurance claims				6,609,369
Lease liability - current		152,529	152,529	
Unearned revenue	64,666	984,208	1,048,874	
Total current liabilities	287,244	1,148,616	1,435,860	9,181,600
Long-term liabilities				
Lease liability - non-current		462,941	462,941	
Total long-term liabilities	-	462,941	462,941	-
Total liabilities	287,244	1,611,557	1,898,801	9,181,600
Net Position				
Net investment in capital assets	283,192	7,197	290,389	
Unrestricted	1,330,624	2,602,060	3,932,684	2,298,433
Total net position	\$ 1,613,816	\$ 2,609,257	\$ 4,223,073	\$ 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, 2023

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
	<u>Food Service</u>	<u>Adult and Community Education</u>	<u>Totals</u>	<u>Self Insurance Fund</u>
Operating revenues:				
Local sources:				
Daily food sales-reimbursable programs	\$ 884,331		\$ 884,331	
Daily food sales non-reimbursable programs	577,162		577,162	
Tuition		\$ 3,421,162	3,421,162	
Charges for services				\$ 24,653,507
Special function	100,471		100,471	
Miscellaneous	9,584	104,655	114,239	
Total operating revenues	<u>1,571,548</u>	<u>3,525,817</u>	<u>5,097,365</u>	<u>24,653,507</u>
Operating expenses:				
Salaries of the employees and FSMC	1,240,701	1,978,099	3,218,800	
Purchased professional services	50,053		50,053	
Employee benefits of the District and FSMC	275,383	178,550	453,933	24,653,507
Purchased property services		27,000	27,000	
Other purchased services	169,196	876,471	1,045,667	
Supplies and materials	9,444	29,453	38,897	
Cost of sales - program	1,704,862		1,704,862	
Cost of sales - non-program	75,387		75,387	
Depreciation and amortization expense	42,902	175,119	218,021	
Miscellaneous		58,184	58,184	
Total operating expenses	<u>3,567,928</u>	<u>3,322,876</u>	<u>6,890,804</u>	<u>24,653,507</u>
Operating (loss) income	(1,996,380)	202,941	(1,793,439)	-
Nonoperating revenues:				
State sources:				
State school lunch program	62,841		62,841	
State school breakfast program	9,289		9,289	
Federal sources:				
School breakfast program	279,016		279,016	
Supply chain assistance funding	328,924		328,924	
National school lunch program	1,284,208		1,284,208	
National school lunch program - CARES ACT	34,155		34,155	
Local Food for Schools (LFS) cooperative program	7,753		7,753	
Healthy Hunger Free Kids Act (HHFKA)	41,448		41,448	
Food donation program	280,451		280,451	
Total nonoperating revenues	<u>2,328,085</u>	<u>-</u>	<u>2,328,085</u>	<u>-</u>
Change in net position	331,705	202,941	534,646	-
Total net position-beginning	<u>1,282,111</u>	<u>2,406,316</u>	<u>3,688,427</u>	<u>2,298,433</u>
Total net position-ending	<u>\$ 1,613,816</u>	<u>\$ 2,609,257</u>	<u>\$ 4,223,073</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, 2023

	Major Funds			Non-Major Funds
	Business Type Activities - Enterprise Funds			Internal Service Fund
	Food Service	Adult and Community Education	Totals	Self Insurance Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,533,534	\$ 3,748,309	\$ 5,281,843	
Payments to employees and FSMC	(1,240,701)	(1,978,099)	(3,218,800)	
Payments for employee benefits	(275,383)	(178,550)	(453,933)	
Payments to suppliers	(2,074,067)	(992,154)	(3,066,221)	
Receipts from services provided				\$ 24,653,507
Payments for insurance				(21,907,106)
Net cash (used in) provided by operating activities	(2,056,617)	599,506	(1,457,111)	2,746,401
Cash flows from noncapital financing activities				
Cash received from state and federal reimbursements	2,455,302		2,455,302	
Net cash provided by noncapital financing activities	2,455,302	-	2,455,302	-
Cash flows from capital and related financing activities				
Principal paid on leases		(139,103)	(139,103)	
Lease proceeds		489,027	489,027	
Acquisition of capital assets	(222,234)	(489,027)	(711,261)	-
Net cash (used in) capital activities	(222,234)	(139,103)	(361,337)	-
Net increase in cash and cash equivalents	176,451	460,403	636,854	2,746,401
Cash and cash equivalents, beginning of year	1,146,394	3,089,302	4,235,696	8,733,632
Cash and cash equivalents, end of year	\$ 1,322,845	\$ 3,549,705	\$ 4,872,550	\$ 11,480,033
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (1,996,380)	\$ 202,941	\$ (1,793,439)	\$ -
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities:				
Depreciation / amortization	42,902	175,119	218,021	
Change in assets and liabilities:				
(Increase) Decrease in accounts receivable	(44,244)	16,247	(27,997)	
(Decrease) Increase in accounts payable	(57,183)	(1,046)	(58,229)	(320,856)
(Decrease) in interfund payable				2,557,863
(Increase) in inventory	(7,942)		(7,942)	
Increase in unearned revenue	6,230	206,245	212,475	
Increase in accrued liability for insurance claims				509,394
Net cash (used in) provided by operating activities	\$ (2,056,617)	\$ 599,506	\$ (1,457,111)	\$ 2,746,401

Noncash noncapital financing activities:

The District received \$280,451 of food commodities from the Department of Agriculture for the year ended June 30, 2023.

See accompanying notes to the basic financial statements.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

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, 2023

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, 2023

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 financed purchases or 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, 2023

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, 2023

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 basis recognizes

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

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 2022-23 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, and intangible right to use assets 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, 2023

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, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,146,501 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, 2023

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 one item that qualifies for reporting in this category, including 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, 2023

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, 2023, the District has fully amortized the deferred loss and amortization expense for the year was \$27,745.

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, 2023

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, 2023

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances (continued)

Of the \$60,412,154 of fund balance in the General Fund, \$28,160,921 has been restricted in the capital reserve account, \$1,000,000 has been restricted in the emergency reserve account, \$1,800,671 has been restricted for the unemployment reserve account, \$6,555,332 has been restricted in the maintenance reserve account, \$7,678,114 is restricted for current year excess surplus, \$6,503,360 is restricted for prior year excess surplus, \$2,765,377 of encumbrances are assigned to other purposes, \$3,049,257 is designated for subsequent year's expenditures and \$2,899,122 is unassigned. The fund balance in the Special Revenue Fund of \$443,192 is restricted for student activities and scholarships and an unassigned (deficit) of (\$724,475). The fund balance in the Capital Projects Fund of \$4,808,280 is restricted for capital projects, of which the entire balance has been encumbered for projects.

P. Net Position and Fund Balance / Restricted Assets

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.

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. Actual results could differ from those estimates.

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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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, 2023 was \$14,181,474. Of this amount, \$6,503,360 has been appropriated in the 2023-2024 budget and the remaining \$7,678,114 is required to be appropriated in the 2024-2025 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.

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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

V. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangement* in May 2020. This The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; and provides the capitalization criteria for outlays other than subscription payments, including implementation costs. The District has evaluated the effects of this standard on its financial statements and found it to be immaterial to the financial statement presentation.

W. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2023 through December 5, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the accompanying financial statements.

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 \$23,530,793 difference are as follows:

Compensated absences	\$ 2,146,501
Financed purchases payables	14,826,231
Leases payable	<u>6,558,061</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u><u>\$ 23,530,793</u></u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

3. Deposits and Investments

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

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

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

Deposits

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

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

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

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

3. Deposits and Investments (continued)

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2023, the District's carrying amount of deposits was \$62,486,009 and the bank balance was \$64,607,660. Of the bank balance, \$750,000 was secured by federal depository insurance and \$63,089,425 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$768,235 held in the District's agency accounts are not covered by GUDPA. Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

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

Investments

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

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

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

3. Deposits and Investments (continued)

Custodial Credit Risk: The District minimizes custodial credit risk through investing its funds that are insured by either FDIC or GUDPA, or other investments permitted by N.J.S.A. 18A:20-37.

Credit Risk: The District minimizes credit risk, the risk of loss due to the financial failure of the security issuer or backer by:

- a. Limiting investments to the types of securities permitted by N.J.S.A. 18A:20-37.
- b. Diversifying the portfolio so that potential losses on individual securities will be minimized.
- c. Monitoring the investment portfolio holdings for rating changes and changing economic/market conditions.

Concentration of Credit Risk: The District follows certain diversification parameters to mitigate concentration of credit risk which is detailed in the District's Board policies as "6700 – Investments".

Interest Rate Risk: The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by:

- a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- b. Investing primarily in shorter-term securities as permitted by N.J.S.A. 18A:20-37.

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management Fund ("NJARM") as its sole investment. The District invests funds in the New Jersey Asset and Rebate Management Fund, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. Authorized investments under the NJARM program include obligations of the U.S. Government or its Agencies and Instrumentalities, government money market mutual funds, and municipal securities. Investments under NJARM are not insured or guaranteed by the FDIC or any other governmental agency. At June 30, 2023, the District's bank and book balance in NJARM was \$15,000,000 and is classified as an investment. NJARM is rated AAAM by Standard & Poors.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

3. Deposits and Investments (continued)

As of June 30, 2023, the District's investment balances of \$1,604,172 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, 2023:

- Solar Renewable Energy Credits in the amount of \$1,604,172 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, 2023:

	Beginning Balance	Increases	Transfers/ Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 1,542,967			\$ 1,542,967
Construction in progress	13,815,270	\$ 1,306,569	\$ (4,889,894)	10,231,945
Total capital assets, not being depreciated/amortized	15,358,237	1,306,569	(4,889,894)	11,774,912
Capital assets, being depreciated/amortized:				
Buildings and building improvements	132,334,603	6,086,766	4,889,894	143,311,263
Machinery, equipment and vehicles	12,925,229	1,017,854		13,943,083
Right to use assets, building	6,067,080	2,983,896	(340,291)	8,710,685
Right to use assets, equipment	510,944			510,944
Total capital assets being depreciated/amortized	151,837,856	10,088,516	4,549,603	166,475,975
Less accumulated depreciation/amortization for:				
Buildings and building improvements	69,064,071	3,840,168		72,904,239
Machinery, equipment and vehicles	9,469,946	697,293		10,167,239
Right to use assets, building	1,241,349	1,683,715	340,291	2,584,773
Right to use assets, equipment	145,284	145,284		290,568
Total accumulated depreciation/amortization	79,920,650	6,366,460	340,291	85,946,819
Total capital assets, being depreciated/amortized, net	71,917,206	3,722,056	4,209,312	80,529,156
Governmental activities capital assets, net	\$ 87,275,443	\$ 5,028,625	\$ -	\$ 92,304,068

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

4. Capital Assets (continued)

Depreciation/amortization expense was charged to functions/programs of the District for the year ended June 30, 2023 as follows:

Instruction	\$ 3,409,781
Attendance/social work	14,973
Health services	65,647
Other support services	890,494
Improvement of instruction	170,461
Education media library	37,135
Other support: Instruction staff	472
General administration	122,679
School administration	251,585
Central services	76,156
Administrative information technology	81,884
Plant operation and maintenance	674,905
Student transportation	570,288
Total depreciation/amortization expense - governmental activities	<u>\$ 6,366,460</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Business-type activities			
Capital assets, being depreciated/amortized:			
Equipment	\$ 1,835,532	\$ 222,234	\$ 2,057,766
Less accumulated depreciation/amortization for:			
Equipment	1,703,324	47,291	1,750,615
Equipment, depreciable/amortizable, net	132,208	174,943	307,151
Building	662,853	489,027	1,151,880
Less accumulated depreciation/amortization for:			
Building	382,442	170,730	553,172
Building, depreciable/amortizable, net	280,411	318,297	598,708
Total business-type activities capital assets, net	<u>\$ 412,619</u>	<u>\$ 493,240</u>	<u>\$ 905,859</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

5. Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 2,144,467	\$ 414,657	\$ 412,623	\$ 2,146,501	\$ 214,650
Bonds payable	3,575,000		3,575,000		
Unamortized premium on bonds	27,745		27,745		
Financed purchased payable	15,503,119		676,888	14,826,231	1,231,302
Lease payable	5,313,241	2,983,896	1,739,076	6,558,061	1,857,288
Accrued liability for insurance claims	6,099,975	25,162,901	24,653,507	6,609,369	4,416,000
Subtotal	32,663,547	28,561,454	31,084,839	30,140,162	7,719,240
Net pension liability	21,219,526	5,629,931		26,849,457	
Governmental activities long-term liabilities	<u>\$ 53,883,073</u>	<u>\$ 34,191,385</u>	<u>\$ 31,084,839</u>	<u>\$ 56,989,619</u>	<u>\$ 7,719,240</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities:					
Lease payable	\$ 265,546	\$ 489,027	\$ 139,103	\$ 615,470	\$ 152,529
Business-type activities long-term liabilities	<u>\$ 265,546</u>	<u>\$ 489,027</u>	<u>\$ 139,103</u>	<u>\$ 615,470</u>	<u>\$ 152,529</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.

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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

5. Long-Term Liabilities (continued)

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

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. As of June 30, 2023, the balance remaining was \$0.

Financed Purchases Payable

The District has financed purchases payable totaling \$15,503,119 with a interest rate of 1.72%. The terms of the financed purchase are eighteen years. The following is a schedule of the future minimum lease payments under these financed purchases payable at June 30, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending			
June 30:			
2024	\$ 1,231,302	\$ 255,337	\$ 1,486,639
2025	1,270,787	234,132	1,504,919
2026	783,466	212,246	995,712
2027	816,062	198,754	1,014,816
2028	686,628	184,699	871,327
2029-2033	3,930,280	734,910	4,665,190
2034-2038	4,541,621	365,499	4,907,120
2039-2040	1,566,085	40,728	1,606,813
	<u>\$ 14,826,231</u>	<u>\$ 2,226,305</u>	<u>\$ 17,052,536</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

5. Long-Term Liabilities (continued)

Leases Payable

The District has remaining leases payable totaling \$7,173,531 with interest rates ranging from 1.72% to 3.00%. 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, 2023:

Governmental activities - leases payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2024	\$ 1,857,288	\$ 148,411	\$ 2,005,699
2025	1,843,972	107,271	1,951,243
2026	1,878,278	67,166	1,945,444
2027	877,987	26,692	904,679
2028	100,536	3,016	103,552
	<u>\$ 6,558,061</u>	<u>\$ 352,556</u>	<u>\$ 6,910,617</u>

Business-type activities - leases payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2024	\$ 152,529	\$ 15,908	\$ 168,437
2025	157,931	12,103	170,034
2026	167,339	8,170	175,509
2027	120,284	3,989	124,273
2028	17,387	522	17,909
	<u>\$ 615,470</u>	<u>\$ 40,692</u>	<u>\$ 656,162</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, 2023

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, 2023

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, 2023, the State of New Jersey contributed \$24,447,635 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 \$4,071,487 during the year ended June 30, 2023 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, 2023, 2022 and 2021 were \$2,243,563, \$2,097,711, and \$1,970,918 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, 2023

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, 2023, the District reported a liability of \$26,849,457 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.1779125744 percent, which was a decrease of 0.0012080761 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension benefit of (\$2,026,082) in the government-wide financial statements. At June 30, 2023, 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	\$ 193,787	\$ 170,893
Changes of assumptions	83,188	4,020,427
Net difference between projected and actual earnings on pension plan investments	1,111,275	
Changes in proportion		459,314
Changes in proportion and differences between District contributions and proportionate share of contributions	453,105	
District contributions subsequent to the measurement date	2,102,440	
	<u>\$ 3,943,795</u>	<u>\$ 4,650,634</u>

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

6. Pension Plans (continued)

The \$2,102,440 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:	
2024	\$ (2,451,635)
2025	(1,189,128)
2026	(411,277)
2027	1,247,126
2028	<u>(4,365)</u>
	<u>\$ (2,809,279)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75 - 6.55%
	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-2022. 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, 2023

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-2022.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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	\$ 34,493,687	\$ 26,849,457	\$ 20,343,909

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, 2023

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 1,660,772,008
Deferred inflows of resources	\$ 3,236,303,935
Net pension liability	\$ 15,219,184,920

District's Proportion	0.1779125744%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2022 is \$1,032,778,934.

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, 2022, 2021, 2020, 2019, 2018, and 2017 is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 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, 2022 was \$243,366,144. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2023

6. Pension Plans (continued)

the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4716908611 percent, which was an increase of 0.0026086719% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$6,549,663 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:	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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	\$ 285,351,975	\$ 243,366,144	\$ 207,998,357

Pension plan fiduciary net position

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

Additional Information

Collective balances at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 19,532,696,776
Net pension liability	\$ 51,594,415,806

State's proportionate share associated with the District	0.4716908611%
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Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

6. Pension Plans (continued)

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

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, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 7.83, 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 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

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 2022 total OPEB liability of \$50,646,462,966 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, 2023, 2022 and 2021 were \$5,084,677 \$4,600,812, and \$4,354,504, respectively, which equaled the required contributions for each year.

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, 2022 was \$235,635,374 or 0.47%. 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2022</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total Plan Members	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions and Other Inputs

Inflation rate:	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 5.65%	2.75 - 6.55%
	Based on years of service	Based on years of service

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-2022. 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-2022. 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-2022 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-2022.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 – June 30, 2021.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2021		\$	278,872,501
Increased by:			
Service cost	\$	13,030,637	
Interest cost		6,244,597	
Diff. between expected and actual exp.		6,685,967	
Member contributions		<u>198,433</u>	
			<u>26,159,634</u>
			305,032,135
Decreased by:			
Changes of assumptions		63,211,303	
Gross benefit payments		<u>6,185,458</u>	
			<u>(69,396,761)</u>
Balance at June 30, 2022		\$	<u><u>235,635,374</u></u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2022 was \$83,748,085 and \$153,905,363, respectively.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

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:

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

	1% Decrease (2.54%)	At Current Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 276,964,596	\$ 235,635,374	\$ 202,512,069

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)	\$ 194,767,039	\$ 235,635,374	\$ 289,318,413

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,363,106 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 20,104,625,333
Deferred inflows of resources	\$ 34,996,842,046
Collective OPEB expense	\$ 1,595,653,562

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

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.

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, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 2,594,577	
Capital Projects Fund		\$ 36,714
Self Insurance Internal Service Fund		2,557,863
	<u>\$ 2,594,577</u>	<u>\$ 2,594,577</u>

The interfunds receivable in the General Fund and the related interfund payable in the Capital Projects fund was directly related to interest income owed back to General Fund. The interfund between the General Fund and the Internal Service Fund represent amounts due back after funding the IBNR and related reserves.

All interfunds are expected to be repaid within one year.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

10. Economic Dependency

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

11. Contingent Liabilities

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

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 \$6,609,369 has been recorded in the internal service fund financial statements for

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

12. Risk Management (continued)

Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The workers' compensation IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 3% discount rate in determining the workers' compensation present value of the liability.

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

In addition, the District has an unrestricted net position of \$2,298,433 for future medical, dental, and prescription claims.

Changes in the Incurred But Not Reported claims liability amount in fiscal years 2023, 2022, and 2021 were:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2022-23	\$ 6,099,975	\$ 25,162,901	\$ 24,653,507	\$ 6,609,369
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

The District has estimated the short-term liability to be \$4,416,000, 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.

Piscataway Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

14. 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 21,510,430
Increase:	
Interest Earned	650,491
Deposit approved at the June 2023 Board meeting	<u>6,000,000</u>
Ending balance, June 30, 2023	<u>\$ 28,160,921</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

15. 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, 2023

15. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 6,555,332
Increase:	
Deposit Approved at the June 2023 Board meeting	<u>-</u>
Ending balance, June 30, 2023	<u><u>\$ 6,555,332</u></u>

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters 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, 2023.

16. 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, 2023

16. 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, 2023 the District has the following activity in the Emergency Reserve Account:

Beginning balance, July 1, 2022	\$ 1,000,000
Increase:	
Deposit Approved at the June 2023 Board meeting	-
Ending balance, June 30, 2023	<u>\$ 1,000,000</u>

17. Deficit Fund Balance

The District has an unassigned deficit fund balance of \$724,475 in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). For budget purposes only, P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

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

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

18. Commitments

There were contractual commitments in the general fund in the amount of \$2,765,377 at June 30, 2023 which are reported as assigned to other purposes. There was \$3,936,615 of contractual commitments at June 30, 2023 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, 2023

19. Transfers – Reconciliation

The following presents a reconciliation of transfers during the 2023 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 36,714	\$ 264,612
Special Revenue Fund	264,612	
Capital Projects Fund		36,714
	<u>\$ 301,326</u>	<u>\$ 301,326</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 interest income earned during the year.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) - Local Group	0.1779125744%	0.1791206505%	0.1801651618%	0.1753574039%	0.1773917708%	0.1785450280%	0.1820402973%	0.1707830271%	0.1714793465%	0.1664415389%
District's proportionate share of the net pension liability (asset)	\$ 26,849,457	\$ 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
District's covered-employee payroll	\$ 11,901,837	\$ 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
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	225.59%	179.18%	230.06%	248.17%	274.73%	334.49%	436.25%	317.74%	266.90%	282.34%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.62%	48.72%

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, 2021 and June 30, 2022.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,243,563	\$ 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
Contributions in relation to the contractually required contribution	(2,243,563)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,901,837	\$ 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
Contributions as a percentage of covered-employee payroll	18.85%	17.71%	15.43%	13.40%	13.97%	13.57%	13.09%	12.17%	11.75%	11.02%

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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.471690861%	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	\$ 243,366,144	\$ 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>\$ 243,366,144</u>	<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	32.29%	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.

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 7.00% as of June 30, 2021 to 7.00% as of June 30, 2022.

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	Year Ended June 30, 2023
State's proportion of the OPEB Liability associated with the District -	0.47%	0.46%	0.47%	0.47%	0.46%	0.47%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489	\$ 316,029,068	\$ 278,872,501	\$ 235,635,374
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>	<u>\$ 235,635,374</u>
Beginning Balance	\$ 270,987,900	\$ 250,957,214	\$ 214,148,862	\$ 194,322,489	\$ 316,029,068	\$ 278,872,501
Increased by:						
Service cost	\$ 11,094,997	\$ 9,174,245	\$ 8,039,866	\$ 8,478,549	\$ 15,083,723	\$ 13,030,637
Interest cost	7,960,142	9,214,619	8,487,763	7,005,476	7,234,246	6,244,597
Changes of assumptions			2,897,364	57,727,651	275,129	
Member contributions	214,038	197,909	176,823	166,760	184,944	198,433
Diff. between expected and actual exp.				53,829,949		6,685,967
	19,269,177	18,586,773	19,601,816	127,208,385	22,778,042	26,159,634
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)				(63,211,303)
Changes of benefit terms					(296,826)	
Gross benefit payments	(5,812,702)	(5,726,264)	(5,965,121)	(5,501,806)	(5,698,560)	(6,185,458)
	<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>	<u>(69,396,761)</u>
Ending Balance	<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>	<u>\$ 235,635,374</u>
Covered by employee payroll	\$ 63,103,173	\$ 63,917,207	\$ 64,683,358	\$ 66,385,742	\$ 67,079,866	\$ 68,385,946
Total OPEB liability as a percentage of covered employee	397.69%	335.04%	300.42%	476.05%	415.73%	344.57%

* 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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Piscataway Township School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 98,637,278		\$ 98,637,278	\$ 98,637,278	
Tuition from Individuals	25,000		25,000	26,864	\$ 1,864
Tuition from LEAs within state	350,000		350,000	365,535	15,535
Transportation Fees from Individuals	300,000		300,000	311,469	11,469
Transportation Fees from Other LEAs	100,000		100,000	41,292	(58,708)
Rents	550,000		550,000	709,878	159,878
Investment Income	400,000		400,000	352,065	(47,935)
Interest Income	200,000		200,000	665,621	465,621
Interest Earned on Capital Reserve Funds	75,000		75,000	650,491	575,491
Interest Earned on Maintenance Reserve Funds	25,000		25,000	198,622	173,622
Other Restricted Miscellaneous Revenues				36,241	36,241
Miscellaneous	358,191		358,191	677,654	319,463
Total revenues - local sources	101,020,469		101,020,469	102,673,010	1,652,541
State sources:					
Categorical Special Education Aid	5,639,333		5,639,333	5,639,333	
Categorical Transportation Aid	3,188,747		3,188,747	3,188,747	
Equalization Aid	12,242,761		12,242,761	12,242,761	
Stabilization Aid				350,077	350,077
Extraordinary Aid	750,000		750,000	1,438,828	688,828
Categorical Security Aid	1,295,620		1,295,620	1,295,620	
Additional Non Public Transportation Aid				73,944	73,944
Homeless Tuition Reimbursement				56,102	56,102
School Security Grant				203,170	203,170
Lead Testing for Schools				20,359	20,359
On-behalf TPAF pension contributions (non-budgeted)				19,355,629	19,355,629
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				5,084,677	5,084,677
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)				7,329	7,329
Reimbursed TPAF social security contributions (non-budgeted)				4,071,487	4,071,487
Total - state sources	23,116,461	-	23,116,461	53,028,063	29,911,602
Federal sources:					
Medicaid reimbursement	130,684		130,684	151,624	20,940
Total Federal sources	130,684	-	130,684	151,624	20,940
Total revenues	124,267,614	-	124,267,614	155,852,697	31,585,083
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,670,081	\$ (13,339)	1,656,742	1,586,909	69,833
Grades 1-5	12,480,892	(714,410)	11,766,482	11,178,092	588,390
Grades 6-8	8,266,390	(385,447)	7,880,943	7,631,425	249,518
Grades 9-12	11,944,941	(229,689)	11,715,252	11,210,546	504,706
Home instruction - regular programs:					
Salaries of teachers	70,000	31,544	101,544	101,544	
Purchased professional-educational service:	48,000	55,800	103,800	91,771	12,029
Undistributed instruction - regular programs:					
Other salaries for instruction	200,388	20,415	220,803	220,803	
Purchased professional-educational service:	1,480,050	161,274	1,641,324	1,346,466	294,858
Other purchased services	60,240	(452)	59,788	31,038	28,750
General supplies	2,232,655	(52,520)	2,180,135	1,126,653	1,053,482
Textbooks	37,973	(6,708)	31,265	13,019	18,246
Other objects	586,325	(8,696)	577,629	521,605	56,024
Total instruction - regular programs	39,077,935	(1,142,228)	37,935,707	35,059,871	2,875,836

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Cognitive-mild:					
Salaries of teachers	\$ 455,363	\$ (2)	\$ 455,361	\$ 455,361	
Other salaries for instruction	73,682	2,263	75,945	75,945	
Purchased professional ed services	234,097	(105,358)	128,739	89,999	\$ 38,740
Other purchased services	350		350		350
General supplies	10,175		10,175	9,760	415
Total cognitive-mild	773,667	(103,097)	670,570	631,065	39,505
Learning and/or language disabilities:					
Salaries of teachers	709,576	(99,817)	609,759	522,932	86,827
Other salaries for instruction	183,613	(37,524)	146,089	146,089	
Purchased professional ed services	124,553	(5,660)	118,893	64,723	54,170
General supplies	3,650	(1,500)	2,150	2,042	108
Total learning and/or language disabilities	1,021,392	(144,501)	876,891	735,786	141,105
Perceptually Impaired					
Salaries of Teachers		99,516	99,516	94,777	4,739
Purchased Professional-Educational		38,434	38,434	26,715	11,719
General Supplies		1,500	1,500	1,429	71
Total Perceptually Impaired	-	139,450	139,450	122,921	16,529
Behavioral disabilities:					
Salaries of teachers	526,537	925	527,462	526,522	940
Other salaries for instruction	46,710		46,710	46,710	
Purchased professional ed services	204,835	(10,926)	193,909	162,773	31,136
General supplies	8,600		8,600	7,218	1,382
Total behavioral disabilities	786,682	(10,001)	776,681	743,223	33,458
Multiple disabilities:					
Salaries of teachers	95,277		95,277	95,277	
Other salaries for instruction	37,934	8	37,942	37,942	
Purchased professional ed services	29,262	2,000	31,262	29,699	1,563
Total multiple disabilities	162,473	2,008	164,481	162,918	1,563
Resource room/center:					
Salaries of teachers	4,617,804	(192,723)	4,425,081	4,210,044	215,037
Other salaries for instruction	185,099		185,099	112,629	72,470
Purchased professional ed services	351,146	2,600	353,746	281,939	71,807
General supplies	8,700	(275)	8,425	7,914	511
Total resource room/center	5,162,749	(190,398)	4,972,351	4,612,526	359,825
Autism:					
Salaries of teachers	1,092,840	92,634	1,185,474	1,185,142	332
Other salaries for instruction	258,282	(51,102)	207,180	193,400	13,780
Purchased professional-educational services	368,031	164,934	532,965	437,692	95,273
General supplies	34,600	649	35,249	32,005	3,244
Total autism	1,753,753	207,115	1,960,868	1,848,239	112,629
Preschool disabilities - full time:					
Salaries of teachers	569,999	(15,004)	554,995	554,995	
Other salaries for instruction	148,991	(7,001)	141,990	131,308	10,682
Purchased professional-educational services	400,408	31,274	431,682	357,359	74,323
General supplies	900	5	905	898	7
Total preschool disabilities - full time	1,120,298	9,274	1,129,572	1,044,560	85,012
Total special education	10,781,014	(90,150)	10,690,864	9,901,238	789,626

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 1,390,936		\$ 1,390,936	\$ 1,383,971	\$ 6,965
General supplies	8,600	\$ (1,000)	7,600	3,685	3,915
Total basic skills/remedial - instruction	1,399,536	(1,000)	1,398,536	1,387,656	10,880
Bilingual education - instruction:					
Salaries of teachers	812,599		812,599	774,736	37,863
General supplies	7,164	1,610	8,774	4,994	3,780
Total bilingual education - instruction	819,763	1,610	821,373	779,730	41,643
School - sponsored cocurricular activities:					
Salaries	457,250	(46,814)	410,436	254,186	156,250
Purchased services	38,020	48	38,068	29,058	9,010
Supplies and materials	82,185	(15,181)	67,004	44,604	22,400
Other objects	6,350	3,851	10,201	7,714	2,487
Total school spn. cocurricular activities	583,805	(58,096)	525,709	335,562	190,147
School - sponsored athletics - instruction:					
Salaries	1,018,314		1,018,314	1,004,479	13,835
Purchased services	165,950	(7,365)	158,585	114,821	43,764
Supplies and materials	157,500	74,482	231,982	206,447	25,535
Other objects	43,000	(825)	42,175	36,701	5,474
Total school - sponsored athletics - instruction	1,384,764	66,292	1,451,056	1,362,448	88,608
Other supplemental / At Risk programs:					
Salaries of tutors	58,072		58,072	12,610	45,462
Purchased professional ed services	250,000		250,000	141,686	108,314
General supplies	3,000		3,000	1,276	1,724
Total Other supplemental / At Risk programs	311,072	-	311,072	155,572	155,500
Total instruction	54,357,889	(1,223,572)	53,134,317	48,982,077	4,152,240
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - reg.	65,000	(4,364)	60,636	35,748	24,888
Tuition to other LEAs w/in the state - sp.	830,000	129,980	959,980	883,527	76,453
Tuition to private schools for the handicapped - within state	1,150,000	(157,062)	992,938	869,016	123,922
Total instruction	2,045,000	(31,446)	2,013,554	1,788,291	225,263

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ 244,246	\$ 5,652	\$ 249,898	\$ 249,898	
Other purchased services	4,000	(20)	3,980	3,784	\$ 196
Supplies and materials	1,000	(1,000)			
Total attendance and social work services	249,246	4,632	253,878	253,682	196
Health services:					
Salaries	1,084,733	\$ (60,038)	1,024,695	1,011,210	13,485
Purchased professional and technical services	37,000	57,800	94,800	56,558	38,242
Other purchased services	750	1,200	1,950	819	1,131
Supplies and materials	34,000	12,030	46,030	42,855	3,175
Other Objects		780	780	780	
Total health services	1,156,483	11,772	1,168,255	1,112,222	56,033
Speech, OT, PT, and related services related services:					
Salaries	1,630,244	(90,770)	1,539,474	1,532,375	7,099
Purchased professional educational services	127,000	16,342	143,342	94,436	48,906
Supplies and materials	15,000		15,000	14,882	118
Total Speech, OT, PT, and related services	1,772,244	(74,428)	1,697,816	1,641,693	56,123
Other support services - students - extra services:					
Salaries	622,456	(51,056)	571,400	545,886	25,514
Purchased professional educational services	693,541	117,762	811,303	599,810	211,493
Supplies and materials	20,000	1,921	21,921	18,719	3,202
Other objects		9,150	9,150	8,850	300
Total other support services - students - extra services	1,335,997	77,777	1,413,774	1,173,265	240,509
Guidance:					
Salaries of other professional staff	2,256,714	(129,556)	2,127,158	1,927,335	199,823
Salaries of secretarial and clerical assistants	360,937		360,937	327,645	33,292
Other Salaries	59,090	1,954	61,044	53,936	7,108
Purchased professional - educational services	402,000	314,769	716,769	501,398	215,371
Other purchased professional - technical	100		100	25	75
Other purchased services	5,450		5,450	4,019	1,431
Supplies and materials	15,625	35	15,660	6,823	8,837
Other objects	2,875		2,875	298	2,577
Total guidance	3,102,791	187,202	3,289,993	2,821,479	468,514
Child Study Team:					
Salaries of other professional staff	2,683,759	(303,916)	2,379,843	2,360,652	19,191
Salaries of secretarial and clerical assistants	286,151	(12,513)	273,638	272,710	928
Other Salaries	66,500	45,145	111,645	111,645	
Purchased professional - educational services	55,000	310,916	365,916	265,949	99,967
Other purchased services (400-500 series)	14,500	(4,423)	10,077	6,701	3,376
Supplies and materials	18,000	(2,818)	15,182	14,138	1,044
Other objects		1,500	1,500	445	1,055
Total child study team	3,123,910	33,891	3,157,801	3,032,240	125,561

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ 1,603,694	\$ 31,096	\$ 1,634,790	\$ 1,628,119	\$ 6,671
Salaries of secretarial and clerical assistants	131,592	19,071	150,663	128,233	22,430
Other Salaries	175,616	(64)	175,552	128,826	46,726
Salaries of facilitators, math & literacy coaches	682,527	2,004	684,531	684,531	
Purchased professional - educational services	35,000	4,000	39,000	29,832	9,168
Other purchased services	4,800	377	5,177	1,953	3,224
Supplies and materials	333,168	5,150	338,318	284,254	54,064
Other objects	8,670		8,670	2,294	6,376
Total improvement of instructional services	2,975,067	61,634	3,036,701	2,888,042	148,659
Educational media services/school library:					
Salaries	533,899	(2,851)	531,048	502,169	28,879
Salaries of Technology Coordinators	62,721	2,354	65,075	65,075	
Purchased professional and technical services	15,500		15,500	13,328	2,172
Supplies and materials	52,216	3,954	56,170	48,582	7,588
Total educational media services/school library	664,336	3,457	667,793	629,154	38,639
Instructional staff training services:					
Other purchased services	28,050	1,300	29,350	8,005	21,345
Total instructional staff training services	28,050	1,300	29,350	8,005	21,345
Support services-general administration:					
Salaries	885,696	(627)	885,069	839,612	45,457
Salaries of attorneys	150,976	627	151,603	151,603	
Legal services	60,000	11,620	71,620	4,920	66,700
Audit fees	80,000		80,000	76,400	3,600
Architectural / engineering services	100,000	42,669	142,669	84,332	58,337
Other purchased professional services	45,000	(600)	44,400	43,116	1,284
Purchased technical services	30,000	600	30,600	30,600	
Communications/telephone	466,000	111,646	577,646	340,024	237,622
BOE Other purchased services	5,000	230	5,230	2,543	2,687
Misc Purch Services	330,000	27,270	357,270	268,873	88,397
General supplies	106,000	9,957	115,957	106,798	9,159
Judgments against the school district	50,000	47,500	97,500	71,500	26,000
Miscellaneous expenditures	25,000	10,000	35,000	26,851	8,149
BOE membership dues and fees	40,000	388	40,388	31,321	9,067
Total support services-general administration	2,373,672	261,280	2,634,952	2,078,493	556,459

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	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	\$ 3,076,716		\$ 3,076,716	\$ 2,974,576	\$ 102,140
Salaries of other prof staff	147,070	\$ 2,098	149,168	149,168	
Salaries of secretarial and clerical assistants	998,342	(11,140)	987,202	952,255	34,947
Other salaries	37,841		37,841	21,385	16,456
Purchased professional and technical services	15,000	1,000	16,000	342	15,658
Other purchased services	7,500		7,500	813	6,687
Supplies and materials	148,501	39,814	188,315	131,907	56,408
Other objects	54,559	10,606	65,165	32,046	33,119
Total support services-school administration	4,485,529	42,378	4,527,907	4,262,492	265,415
Central services:					
Salaries	1,127,733		1,127,733	1,107,470	20,263
Purchased technical services	65,000	1,500	66,500	53,310	13,190
Misc. purchased services	145,000	6,060	151,060	104,972	46,088
Supplies and materials	28,000	(1,606)	26,394	14,506	11,888
Other objects	12,000	(454)	11,546	10,022	1,524
Total central services	1,377,733	5,500	1,383,233	1,290,280	92,953
Administrative information technology:					
Salaries	957,846	(97,828)	860,018	726,386	133,632
Purchased technical services	15,000	7,042	22,042	12,054	9,988
Other purchased services	19,500		19,500	1,795	17,705
Supplies and Materials	71,500	2,759	74,259	73,459	800
Other objects	548,150	43,632	591,782	573,634	18,148
Total administrative information technology	1,611,996	(44,395)	1,567,601	1,387,328	180,273
Required maintenance for school facilities:					
Salaries	1,193,723		1,193,723	1,082,063	111,660
Cleaning, repair and maintenance services	1,303,645	(76,766)	1,226,879	855,959	370,920
General supplies	381,450	22,701	404,151	333,944	70,207
Other objects	106,000	(5,064)	100,936	9,892	91,044
Total required maintenance for school facilities	2,984,818	(59,129)	2,925,689	2,281,858	643,831
Custodial Services:					
Salaries	3,289,497	(85,013)	3,204,484	3,128,496	75,988
Salaries of Non-Instructional Aids		9,000	9,000	7,362	1,638
Purchased professional and technical services	331,950	72,450	404,400	311,926	92,474
Cleaning, repair and maintenance services	255,069	(10,306)	244,763	164,267	80,496
Rental of land & building	350,000	34,513	384,513	384,513	
Lease Purchase Pymts- Energy Savings Impr Prog	945,000		945,000	643,883	301,117
Other purchased property services	210,000	11,781	221,781	195,837	25,944
Insurance	1,100,000		1,100,000	1,056,654	43,346
General supplies	268,000	151,208	419,208	385,052	34,156
Energy - Natural gas	446,074	38,031	484,105	367,647	116,458
Energy - Electricity	1,008,927	(33,736)	975,191	831,933	143,258
Energy - Gasoline	50,000	13,988	63,988	4,883	59,105
Other objects	1,000	7,967	8,967	3,637	5,330
Total custodial services	8,255,517	209,883	8,465,400	7,486,090	979,310
Care & upkeep of grounds:					
Salaries	422,347		422,347	373,375	48,972
Cleaning, repair and maintenance services	133,000	8,476	141,476	109,984	31,492
General supplies	128,800	35,594	164,394	140,396	23,998
Other objects	1,000	1,957	2,957	2,602	355
Total care & upkeep of grounds	685,147	46,027	731,174	626,357	104,817

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 1,018,175	\$ 39,534	\$ 1,057,709	\$ 1,027,140	\$ 30,569
Purchased professional and technical services	80,000	(27,534)	52,466	3,061	49,405
Cleaning, repair and maintenance services	20,000	(12,000)	8,000		8,000
General supplies	50,000	9,305	59,305	10,109	49,196
Other objects	10,000		10,000		10,000
Total Security	1,178,175	9,305	1,187,480	1,040,310	147,170
Student transportation services:					
Salaries for pupil transportation:					
Non instructional aides	10,000		10,000	6,175	3,825
Between home and school - regular	298,605	(20,396)	278,209	266,152	12,057
Between home and school - special	933,600	187,225	1,120,825	1,120,815	10
Other than between home & school	70,000	17,354	87,354	87,354	
Between home and school - non public	112,320	(75,069)	37,251	37,251	
Other purchased professional services	650,000	(180,756)	469,244	469,244	
Cleaning, repair and maintenance	250,000	(93,877)	156,123	110,426	45,697
Rental payment - school buses	35,000	(10,000)	25,000	9,400	15,600
Contracted services:					
Between home & school - regular	200,000	30,000	230,000	207,466	22,534
Other between home & school - regular	40,000	(10,000)	30,000	22,995	7,005
Vendors - between home & school	3,420,000	530,000	3,950,000	3,943,074	6,926
Vendors - other between home & school	593,775	(68,347)	525,428	273,116	252,312
Joint agreements - special ed					
ESCs & CTSA's - regular ed	950,000	(340,144)	609,856	560,529	49,327
ESCs & CTSA's - special ed	1,700,000	468,144	2,168,144	2,168,144	
Travel		2,000	2,000	496	1,504
Miscellaneous purchased services -	62,000	(7,285)	54,715	43,149	11,566
General Supplies	90,000	25,000	115,000	105,478	9,522
Transportation Supplies and materials	250,000	18,033	268,033	230,051	37,982
Miscellaneous expenditures	2,000		2,000	825	1,175
Total student transportation services	9,667,300	471,882	10,139,182	9,662,140	477,042
Unallocated benefits:					
Group Insurance	5,000		5,000	2,987	2,013
Social security contributions	1,500,000	(114,033)	1,385,967	1,385,523	444
Other retirement contributions - regular	15,000	(2,840)	12,160	8,533	3,627
Other retirement contributions - PERS	2,200,000	85,362	2,285,362	2,285,362	
Worker's compensation	430,000	(44,096)	385,904	385,904	
Health insurance	19,014,857	366,165	19,381,022	16,823,159	2,557,863
Tuition reimbursement	140,000	(57,471)	82,529	49,265	33,264
Other employee benefits	293,000	157,141	450,141	449,498	643
Total unallocated benefits	23,597,857	390,228	23,988,085	21,390,231	2,597,854
On-behalf TPAF pension contributions (non-budgeted)					
				19,355,629	(19,355,629)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)					
				5,084,677	(5,084,677)
On-behalf TPAF Long- Term Disability Insurance contributions (non-budgeted)					
				7,329	(7,329)
Reimbursed TPAF social security contributions (non-budgeted)					
				4,071,487	(4,071,487)
Total personal services: benefits	23,597,857	390,228	23,988,085	49,909,353	(25,921,268)
Interest deposit to maintenance reserve					
	25,000		25,000		25,000
Total undistributed expenditures	72,695,868	1,608,750	74,304,618	95,372,774	(21,068,156)
Total current expenditures	127,053,757	385,178	127,438,935	144,354,851	(16,915,916)

Piscataway Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Grades 9-12	\$ 150,000	\$ (26,880)	\$ 123,120	\$ 36,448	\$ 86,672
Autism		26,880	26,880		26,880
Admin Info Tech	1,345,777	211,785	1,557,562	831,934	725,628
Required maintenance for school facilities	409,375	87,726	497,101	229,049	268,052
Undist. Expend. - Custodial Services	30,000	64,449	94,449	22,054	72,395
Undistributed expenditure Security	50,000		50,000	1,905	48,095
School buses - regular	250,000		250,000		250,000
School buses - special	250,000		250,000		250,000
Undistributed Expenditures - Non-Inst. Serv		50,000	50,000	48,222	1,778
Total equipment	2,485,152	413,960	2,899,112	1,169,612	1,729,500
Facilities acquisition and construction services:					
Architctual / engineering		338,122	338,122	247,634	90,488
Construction services	1,750,000	1,114,379	2,864,379	1,207,894	1,656,485
Assessment for Debt Service on SDA Funding	243,505		243,505	243,505	
Total facilities acquisition and construction services	1,993,505	1,452,501	3,446,006	1,699,033	1,746,973
Assets acquired under leases (non-budgeted)				2,983,896	(2,983,896)
Interest deposit to capital reserve	75,000		75,000		75,000
Total expenditures - capital outlay	4,553,657	1,866,461	6,420,118	5,852,541	567,577
Transfer of funds to charter schools	641,641	109,225	750,866	750,866	-
Total expenditures	132,249,055	2,360,864	134,609,919	150,958,258	(16,348,339)
(Deficiency) excess of revenues (under) over expenditures	(7,981,441)	(2,360,864)	(10,342,305)	4,894,439	15,236,744
Other financing sources (uses):					
Proceeds from Leases (Non-budgeted)				2,983,896	2,983,896
Transfers in (Capital Projects Fund)				36,714	36,714
Transfers Out (Special Revenue Fund)	(307,692)		(307,692)	(264,612)	43,080
Total other financing sources (uses)	(307,692)	-	(307,692)	2,755,998	3,063,690
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(8,289,133)	(2,360,864)	(10,649,997)	7,650,437	18,300,434
Fund balances, July 1	53,369,841		53,369,841	53,369,841	
Fund balances, June 30	\$ 45,080,708	\$ (2,360,864)	\$ 42,719,844	\$ 61,020,278	\$ 18,300,434
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted general fund balance	\$ (8,289,133)		\$ (8,289,133)	\$ 10,011,301	\$ 18,300,434
Adjustment for prior year encumbrances, net		\$ (2,360,864)	(2,360,864)	(2,360,864)	
Total	\$ (8,289,133)	\$ (2,360,864)	\$ (10,649,997)	\$ 7,650,437	\$ 18,300,434
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 1,000,000	
Capital reserve				28,160,921	
Maintenance reserve				6,555,332	
Unemployment liability reserve				1,800,671	
Excess surplus - prior year				6,503,360	
Excess surplus - current year				7,678,114	
Assigned to:					
Year end encumbrances				2,765,377	
Designated for subsequent year's expenditures				3,049,257	
Unassigned fund balance				3,507,246	
				61,020,278	
Reconciliation to Governmental Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(2,212,296)	
Solar Renewable Energy Credits (SREC) Income				1,604,172	
Fund balance per Governmental Funds (GAAP) (B-1)				\$ 60,412,154	

Piscataway Township School District
Special Revenue Fund
Required Supplementary Information

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 9,507,502	\$ (118,879)	\$ 9,388,623	\$ 8,070,776	\$ (1,317,847)
Federal sources	2,769,916	5,841,787	8,611,703	5,632,976	(2,978,727)
Other sources		738,713	738,713	690,593	(48,120)
Total revenues	12,277,418	6,461,621	18,739,039	14,394,345	(4,344,694)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	2,793,725	1,934,777	4,728,502	3,115,202	1,613,300
Other salaries from instruction		230,171	230,171	228,000	2,171
Purchased professional educational services	1,146,353	475,104	1,621,457	1,427,637	193,820
Other purchased services		124,847	124,847	123,417	1,430
Tuition	1,659,806	42,471	1,702,277	1,702,277	
Travel		15,485	15,485		15,485
Supplies and materials	250,000	86,617	336,617	252,444	84,173
Other objects	36,000	3,716	39,716	7,496	32,220
Total instruction	5,885,884	2,913,188	8,799,072	6,856,473	1,942,599
Support services:					
Salaries of other professional staff	1,602,089	313,709	1,915,798	1,521,436	394,362
Personal services—employee benefits	1,053,162	362,669	1,415,831	1,172,869	242,962
Purchased professional technical services	750,000	1,105,978	1,855,978	1,304,882	551,096
Purchased property services	2,070,860	(172,492)	1,898,368	1,534,804	363,564
Other purchased services	903,677	(240,690)	662,987	549,880	113,107
Travel	5,000		5,000	1,779	3,221
Supplies and materials		332,550	332,550	230,145	102,405
Scholarships awarded		5,800	5,800	5,800	
Student activities		525,000	525,000	523,541	1,459
Other Objects	2,000	166	2,166		2,166
Total support services	6,386,788	2,232,690	8,619,478	6,845,136	1,774,342
Capital outlay:					
Facilities acquisition and construction services:					
Non-instructional equipment		247,996	247,996	247,996	
Instructional equipment	4,746	1,067,747	1,072,493	693,788	378,705
Total facilities acquisition and construction services	4,746	1,315,743	1,320,489	941,784	378,705
Total expenditures	12,277,418	6,461,621	18,739,039	14,643,393	4,095,646
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(249,048)	(249,048)
Other financing sources (uses)					
Transfers in - General Fund				264,612	264,612
Total other financing sources (uses)				264,612	264,612
Net change in fund balances				15,564	15,564
Fund Balance, July 1				427,628	
Fund Balance, June 30				<u>\$ 443,192</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 15,325	
Student Activities				427,867	
Total Fund Balance				<u>443,192</u>	
Reconciliation to Governmental Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(724,475)	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ (281,283)</u>	

Piscataway Township School District
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2023

	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)	\$ 155,852,697	\$ 14,394,345
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		(1,075,813)
Prior year, net of cancellations		1,694,218
General and preschool state aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	2,116,695	451,520
Current year	(2,212,296)	(724,475)
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis	<hr/> (5,328) <hr/>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 155,751,768	<hr/> <hr/> \$ 14,739,795
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 150,958,258	\$ 14,643,393
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		1,694,218
Current year		<hr/> (1,075,813) <hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<hr/> <hr/> \$ 150,958,258	<hr/> <hr/> \$ 15,261,798

Supplementary Information

Special Revenue Fund

Piscataway Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2023

	(ACSERS) Additional or Compensatory Special		I.D.E.A.				Title II Part A	Title III Regular	Title IV Drug Free	
	Title I Regular	Education and Related Services	ARP Homeless II Formula Grant	Part B Regular	Part B ARP	Part B Preschool				Part B Preschool - ARP
	Part A									
Revenues:										
State sources										
Federal sources	\$ 1,218,313	\$ 194,661	\$ 32,634	\$ 2,452,748	\$ 209,440	\$ 66,523	\$ 1,319	\$ 186,466	\$ 153,802	\$ 78,586
Other sources										
Total revenues	<u>\$ 1,218,313</u>	<u>\$ 194,661</u>	<u>\$ 32,634</u>	<u>\$ 2,452,748</u>	<u>\$ 209,440</u>	<u>\$ 66,523</u>	<u>\$ 1,319</u>	<u>\$ 186,466</u>	<u>\$ 153,802</u>	<u>\$ 78,586</u>
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers	\$ 214,607			\$ 120,119				\$ 72,636	\$ 7,199	
Other salaries from instruction	228,000									
Purchased professional educational services		\$ 3,240		260,687					4,080	
Other purchased services		117,707								
Tuition				1,635,754		\$ 66,523				
Supplies and materials	72,263			10,512	\$ 41			26,732	26,361	
Other objects										
Total instruction	<u>514,870</u>	<u>120,947</u>		<u>2,027,072</u>	<u>41</u>	<u>66,523</u>		<u>99,368</u>	<u>37,640</u>	
Support services:										
Salaries of other professional staff	56,202	17,305					\$ 38,940	541		
Personal services—employee benefits	118,206	5,536		75,899			2,076	38,446		
Purchased professional technical services				244,436			69,808			
Purchased property services										
Other purchased services	43,887	50,873	\$ 26,882				59,446	815		
Travel										
Supplies and materials	15,889		5,752	52,524	33,079		\$ 1,319	16,196	14,632	40,946
Scholarships awarded										
Student activities										
Other objects										
Total support services	<u>234,184</u>	<u>73,714</u>	<u>32,634</u>	<u>372,859</u>	<u>33,079</u>		<u>1,319</u>	<u>186,466</u>	<u>54,434</u>	<u>40,946</u>
Capital outlay:										
Equipment:										
Non-Instructional equipment				28,275	42,350					
Instructional equipment	<u>469,259</u>			<u>24,542</u>	<u>133,970</u>					
Total Equipment	<u>469,259</u>			<u>52,817</u>	<u>176,320</u>					
Total expenditures	<u>\$ 1,218,313</u>	<u>\$ 194,661</u>	<u>\$ 32,634</u>	<u>\$ 2,452,748</u>	<u>\$ 209,440</u>	<u>\$ 66,523</u>	<u>\$ 1,319</u>	<u>\$ 186,466</u>	<u>\$ 153,802</u>	<u>\$ 78,586</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Piscataway Township School District
Special Revenue Fund

E-1
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(continued)

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2023

	New Jersey Non-Public Aid											
	Comp Ed	ESL	Transportation	Exam & Class	Corrective Speech	Supplementary Instruction	Nursing	Technology Initiative	Home Instruction	Text - books	Security	
	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	
Revenues:												
State sources	\$ 144,096	\$ 22,852	\$ 15,032	\$ 51,888	\$ 32,550	\$ 42,043	\$ 135,265	\$ 40,242	\$ 1,370	\$ 80,759	\$ 278,884	
Federal sources												
Other sources												
Total revenues	\$ 144,096	\$ 22,852	\$ 15,032	\$ 51,888	\$ 32,550	\$ 42,043	\$ 135,265	\$ 40,242	\$ 1,370	\$ 80,759	\$ 278,884	
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 technical services	\$ 144,096	\$ 22,852	\$ 15,032	\$ 51,888	\$ 32,550	\$ 42,043	\$ 135,265	\$ 40,242	\$ 1,370	\$ 80,759	\$ 278,884	
Purchased property services												
Other purchased services												
Travel												
Supplies and materials												
Scholarships awarded												
Student activities												
Other objects												
Total support services	144,096	22,852	15,032	51,888	32,550	42,043	135,265	40,242	1,370	80,759	278,884	
Capital outlay:												
Equipment:												
Non-Instructional equipment												
Instructional equipment												
Total Equipment												
Total expenditures	\$ 144,096	\$ 22,852	\$ 15,032	\$ 51,888	\$ 32,550	\$ 42,043	\$ 135,265	\$ 40,242	\$ 1,370	\$ 80,759	\$ 278,884	
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, 2023

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(continued)

	Elementary and Secondary School Emergency Relief ARP Program	Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Mental Health Grant Program	Carl Perkins	Elementary and Secondary School Emergency Relief ESSRR II Grant Program	Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Learning Acceleration Grant Program	Accelerated Learning Coaching and Educator Support Grant	School Climate Change	NJ SDA Emergent Need Grant	Preschool Education Aid	Student Activity Fund	Scholarships Fund	Local Programs	Totals
Revenues:													
State sources							\$ 6,660	\$ 177,371	\$ 7,041,764				\$ 8,070,776
Federal sources	\$ 629,634	\$ 34,980	\$ 44,897	\$ 158,116	\$ 42,329	\$ 128,528				\$ 541,048	\$ 3,857	\$ 145,688	\$ 5,632,976
Other sources													690,593
Total revenues	\$ 629,634	\$ 34,980	\$ 44,897	\$ 158,116	\$ 42,329	\$ 128,528	\$ 6,660	\$ 177,371	\$ 7,041,764	\$ 541,048	\$ 3,857	\$ 145,688	\$ 14,394,345
Expenditures:													
Current expenditures:													
Instruction:													
Salaries of teachers	\$ 410,346		\$ 11,180	\$ 44,414	\$ 39,321				\$ 2,195,380				\$ 3,115,202
Other salaries from instruction												\$ 73,353	228,000
Purchased professional educational services			1,080						1,085,197				1,427,637
Other purchased services				5,249									123,417
Tuition													1,702,277
Supplies and materials	48,100	\$ 14,851	3,111	3,103			\$ 6,660		19,373			21,337	252,444
Other objects									5,675			1,821	7,496
Total instruction	458,446	14,851	15,371	52,766	39,321		6,660		3,305,625			96,972	6,856,473
Support services:													
Salaries of other professional staff	24,723		6,320	44,313					1,329,882			3,210	1,521,436
Personal services-employee benefits	42,391		1,339	6,788	3,008				879,180				1,172,869
Purchased professional technical services		17,129				\$ 128,528							1,304,882
Purchased property services									1,534,804				1,534,804
Other purchased services	58,174	3,000		52,489					250,109			4,205	549,880
Travel									1,779				1,779
Supplies and materials	1,680		70	1,760					4,997			41,301	230,145
Scholarships awarded											\$ 5,800		5,800
Student activities										\$ 523,541			523,541
Other objects													-
Total support services	126,968	20,129	7,729	105,350	3,008	128,528			4,000,751	523,541	5,800	48,716	6,845,136
Capital outlay:													
Equipment:													
Non-Instructional equipment								\$ 177,371					247,996
Instructional equipment	44,220		21,797										693,788
Total Equipment	44,220		21,797										941,784
Total expenditures	\$ 629,634	\$ 34,980	\$ 44,897	\$ 158,116	\$ 42,329	\$ 128,528	\$ 6,660	\$ 177,371	\$ 7,306,376	\$ 523,541	\$ 5,800	\$ 145,688	\$ 14,643,393
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	(264,612)	17,507	(1,943)	-	(249,048)
Other financing sources (uses)													
Transfers in									264,612				264,612
Total other financing sources (uses)	-	-	-	-	-	-	-	-	264,612	-	-	-	264,612
Net change in fund balance	-	-	-	-	-	-	-	-	-	17,507	(1,943)	-	15,564
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	410,361	17,267	-	427,628
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427,868	\$ 15,324	\$ -	\$ 443,192

Piscataway Township School District
Special Revenue Fund

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

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 2,307,576	\$ (60,000)	\$ 2,247,576	\$ 2,195,380	\$ 52,196
Purchased Professional Educational Services	1,146,353	60,513	1,206,866	1,085,197	121,669
Supplies and materials	250,000	(205,922)	44,078	19,373	24,705
Other Objects	36,000		36,000	5,675	30,325
Total instruction services	3,739,929	(205,409)	3,534,520	3,305,625	228,895
Support services:					
Contracted Pre-Kindergarten					
Salaries of other professional staff	1,576,805	2,714	1,579,519	1,329,882	249,637
Personal services—employee benefits	1,053,162	(110,000)	943,162	879,180	63,982
Rentals	2,070,860	(172,492)	1,898,368	1,534,803	363,565
Other purchased services	305,000	(7,941)	297,059	250,110	46,949
Travel	5,000		5,000	1,779	3,221
Supplies and materials		5,961	5,961	4,997	964
Other objects	2,000	166	2,166		2,166
Total support services	5,012,827	(281,592)	4,731,235	4,000,751	730,484
Facilities acquisition and cont. serv:					
Instructional equipment	4,746		4,745		4,745
Total Facilities acquisition and cont. serv:	4,746	-	4,745	-	4,745
Total Expenditures	\$ 8,757,502	\$ (487,001)	\$ 8,270,500	\$ 7,306,376	\$ 964,124

Calculation of Budget and Carryover

Total revised 2022-23 Preschool Education Aid Allocation	\$ 7,244,748
Add: Actual Preschool Education Aid Carryover June 30, 2022	761,140
Add: Transfer from General Fund	264,612
Total Preschool Education Aid Funds Available for 2022-23 Budget	8,270,500
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(8,270,500)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	964,124
2022-23 Carryover - Preschool Education Aid/Preschool	\$ 964,124
2022-23 Preschool Education Aid Carryover	\$ 964,124
Budgeted for Preschool Programs 2023-24	\$ 819,215

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, 2023

Revenues and other financing sources	
Investment Income	\$ 36,714
Total revenues	<u>36,714</u>
Expenditures and Other Financing Uses	
Construction Services	<u>7,691,882</u>
Total Expenditures	7,691,882
(Deficiency) of revenues (under) expenditures	(7,655,168)
Other Financing (uses)	
Transfers to General Fund	<u>(36,714)</u>
Total other financing (uses)	(36,714)
(Deficiency) of revenues (under) expenditures and other financing (uses)	(7,691,882)
Fund Balance, July 1	13,105,748
Fund Balance, June 30	<u>\$ 5,413,866</u>
Fund balance, budgetary-basis	\$ 5,413,866
Less difference in grant revenue recognized	<u>(605,586)</u>
Fund balance, GAAP-basis	<u>\$ 4,808,280</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, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 616,800	\$ -	\$ 616,800	\$ 616,800
Financed purchase proceeds and transfers	15,503,119		15,503,119	15,503,119
Contribution from Private sources				
Transfer from capital reserve	925,200	-	925,200	925,200
Total revenues	<u>17,045,119</u>	<u>-</u>	<u>17,045,119</u>	<u>\$ 17,045,119</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	3,939,371	7,691,882	11,631,253	
Equipment				
Transfers to General Fund				
Total expenditures	<u>3,939,371</u>	<u>7,691,882</u>	<u>11,631,253</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,105,748</u>	<u>\$ (7,691,882)</u>	<u>\$ 5,413,866</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, 2023

	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)
Energy Savings Investment Plan
From Inception and for the year ended June 30, 2023

	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>15,503,119</u>	<u>-</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	\$ 7,691,882	11,603,218	
Equipment				
Transfers to General Fund			-	
Total expenditures	<u>3,911,336</u>	<u>7,691,882</u>	<u>11,603,218</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,591,783</u>	<u>\$ (7,691,882)</u>	<u>\$ 3,899,901</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	74.84%			
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, 2023

<u>Issue/Project Title</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Replacement of Exterior Metal Panels: Piscataway High School	\$ 1,542,000	\$ 28,035		\$ 1,513,965
Energy Savings Investment Plan	15,503,119	3,911,336	\$ 7,691,882	3,899,901
	<u>\$ 17,045,119</u>	<u>\$ 3,939,371</u>	<u>\$ 7,691,882</u>	<u>\$ 5,413,866</u>

Long-Term Debt

Piscataway Township School District
 Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance
			Date	Amount		July 1, 2022		June 30, 2023
Refunding Bonds	8/15/2011	\$ 27,280,000				\$ 3,575,000	\$ 3,575,000	\$ -
						<u>\$ 3,575,000</u>	<u>\$ 3,575,000</u>	<u>\$ -</u>

Piscataway Township School District
Long-Term Debt

Schedule of Obligations Under Financed Purchases and Leases

Year ended June 30, 2023

Financed Purchases Payable

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
ESIP Lease	1.722%	\$ 15,503,119	\$ 15,503,119	\$ -	\$ 676,888	\$ 14,826,231
			<u>\$ 15,503,119</u>	<u>\$ -</u>	<u>\$ 676,888</u>	<u>\$ 14,826,231</u>

Leases Payable

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
NB Road Building	1.720%	\$ 5,762,789	\$ 4,897,094		\$ 1,097,627	\$ 3,799,467
Cabrini Building - Old	1.720%	291,181	30,376		30,376	
Cabrini Building - New	1.720%	1,731,787		\$ 1,731,787	257,036	1,474,751
Fatima Building - Old	1.720%	13,110	13,110		13,110	
Fatima Building - New	1.720%	1,252,109		1,252,109	196,726	1,055,383
Copier Lease #1	3.000%	464,980	333,569		135,353	198,216
Copier Lease #2	3.750%	45,964	39,092		8,848	30,244
			<u>\$ 5,313,241</u>	<u>\$ 2,983,896</u>	<u>\$ 1,739,076</u>	<u>\$ 6,558,061</u>

Piscataway Township School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,641,724		\$ 3,641,724	\$ 3,641,724	
Total revenues	<u>3,641,724</u>		<u>3,641,724</u>	<u>3,641,724</u>	
Expenditures:					
Principal on bonds	3,575,000		3,575,000	3,575,000	
Interest on bonds	<u>66,725</u>		<u>66,725</u>	<u>66,725</u>	
Total expenditures	<u>3,641,725</u>		<u>3,641,725</u>	<u>3,641,725</u>	
(Deficiency) of revenues (under) expenditures	(1)		(1)	(1)	
Fund balance, July 1	1		1	1	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section (Unaudited)

Other Information

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the 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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 74,856,392
Restricted	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	53,013,255
Unrestricted (deficit)	(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)	(21,773,393)
Total governmental activities net position	\$ 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	\$ 106,096,254
Business-type activities										
Net investment in capital assets	\$ 197,740	\$ 349,293	\$ 277,806	\$ 216,642	\$ 176,295	\$ 145,735	\$ 94,859	\$ 71,048	\$ 147,073	\$ 290,389
Unrestricted	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	3,932,684
Total business-type activities net position	\$ 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	\$ 4,223,073
District-wide										
Net investment in capital assets	\$ 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	\$ 75,146,781
Restricted	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	53,013,255
Unrestricted (deficit)	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)	(17,840,709)
Total district net position	\$ 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	\$ 110,319,327

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction	\$ 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	\$ 83,335,521
Support services:										
Attendance/social work	386,649	413,128	349,747	395,547	446,750	380,297	366,032	398,625	399,417	395,209
Health services	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	1,689,972
Other support services	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	19,589,666
Improvement of instruction	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	4,359,871
Instructional staff training	28,802	40,621	24,087	15,643	15,308	19,771	10,605	3,461	6,479	8,477
School library	795,633	847,588	894,189	957,837	1,039,347	942,322	946,166	1,103,668	1,003,107	953,556
General administration	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	2,703,149
School administration	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	6,589,100
Central Services	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	1,927,288
Administrative Information Technology	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	1,837,073
Required maintenance	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	2,281,858
Operation of plant	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	14,249,540
Student transportation	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	11,001,055
Charter schools	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468	686,336	750,866
Interest on debt	1,245,698	950,025	874,589	768,766	657,863	542,686	394,633	245,382	386,649	14,634
Total governmental activities	<u>111,938,990</u>	<u>125,733,426</u>	<u>130,063,134</u>	<u>145,944,767</u>	<u>152,727,491</u>	<u>145,451,298</u>	<u>136,655,172</u>	<u>155,161,848</u>	<u>152,403,906</u>	<u>151,686,835</u>
Business-type activities:										
Food service	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	3,567,928
Adult and Community Education	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	3,322,876
Total business-type activities expense	<u>7,010,908</u>	<u>7,538,708</u>	<u>8,826,671</u>	<u>9,777,126</u>	<u>9,645,446</u>	<u>10,212,947</u>	<u>9,776,458</u>	<u>9,239,825</u>	<u>7,364,401</u>	<u>6,890,804</u>
Total district expenses	<u>\$ 118,949,898</u>	<u>\$ 133,272,134</u>	<u>\$ 138,889,805</u>	<u>\$ 155,721,893</u>	<u>\$ 162,372,937</u>	<u>\$ 155,664,245</u>	<u>\$ 146,431,630</u>	<u>\$ 164,401,673</u>	<u>\$ 159,768,307</u>	<u>\$ 158,577,639</u>
Program Revenues										
Governmental activities:										
Charges for services - tuition, transportation and student activities	\$ 768,339	\$ 643,757	\$ 839,569	\$ 856,606	\$ 817,142	\$ 875,661	\$ 810,662	\$ 689,444	\$ 1,320,727	\$ 1,286,208
Operating grants and contributions	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	14,198,747
Capital grants and contributions		986,815	827,637	462,836	526,133	74,474	3,772			
Total governmental activities program revenues	<u>4,476,923</u>	<u>5,395,343</u>	<u>5,800,052</u>	<u>5,373,417</u>	<u>5,554,780</u>	<u>5,889,862</u>	<u>7,017,896</u>	<u>8,885,335</u>	<u>14,489,599</u>	<u>15,484,955</u>
Business-type activities:										
Charges for services										
Food service	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	1,571,548
Adult and Community Education	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	3,525,817
Operating grants and contributions	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	2,328,085
Total business type activities program revenues	<u>7,701,932</u>	<u>7,932,769</u>	<u>8,139,468</u>	<u>9,786,470</u>	<u>9,707,878</u>	<u>10,288,980</u>	<u>9,721,489</u>	<u>8,532,941</u>	<u>7,325,460</u>	<u>7,425,450</u>
Total district program revenues	<u>\$ 12,178,855</u>	<u>\$ 13,328,112</u>	<u>\$ 13,939,520</u>	<u>\$ 15,159,887</u>	<u>\$ 15,262,658</u>	<u>\$ 16,178,842</u>	<u>\$ 16,739,385</u>	<u>\$ 17,418,276</u>	<u>\$ 21,815,059</u>	<u>\$ 22,910,405</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (136,201,880)
Business-type activities	691,024	394,061	(687,203)	9,344	62,432	76,033	(54,969)	(706,884)	(38,941)	534,646
Total district-wide net expense	<u>\$ (106,771,043)</u>	<u>\$ (119,944,022)</u>	<u>\$ (124,950,285)</u>	<u>\$ (140,562,006)</u>	<u>\$ (147,110,279)</u>	<u>\$ (139,485,403)</u>	<u>\$ (129,692,245)</u>	<u>\$ (146,983,397)</u>	<u>\$ (137,953,248)</u>	<u>\$ (135,667,234)</u>

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 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	\$ 98,637,278
Taxes levied for debt service	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	3,641,724
Unrestricted grants and contributions	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	42,556,549
Investment earnings			296,015	300,695	639,884	1,034,654	943,729	418,989	483,820	346,737
Other restricted miscellaneous income								5,916	4,996	36,241
Miscellaneous income	89,711	931,991	416,278	402,888	368,615	222,117	319,466	1,023,318	1,695,447	2,938,980
Total governmental activities	110,848,531	125,877,855	132,699,004	145,167,969	152,880,573	146,277,230	143,471,950	160,306,437	148,997,948	148,157,509
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	533,402	472,055	594,291	12,858	16,326	92,302	125,174	-	-	-
Total district-wide	\$ 111,381,933	\$ 126,349,910	\$ 133,293,295	\$ 145,180,827	\$ 152,896,899	\$ 146,369,532	\$ 143,597,124	\$ 160,306,437	\$ 148,997,948	\$ 148,157,509
Change in Net Position										
Governmental activities	\$ 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	\$ 11,955,629
Business-type activities	1,224,426	866,116	(92,912)	22,202	78,758	168,335	70,205	(706,884)	(38,941)	534,646
Total district	\$ 4,610,890	\$ 6,405,888	\$ 8,343,010	\$ 4,618,821	\$ 5,786,620	\$ 6,884,129	\$ 13,904,879	\$ 13,323,040	\$ 11,044,700	\$ 12,490,275

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund							(Restated)			
Restricted	\$ 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	\$ 51,698,398
Assigned	1,578,004	840,473	1,235,982	546,031	676,712	1,707,029	5,749,038	5,017,039	2,396,842	5,814,634
Unassigned	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	2,899,122
Total general fund	<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>	<u>\$ 60,412,154</u>
All Other Governmental Funds										
Restricted reported in:										
Capital projects fund	\$ 3,866,408	\$ 554,417	\$ 3,252,915	\$ 2,312,446	\$ 1,667,230	\$ 917,809	\$ 910,781	\$ 910,781	\$ 12,500,162	\$ 4,808,280
Debt service fund	33,120	33,120				1	1	2	1	
Special revenue fund							519,038	387,426	427,628	443,192
Unassigned (deficit), reported in:										
Special revenue fund	(44,220)	(44,220)	(44,220)	(44,220)	(44,220)	(230,146)	(305,778)	(356,472)	(451,520)	(724,475)
Total all other governmental funds	<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>	<u>\$ 4,526,997</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Local sources:										
Local tax levy	\$ 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	\$ 102,279,002
Transportation	363,671	430,554	496,367	447,735	437,238	508,090	314,498	19,656	486,383	352,761
Tuition charges	404,668	213,203	343,202	408,871	379,904	367,571	496,164	476,108	441,555	392,399
Investment income			296,015	300,695	639,884	1,034,654	943,729	604,352	642,748	346,737
Miscellaneous	214,095	481,673	580,045	605,226	619,154	444,084	524,704	1,231,428	2,057,571	3,717,786
Total local sources	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	107,088,685
State sources	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	60,726,051
Federal sources	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	6,355,265
Total revenue	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	174,170,001
Expenditures										
Current										
Instruction	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	55,982,124
Undistributed - current										
Instruction	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	1,788,291
Attendance/social work	264,650	251,914	207,483	206,467	229,448	214,204	225,924	213,081	237,620	253,682
Health services	785,102	855,552	788,452	909,762	907,223	966,978	984,493	1,100,703	1,041,794	1,112,222
Other support services	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	15,087,247
Improvement of instruction	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	2,888,042
Education media library	553,768	527,027	546,424	515,058	585,155	570,922	601,387	614,878	615,078	629,154
Other support: instructional staff	27,779	39,121	23,173	15,051	14,729	19,047	10,314	3,338	6,167	8,005
General administration	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	2,078,493
School administration	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	4,262,492
Central services	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	1,290,280
Administrative information technology	996,954	999,244	1,057,088	1,044,932	917,410	960,729	1,028,965	1,010,647	1,653,554	1,387,328
Required maintenance of plant services	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	2,281,858
Operation of plant	10,358,466	10,418,892	9,935,967	10,024,329	11,411,809	13,384,247	13,784,204	17,092,087	10,714,446	9,152,757
Student transportation	5,384,713	5,542,190	5,943,880	6,211,257	7,060,032	6,237,181	6,237,181	5,234,934	7,788,846	9,662,140
Unallocated benefits	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	21,390,231
On-behalf TPAF social security and pension contributions	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	28,519,122
Charter schools	260,360	197,860	243,654	295,494	328,975	551,071	625,995	619,468	686,336	750,866
Capital outlay	3,344,076	2,474,029	2,256,726	1,478,739	1,586,365	386,243	16,520	-	4,206,293	15,387,604
Debt Service:										
Principal	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	3,575,000
Interest	1,088,813	1,001,625	924,000	829,675	717,375	602,274	468,300	317,550	188,313	66,725
Total expenditures	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	177,553,663
(Deficiency) excess of revenues (under) over expenditures	(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	(3,383,662)
Other Financing sources (uses)										
Capital lease									15,503,119	2,983,896
Transfers in	1,171,550	2,920,930	4,012,210	30,000	389,500	533,317		205,297	91,538	301,326
Transfers out	(126)	(2,920,930)	(4,012,210)	(30,000)	(389,500)	(533,317)		(205,297)	(91,538)	(301,326)
Total other financing sources (uses)	1,171,424	-	-	-	-	-	-	-	15,503,119	2,983,896
Net change in fund balances	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	(399,766)
Fund balance, July 1	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	65,338,917
Fund balance, June 30	\$ 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	\$ 64,939,151
Debt service as a percentage of noncapital expenditures	3.08%	3.05%	3.04%	2.94%	2.80%	2.66%	2.67%	2.46%	2.26%	2.25%

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
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
2023	57,030	392,399	1,550,975	709,878	63,507	346,737	557,117	352,761	4,030,404

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
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	483,594,400	2,310,364,300	652,445,600	8,587,037,000	2,063,442,500	23,080,672	8,610,117,672	1.255
2023	79,855,200	5,623,123,200	1,981,000	86,500	502,088,500	2,573,834,900	706,554,700	9,487,524,000	2,240,926,100	24,852,444	9,512,376,444	1.192

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	
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
2023	1.17	0.02	1.19	0.56	0.39	2.14

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

	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Digital Piscataway, LLC	\$ 478,800,000	5.05%		
Whale Ventures, LLC	200,100,000	2.11%		
Pleasant View Gardens Owner LLC	163,300,000	1.72%		
US Real Estate Holdings No 2 LTD	127,200,000	1.34%		Information not available
Colgate Palmolive Co.	120,069,600	1.27%		
Avalon Piscataway, LLC	83,265,700	0.88%		
Royal Gardens Apts LLC	82,500,000	0.87%		
Chanel Inc-C/O D Barbara	61,350,000	0.65%		
AP Aspen LLC	59,660,000	0.63%		
Carlton Club Apartments LLC	56,680,000	0.60%		
H'Y2 Knightsbridge LLC	55,297,500	0.58%		
Centennial Square LLC	53,063,500	0.56%		
South Washington Pk LLC - 10 Knox Dr	48,670,000	0.51%		
Rutgers Industrial Center	48,242,000	0.51%		
GWL 21 Constitution	42,790,000	0.45%		
South Washington Pk LLC - 30 Knox Dr	36,130,000	0.38%		
Franklin Estates Inc	36,120,000	0.38%		
Ridgedale Gardens at Piscataway LLC	25,280,000	0.27%		
Total	\$ 1,778,518,300	18.75%	\$ -	0.00%

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
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%
2023	98,637,278	98,637,278	100.00%		98,637,278	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			
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	0.67%	427
2023	-	6,558,061	14,826,231	21,384,292	0.50%	354

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			
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%	63	
2023	-	-		-	0.00%	-	

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, 2023

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	\$ 126,928,149	100.000%	\$ 126,928,149
Middlesex County General Obligation Debt - Township's share	397,816,343	7.469%	<u>29,712,903</u>
Subtotal, overlapping debt			156,641,052
Piscataway School District Direct Debt			<u>21,384,292</u>
Total direct and overlapping debt			<u><u>\$ 178,025,344</u></u>

Sources: Debt outstanding data provided by each governmental unit.

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

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

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	2021	\$ 9,889,214,788
	2022	10,634,841,671
	2023	11,323,559,125
	[A]	<u>\$ 31,847,615,584</u>
Average equalized valuation of taxable property	[A/3]	\$ 10,615,871,861
: limit (4 % of average equalization value)	[B]	424,634,874 a
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 424,634,874</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 424,634,874
Total net debt applicable to limit	<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>	<u>-</u>
Legal debt margin	<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>	<u>\$ 424,634,874</u>
Total net debt applicable to the limit as a percentage of debt limit	12.95%	10.06%	8.96%	7.75%	6.21%	4.79%	3.41%	2.18%	0.99%	0.00%

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
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%
2023	60,366	4,238,960,886	70,221	3.50%

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	2023			2014		
	# 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		35.03%			
GE Healthcare	3,800		12.10%			
Telcordia	2,500		7.96%			
Chanel Inc.	1,270		4.04%			
Colgate-Palmolive Research Center	1,200		3.82%			
Piscataway Township Schools	1,000		3.18%		Not Available	
Johnson & Johnson Health Care	1,000		3.18%			
Institute Electrical & Electronics	750		2.39%			
Ericsson	570		1.82%			
Qualcare Inc.	450		1.43%			
Township of Piscataway, Municipal	434		1.38%			
Altice/Cablevision	425		1.35%			
Siemens Hearing Instruments	400		1.27%			
Pepsi Cola Bottling Co.	400		1.27%			
L'Oreal USA Inc.	300		0.96%			
Walmart	272		0.87%			
American Standard Co. Inc.	270		0.86%			
Shop Rite Supermarket	195		0.62%			
	<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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Instruction	625.0	617.5	611.5	608.1	601.9	601.6	601.9	600.8	606.2	605.7
Support Services:										
Attendance/social work	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	4.0
Health services	14.0	14.0	13.0	13.0	13.0	13.3	13.3	13.3	15.5	17.5
Other support services	37.0	40.0	42.5	41.0	43.6	42.6	42.4	44.0	43.6	42.6
Child study team	33.0	31.0	31.0	32.0	31.0	31.0	31.0	30.0	32.0	32.0
Improvement of instruction	15.0	14.5	17.0	19.0	22.2	22.2	22.2	21.2	22.2	21.2
School library	16.0	9.7	9.5	8.7	10.4	10.4	9.4	9.7	8.7	8.7
General administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
School administration	41.0	41.0	39.5	41.5	41.5	45.0	45.0	45.0	45.5	47.4
Operations and maintenance	67.0	76.5	75.0	78.5	77.5	89.5	89.1	91.1	97.8	108.0
Student transportation	34.0	34.0	36.0	32.4	31.8	31.3	31.5	31.3	32.4	33.4
Other support services - administrative and professional	22.0	30.0	35.0	38.8	41.8	41.8	42.8	43.4	42.4	43.8
Total	<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>	<u>970.3</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				
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%	95.89%
2019	7,118	132,062,605	18,553	5.61%	602	1:14	1:12	1:11	1:12	7,125	6,827	-0.08%	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%
2023	7,328	158,524,334	21,633	-2.68%	606	1:13	1:12	1:12	1:12	7,317	6,896	3.58%	94.25%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	581	568	522	508	548	559	556	520	515	521
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	545	537	563	547	530	508	507	478	509	520
Grandview Elementary School (1953/1968/2002/2019)										
Square Feet	59,282	59,282	59,282	59,282	59,282	59,282	63,282	63,282	63,282	63,282
Capacity (students)	451	451	451	451	451	451	481	481	481	481
Enrollment ^a	788	777	770	747	738	788	849	862	945	1,157
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	503	524	532	528	510	472	465	474	474	485
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	505	495	494	505	492	505	516	505	508	510
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	496	567	551	532	466	470	464	423	423	442
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	457	482	490	527	472	484	476	495	481	478
Quibbletown Middle School (1961/1994)										
Square Feet	107,733	107,733	107,733	107,733	107,733	107,733	107,733	107,733	107,733	107,733
Capacity (students)	631	631	631	631	631	631	631	631	631	631
Enrollment	555	577	562	541	513	496	475	493	519	499
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	605	613	583	579	569	576	572	575	553	572
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	2,187	2,168	2,168	2,245	2,272	2,260	2,242	2,154	2,140	2,144
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, 2023										
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.									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Arbor	\$ 116,559	\$ 91,228	\$ 40,784	\$ 81,820	\$ 349,007	\$ 91,698	\$ 158,300	\$ 147,629	\$ 53,696	\$ 101,661
Conackamack	108,267	161,113	135,665	113,784	198,006	135,146	161,019	112,556	67,609	123,684
Eisenhower	263,171	121,265	31,791	77,788	99,795	43,690	59,842	29,999	63,378	120,586
Grandview	196,051	303,264	95,108	179,786	134,886	94,065	147,803	124,274	81,185	76,398
High School	607,823	903,837	723,928	1,048,212	930,416	916,985	568,204	675,695	600,006	278,893
King	185,124	35,332	135,188	114,014	196,685	67,238	85,522	44,545	68,436	117,073
Knollwood	162,576	118,425	125,311	271,103	97,433	76,504	82,670	85,744	100,377	102,970
Quibbletown	293,584	200,599	381,865	146,153	193,304	183,851	218,992	166,470	144,284	97,987
Randolphville	117,277	97,870	187,125	115,266	60,560	133,208	106,345	91,275	108,150	102,970
Schor	106,802	157,741	341,583	161,091	87,611	97,586	182,486	94,989	52,371	67,520
Total School Facilities	2,157,234	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
Other Facilities - Fellowship Farms	124,624	124,234	317,724	100,490	34,900	111,475	50,179	76,354	108,737	64,622
Grand Total	<u>\$ 2,281,858</u>	<u>\$ 2,314,908</u>	<u>\$ 2,516,072</u>	<u>\$ 2,409,507</u>	<u>\$ 2,382,603</u>	<u>\$ 1,951,446</u>	<u>\$ 1,821,362</u>	<u>\$ 1,649,530</u>	<u>\$ 1,448,229</u>	<u>\$ 1,254,364</u>

* 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, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property		
Real and Personal Property	\$ 287,884,760	\$ 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, 2023

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	

Source: District Records and Insurance Company.

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major, and 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 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
December 5, 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, 2023. 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, 2023.

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.

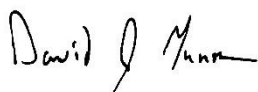
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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
December 5, 2023



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

Piscataway Township School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

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, 2022	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2023			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 (SEM)	93.778	2305NJ5MAP	N/A	\$ 151,624	7/1/2022	6/30/2023		\$ 151,624	\$ (151,624)					
Medical Assistance Program (SEM)	93.778	2205NJ5MAP	N/A	126,598	7/1/2021	6/30/2022	\$ (51,049)	51,049						
Medical Assistance Program Subtotal							(51,049)	202,673	(151,624)					
U.S. Department of Labor—Passed-Through State														
Department of Labor														
American Rescue Plan Act (ARPA) Unemployment Reimbursement (NC)	17.000	N/A	N/A	196,396	7/1/2020	6/30/2023		196,396	(196,396)					
Total General Fund							(51,049)	399,069	(348,020)					
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	S010A230030	N/A	886,677	10/1/2022	9/30/2023		601,146	(1,218,313)			\$ (617,167)		
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A220030	N/A	910,586	10/1/2021	9/30/2022	(322,415)	322,415					(617,167)	
Title I Part A Subtotal:							(322,415)	923,561	(1,218,313)					
Title II A, Improving Teacher Quality State Grants	84.367A	S367A230029	N/A	168,942	10/1/2022	9/30/2023		168,483	(186,466)	\$ 279			(17,704)	
Title II A, Improving Teacher Quality State Grants	84.367A	S367A220029	N/A	180,666	10/1/2021	9/30/2022	(183,161)	183,161						
Title II A Subtotal:							(183,161)	351,644	(186,466)	279			(17,704)	
Title III English Language Acquisition Grants	84.365A	S365A230030	N/A	110,720	10/1/2022	9/30/2023		99,566	(153,802)				(54,236)	
Title III English Language Acquisition Grants	84.365A	S365A220030	N/A	104,877	10/1/2021	9/30/2022	(89,812)	89,812						
Title III Subtotal:							(89,812)	189,378	(153,802)				(54,236)	
Title IV	84.424A	S424A230031	N/A	76,804	10/1/2022	9/30/2023		24,989	(78,586)				(53,597)	
Title IV	84.424A	S424A220031	N/A	51,045	10/1/2021	9/30/2022	(49,040)	49,040						
Title IV Subtotal:							(49,040)	74,029	(78,586)				(53,597)	
Special Education Cluster:														
IDEA Special Education Grants to States	84.027	S027A230100	N/A	2,033,142	10/1/2022	9/30/2023		1,444,701	(2,452,748)		18,646		(989,401)	
IDEA Special Education Grants to States	84.027	S027A220100	N/A	1,896,432	10/1/2021	9/30/2022	(481,167)	481,167						
ARP IDEA Special Education Grants to States	84.027X	H027X210100	N/A	401,195	10/1/2021	9/30/2023		50,952	(209,440)	118,314			(211,056)	
IDEA Preschool Grants for Children with Disabilities	84.173	S173A230114	N/A	66,523	10/1/2022	9/30/2023		66,523	(66,523)					
IDEA Preschool Grants for Children with Disabilities	84.173	S173A220114	N/A	56,281	10/1/2021	9/30/2022	(16,942)	16,942						
ARP IDEA Preschool Grants for Children with Disabilities	84.173X	H173X210114	N/A	34,148	10/1/2021	9/30/2023	(22,668)	23,193	(1,319)		575		(219)	
Subtotal of Special Education Cluster:							(691,659)	2,083,478	(2,730,030)	137,535			(1,200,676)	
Carl D. Perkins Vocational Education	84.048	S048A230030	N/A	44,897	7/1/2022	6/30/2023		33,577	(44,897)				(11,320)	
Carl D. Perkins Vocational Education	84.048	S048A220030	N/A	48,529	7/1/2021	6/30/2022	(8,479)	8,479						
Carl D. Perkins Vocational Education Subtotal:							(8,479)	42,056	(44,897)				(11,320)	
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SE	N/A	478,857	7/1/2021	6/30/2023	(229,713)	329,189	(194,661)				(95,185)	
CRF Subtotal							(229,713)	329,189	(194,661)				(95,185)	
CARES Act - ARP Homeless II Formula Grant	84.425D	S425W210031	21-5120-513	32,634	4/23/2021	9/30/2024		15,761	(32,634)				(16,873)	
COVID-19 - CARES Act - Stabilization Fund	84.425D	S425D200027	21-5120-513	777,152	3/13/2020	9/30/2024	(11,878)	11,878					-	
COVID-19 - CARES Act - CRRSA - ESSER II	84.425D	S425D200027	21-5120-513	2,270,771	3/13/2020	9/30/2024	(1,241,438)	1,009,949	(158,116)				(389,605)	
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)	2,997,635	(629,634)	3,199			(127,026)	
COVID-19 - CARES Act - CRRSA - ESSER III	84.425D	S425D200027	21-5120-513	45,000	3/13/2020	9/30/2024		7,697	(34,980)				(27,283)	
COVID-19 - CARES Act - CRRSA - ESSER III	84.425D	S425D200027	21-5120-513	633,410	3/13/2020	9/30/2024		42,329	(128,528)				(86,199)	
COVID-19 - CARES Act - CRRSA - Act-Learning Acceleration	84.425D	S425D200027	21-5120-513	145,726	3/13/2020	9/30/2024	(46,869)	46,869	(42,329)				(42,329)	
CARES Act Subtotal							(3,798,411)	4,132,118	(1,026,221)	3,199			(689,315)	
Total Special Revenue Fund							(5,372,690)	8,125,453	(5,632,976)	141,013			(2,738,200)	
U.S. Department of Agriculture—Passed-Through State														
Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
Food Donation Program (NC)	10.555	231NJ304N1099	N/A	280,451	7/1/2022	6/30/2023		280,451	(280,451)					
School Breakfast Program	10.553	231NJ304N1099	N/A	279,016	7/1/2022	6/30/2023		257,705	(279,016)				(21,311)	
School Breakfast Program	10.553	221NJ304N1099	N/A	925,044	7/1/2021	6/30/2022	(44,117)	44,117						
COVID-19 Emergency Operational Cost Program - Schools	10.555	232121H170341	N/A	34,155	7/1/2020	6/30/2023		34,155	(34,155)					
National School Lunch Program	10.555	231NJ304N1099	N/A	1,284,208	7/1/2022	6/30/2023		1,201,144	(1,284,208)				(83,064)	
National School Lunch Program	10.555	221NJ304N1099	N/A	3,576,853	7/1/2021	6/30/2022	(190,456)	190,456						
Supplv Chain Assistance Funding	10.555	221NJ344N8903	N/A	328,924	7/1/2022	6/30/2023		328,924	(328,924)				-	
Healthy Hunger-Free Kids Act	10.555	231NJ304N1099	N/A	41,448	7/1/2022	6/30/2023		38,726	(41,448)				(2,722)	
Subtotal Child Nutrition Cluster:							(234,573)	2,375,678	(2,248,202)				(107,097)	
Local Food for Schools (LFS) Cooperative	10.185	N/A	N/A	7,753	7/1/2022	6/30/2023		7,753	(7,753)					
Total Enterprise Fund							(234,573)	2,383,431	(2,255,955)				(107,097)	
Total Federal Awards							\$ (5,658,312)	\$ 10,907,953	\$ (8,236,951)	\$ 141,013	\$ (2,846,297)	\$ -	\$ -	\$ -
NC - non-cash expenditures														

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

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
			From	To	Due to Grantor	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
			(Accts Rec)											
State Department of Education														
General Fund:														
Special Education Cateogical Aid	495-034-5120-089	\$ 5,639,333	7/1/2022	6/30/2023			\$ 5,081,539	\$ (5,639,333)					\$ (557,794)	\$ (5,639,333)
Special Education Cateogical Aid	495-034-5120-089	4,920,457	7/1/2021	6/30/2022	\$ (481,121)		481,121							
Cateogical Transportation Aid	495-034-5120-014	3,188,747	7/1/2022	6/30/2023			2,873,344	(3,188,747)					(315,403)	(3,188,747)
Cateogical Transportation Aid	495-034-5120-014	3,188,747	7/1/2021	6/30/2022		(311,795)								
Equalization Aid	495-034-5120-078	12,242,761	7/1/2022	6/30/2023			11,031,813	(12,242,761)					(1,210,948)	(12,242,761)
Equalization Aid	495-034-5120-078	12,242,761	7/1/2021	6/30/2022		(1,197,094)								
Security Aid	495-034-5120-084	1,295,620	7/1/2022	6/30/2023			1,167,469	(1,295,620)					(128,151)	(1,295,620)
Security Aid	495-034-5120-084	1,295,620	7/1/2021	6/30/2022		(126,685)								
Supplemental Stabilization Aid	495-034-5120-128	350,077	7/1/2022	6/30/2023			350,077	(350,077)						(350,077)
Homeless Tuition Reimbursement	N/A	56,102	7/1/2022	6/30/2023						\$ (56,102)				(56,102)
Homeless Tuition Reimbursement	N/A	6,573	7/1/2021	6/30/2022		(6,573)		6,573						
Extraordinary Aid	100-034-5120-473	1,438,828	7/1/2022	6/30/2023							(1,438,828)			(1,438,828)
Extraordinary Aid	100-034-5120-473	1,184,377	7/1/2021	6/30/2022		(1,184,377)		1,184,377						
Additional NP Transportation Aid	Not Available	73,944	7/1/2022	6/30/2023							(73,944)			(73,944)
Additional NP Transportation Aid	Not Available	48,720	7/1/2021	6/30/2022		(48,720)		48,720						
School Security Grant	588-034-5120-001	203,170	7/1/2022	6/30/2023			203,170							(203,170)
Lead Testing for Schools	495-034-5094-104	20,359	7/1/2022	6/30/2023			20,359							(20,359)
Reimbursed TPAF - Social Security	495-034-5094-003	4,071,487	7/1/2022	6/30/2023			3,871,830	(4,071,487)			(199,657)			(4,071,487)
Reimbursed TPAF - Social Security	495-034-5094-003	4,017,180	7/1/2021	6/30/2022		(195,989)		195,989						
On-behalf TPAF Contributions														
Pension Benefit Contribution	495-034-5094-002	19,355,629	7/1/2022	6/30/2023			19,355,629	(19,355,629)						(19,355,629)
Post-Retirement Medical Contribution	495-034-5094-001	5,084,677	7/1/2022	6/30/2023			5,084,677	(5,084,677)						(5,084,677)
Long-Term Disability Insurance	495-034-5094-004	7,329	7/1/2022	6/30/2023			7,329	(7,329)						(7,329)
Total General Fund						(3,552,354)	52,599,590	(53,028,063)			(1,768,531)		(2,212,296)	(53,028,063)
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	7,244,748	7/1/2022	6/30/2023			6,784,885	(6,545,236)		\$ 964,124			(724,475)	(6,545,236)
Preschool Education Aid	495-034-5120-086	4,515,196	7/1/2021	6/30/2022		309,620	451,520	(761,140)						(761,140)
New Jersey Non-Public Aid:														
Nursing Aid	100-034-5120-070	152,992	7/1/2022	6/30/2023			152,992	(135,265)			\$ 17,727			(135,265)
Nursing Aid	100-034-5120-070	148,960	7/1/2021	6/30/2022		\$ 8,643				\$ 8,643				
Textbook Aid	100-034-5120-064	89,100	7/1/2022	6/30/2023			89,100	(80,759)					8,341	(80,759)
Textbook Aid	100-034-5120-064	79,226	7/1/2021	6/30/2022		6,406				6,406				
Technology Initiative	100-034-5120-070	56,700	7/1/2022	6/30/2023			56,700	(40,242)					16,458	(40,242)
Technology Initiative	100-034-5120-070	55,440	7/1/2021	6/30/2022		6,818				6,818				
Security Aid	100-034-5120-509	280,030	7/1/2022	6/30/2023			280,030	(278,884)					1,146	(278,884)
Security Aid	100-034-5120-509	232,750	7/1/2021	6/30/2022		1,729				1,729				
Non Public Auxiliary Services (Ch. 192):														
Home Instruction	100-034-5120-067	1,370	7/1/2022	6/30/2023				(1,370)					(1,370)	(1,370)
English as a Second Language		22,852	7/1/2022	6/30/2023			22,852	(22,852)					-	(22,852)
English as a Second Language		19,823	7/1/2021	6/30/2022										
Compensatory Education		162,774	7/1/2022	6/30/2023			162,774	(144,096)					18,678	(144,096)
Compensatory Education		160,348	7/1/2021	6/30/2022		42,576								
Transportation	100-034-5120-068	25,054	7/1/2022	6/30/2023			25,054	-	42,576				25,054	-
Non Public Handicapped Services (Ch. 193):														
Supplemental Instruction	100-034-5120-066	42,043	7/1/2022	6/30/2023			42,043	(42,043)					-	(42,043)
Supplemental Instruction		39,648	7/1/2021	6/30/2022		19,824				19,824				
Examination and Classification		68,440	7/1/2022	6/30/2023			68,440	(66,734)					1,706	(66,734)
Examination and Classification		73,546	7/1/2021	6/30/2022		5,120				5,120				
Corrective Speech		32,736	7/1/2022	6/30/2023			32,736	(32,736)						(32,736)
Climate Change	23E00148	6,660	7/1/2022	6/30/2023			6,660	(6,660)						(6,660)
NJ SDA Emergent Need Grant	Not Available	177,371	7/1/2022	6/30/2023			177,371	(177,371)						(177,371)
Total Special Revenue Fund						309,620	91,116	8,353,157	(8,335,388)	91,116	964,124		89,110	(725,845)
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program (State share)	100-010-3360-067	62,841	7/1/2022	6/30/2023			58,811	(62,841)			(4,030)			(62,841)
State School Lunch Program (State share)	100-010-3360-067	84,553	7/1/2021	6/30/2022		(4,383)	4,383							(9,289)
State School Breakfast Program (State share)	100-010-3360-067	9,289	7/1/2022	6/30/2023			8,677	(9,289)			(612)			(9,289)
Total Enterprise Fund						(4,383)	71,871	(72,130)			(4,642)			(72,130)
Total State Financial Assistance						\$ (3,247,117)	\$ 91,116	\$ 61,024,618	\$ (61,435,581)	\$ 91,116	\$ 964,124	\$ (1,773,173)	\$ 89,110	\$ (2,938,141)
State Financial Assistance Not Subject to Single Audit Determination:														
General Fund:														
On-behalf TPAF Contributions														
Pension Benefit Contribution	495-034-5094-002	19,355,629	7/1/2022	6/30/2023			(19,355,629)	19,355,629						19,355,629
Post-Retirement Medical Contribution	495-034-5094-001	5,084,677	7/1/2022	6/30/2023			(5,084,677)	5,084,677						5,084,677
Long-Term Disability Insurance	495-034-5094-004	7,329	7/1/2022	6/30/2023			(7,329)	7,329						7,329
Total State Financial Assistance Subject to Audit Determination						\$ (3,247,117)	\$ 91,116	\$ 36,576,983	\$ (36,987,946)	\$ 91,116	\$ 964,124	\$ (1,773,173)	\$ 89,110	\$ (2,938,141)

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, 2023

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, 2023

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	\$ 2,739,525	\$ -	\$ 801,947	\$ 1,937,578

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$95,601) for the general fund and (\$345,450) 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	\$ 151,624	\$ 52,932,462	\$ 53,084,086
Special Revenue Fund	6,203,641	7,793,589	13,997,230
Food Service Enterprise Fund	2,255,955	72,130	2,328,085
Total financial award revenues	<u>\$ 8,611,220</u>	<u>\$ 60,798,181</u>	<u>\$ 69,409,401</u>

Piscataway Township School District

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

Year ended June 30, 2023

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, 2023.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2023 amounted to \$24,447,635. 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.

During fiscal year 2023, the New Jersey Department of Labor notified the District that federal legislation under the CARES Act and the American Rescue Plan Act of 2021 provided for partial federal subsidies related to unemployment insurance benefits attributable to the District's account. The amount of federal subsidies received by the District during fiscal year 2023 amounted to \$196,396, which have been included on the schedule of expenditures of federal awards. These subsidies represent amounts paid on behalf of the District for time periods prior to the current fiscal year (third quarter of 2020 through the second quarter of 2021) and therefore have been excluded from the District's basic financial statements.

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, 2023.

Piscataway Township School District
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

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, 2023

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

State Financial Assistance 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
495-034-5120-128	Supplemental Stabilization Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____
\$1,109,638

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

Piscataway Township School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

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, 2023

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.