

**SCHOOL DISTRICT
OF
CLINTON TOWNSHIP**

**Clinton Township School District
Board of Education
Clinton Township, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

**Clinton Township School District
Board of Education**

Clinton Township, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

**Clinton Township School District
Board of Education**

Finance Department

CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal 1
Organizational Chart 4
Roster of Officials 5
Consultants and Advisors..... 6

FINANCIAL SECTION..... 7

Independent Auditors’ Report..... 8

Required Supplementary Information..... 11

 Management’s Discussion and Analysis (Unaudited)..... 12

Basic Financial Statements (Sections A. and B.)..... 21

A. District-Wide Financial Statements 22

 A-1 Statement of Net Position 23

 A-2 Statement of Activities..... 25

B. Fund Financial Statements..... 27

 B-1 Balance Sheet – Governmental Funds 28

 B-2 Statement of Revenue, Expenditures and Changes in Fund Balance –
 Governmental Funds..... 30

 B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities 32

 B-4 Statement of Net Position – Proprietary Funds..... 34

 B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds 35

 B-6 Statement of Cash Flows – Proprietary Funds..... 36

 B-7 Statement of Fiduciary Net Position – Fiduciary Funds 37

 B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds 38

 Notes to the Basic Financial Statements..... 39

Required Supplementary Information (Unaudited) 79

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other
than Pensions (Unaudited)..... 80

 L-1 Schedule of District’s Proportionate Share of the Net Pension Liability –
 Public Employees Retirement System 80

 L-2 Schedule of District Contributions – Public Employees Retirement System 81

 L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District–
 Teachers’ Pension and Annuity Fund 82

 L-4 Schedule of State Contributions – Attributable to the District -
 Teacher’s Pension and Annuity Fund 83

 L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability
 associated with the District and Related Ratios 84

 Notes to Required Supplementary Information 85

CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

C.	Budgetary Comparison Schedules.....	88
C-1	Budgetary Comparison Schedule – General Fund (Unaudited).....	89
C-2	Combining Budgetary Schedule – Special Revenue Fund (Unaudited)	100
C-3	Budgetary Comparison Schedule- Note to Required Supplementary Information (Unaudited).....	101
Other Supplementary Schedules (Sections D. to I.)		
D.	School Level Schedules (Not Applicable)	103
E.	Special Revenue Fund	104
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	105
E-2	Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	108
F.	Capital Projects Fund (Not Applicable).....	109
G.	Proprietary Funds	110
	Enterprise Funds:	
G-1	Statement of Net Position	111
G-2	Statement of Revenue, Expenses and Changes in Fund Net Position.....	112
G-3	Statement of Cash Flows	113
H.	Fiduciary Funds	114
H-1	Combining Statement of Fiduciary Net Position	115
H-2	Statement of Changes in Fiduciary Net Position	116
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	117
H-4	Student Activity Agency Fund Statement of Activity	118
H-5	Payroll Agency Fund Schedule of Receipts and Disbursements	119
I.	Long-Term Debt	120
I-1	Schedule of Serial Bonds	121
I-2	Schedule of Obligations Under Capital Leases (Not Applicable)	123
I-3	Debt Service Fund Budgetary Comparison Schedule.....	124
J.	Statistical Section (Unaudited)	125
J-1	Net Position by Component.....	126
J-2	Changes in Net Position.....	127
J-3	Fund Balances- Governmental Funds.....	129
J-4	Changes in Fund Balances- Governmental Funds	130
J-5	General Fund Other Local Revenue by Source	132
J-6	Assessed Value and Actual Value of Taxable Property	133
J-7	Direct and Overlapping Property Tax Rates	134
J-8	Principal Property Tax Payers	135
J-9	Property Tax Levies and Collections	136
J-10	Ratios of Outstanding Debt by Type	137
J-11	Ratios of Net General Bonded Debt Outstanding	138
J-12	Ratios of Overlapping Governmental Activities Debt.....	139
J-13	Legal Debt Margin Information.....	140
J-14	Demographic and Economic Statistics	141

CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

J. Statistical Section (Unaudited) (Cont'd)	
J-15 Principal Employers.....	142
J-16 Full-Time Equivalent District Employees by Function/Program	143
J-17 Operating Statistics	144
J-18 School Building Information	145
J-19 Schedule of Required Maintenance for School Facilities	146
J-20 Insurance Schedule	147
K. SINGLE AUDIT SECTION.....	148
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	149
K-2 Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Controls over Compliance	151
K-3 Schedule of Expenditures of Federal Awards.....	153
K-4 Schedule of Expenditures of State Awards	154
K-5 Notes to the Schedules of Expenditures of Federal and State Awards	156
K-6 Schedule of Findings and Questioned Costs.....	158
K-7 Summary Schedule of Prior Audit Findings.....	160

INTRODUCTORY SECTION



Clinton Township School District

P.O. Box 6, Annandale, NJ 08801
(908) 268-5414

November 25, 2019

The Honorable President and Members of
the Board of Education
Clinton Township School District
County of Hunterdon, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Clinton Township School District (the "District") for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Clinton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Clinton Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. The District completed the 2018-2019 fiscal year with an average daily enrollment of 1,219 students.

2) ECONOMIC CONDITIONS AND OUTLOOK: Nationwide the economy is strong, but Clinton Township has been on the short side of a migration of jobs towards urban areas, such as New York City. Office building vacancies continue to proliferate in the Hunterdon County area due to this migration. Parents are marrying later in life and

having fewer children, and this is a development throughout the State of New Jersey. The District has experienced a 25% reduction in enrollment over the last 12 years. The most recent District Demographic Study conducted in August 2014 forecasted the decline and shows the decline continuing through the 2019-2020 school year.

3) MAJOR INITIATIVES: The 2018/2019 school year focused on student achievement and the district progress towards the educational needs of the 21st century learner through professional development for staff and alignment of curriculum across all grade levels. Cross-curricular lessons and integration of technology were implemented to accomplish this goal. Teacher and principal evaluations focused on the use of the online Teachscape system. Technology initiatives included the use of GoogleDocs and purchase of Chromebooks for students to support online assessment.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system 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 generally accepted accounting principles (GAAP). The internal control system is 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 and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS: In addition to internal accounting 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 approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2019.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the 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.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which 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 governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

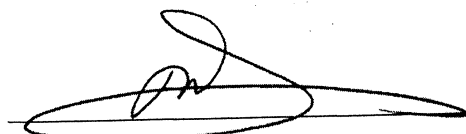
9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Clinton Township School Board 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. Michele Cone
Superintendent of Schools



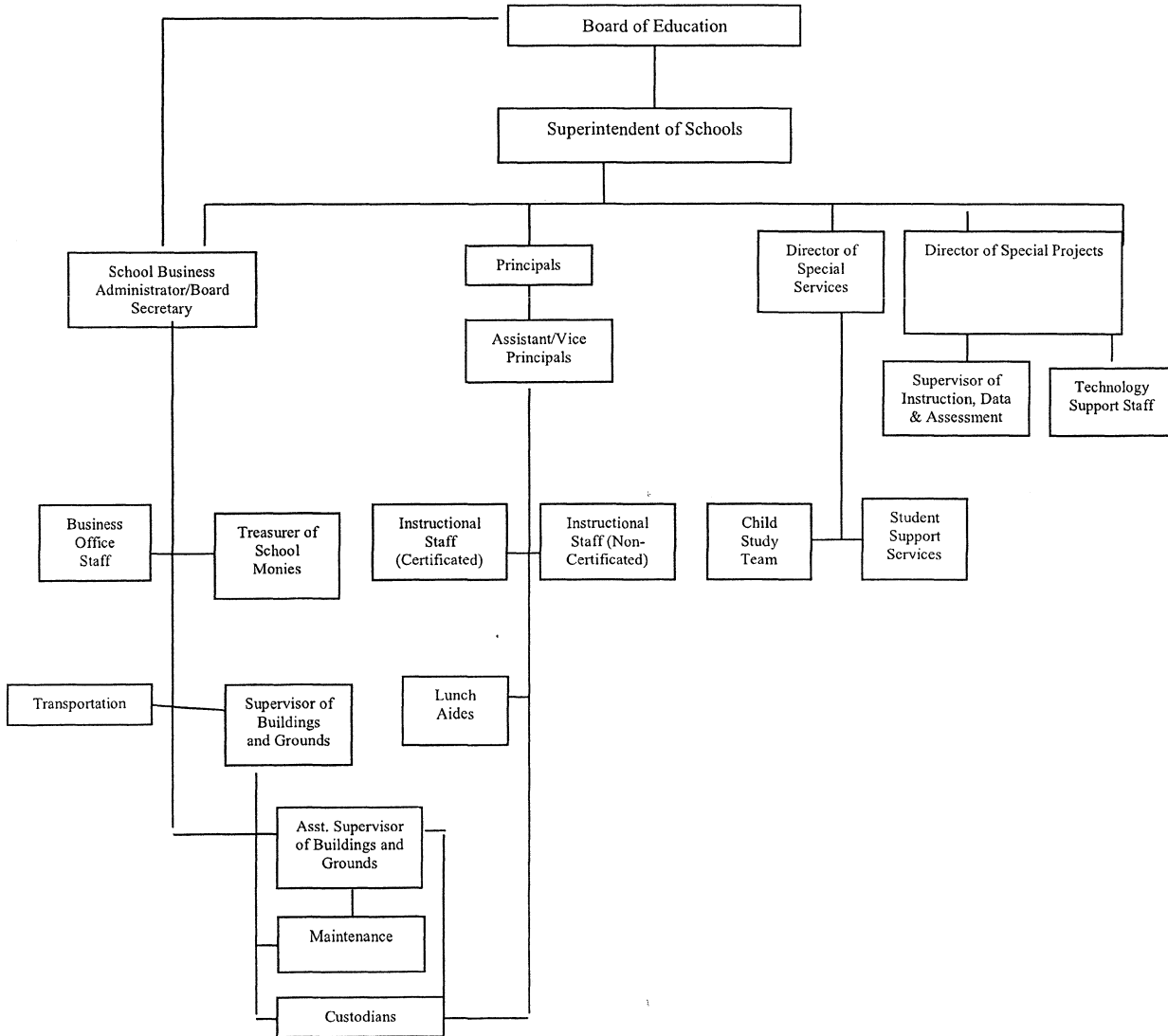
Michael Falkowski
Business Administrator/Board Secretary

POLICY

CLINTON TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



**CLINTON TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2019**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Ms. Maria Grant	President	2020
Mrs. Lana Brennan	Vice President	2020
Mrs. Mary Beth Brooks		2020
Ms. Catherine Mary Emery		2021
Ms. Alicia Grantham		2019
Mr. Kevin Maloy		2019
Ms. Catherine Riihimaki		2021
Mrs. Alissa Olawski		6/4/2019 - 6/30/2019
Ms. Regina Figueroa		2021
Mrs. Rachel McLaughlin		2018
Dr. Jeffrey Foy		Resigned 4/29/2019
Mr. Robert Holliday		7/31/2018 - 12/31/2018
Mrs. Yehara Raddalgoda		2018

Other Officials

Title

Dr. Michele Cone	Superintendent of Schools
Mr. Richard Kilpatrick	School Business Administrator/Board Secretary (to 12/31/18)
Mr. Michael Falkowski	Interim School Business Administrator/Board Secretary (from 2/1/19)

CLINTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Porzio, Bromberg, & Newman, P.C.
100 Southgate Parkway
P.O. Box 1997
Morristown, NJ 07962-1997

Architect

Parette Somjen Architects
439 Route 46
Rockaway, NJ 07866

Official Depository

Investors Bank
101 JFK Parkway
Short Hills, NJ 07078

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Clinton Township School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Clinton Township School District (the "District") in the County of Hunterdon, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members
of the Board of Education
Clinton Township School District
Page 3

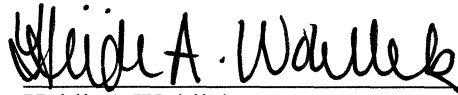
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Mount Arlington, New Jersey
November 25, 2019

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

This section of Clinton Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

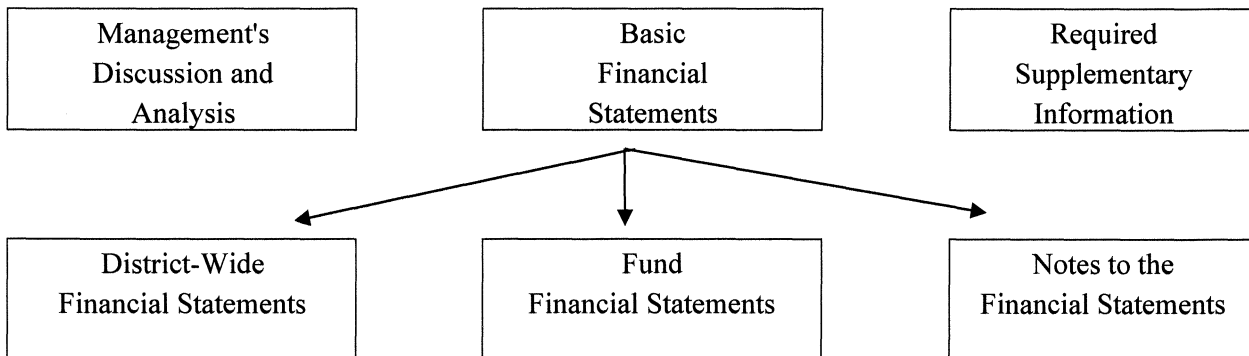
Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food service.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Clinton Township School District's Financial Report**



**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 *Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Fund Financial Statements

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Figure A-3

Net Position. The District's combined net position increased \$443,747. Net position from governmental activities increased \$428,371 and net position from business-type activities increased by \$15,376. Net investment in capital assets decreased by \$114,245, restricted net position increased by \$315,676, and unrestricted net position increased \$242,316. Net investment in capital assets decreased primarily due to current year depreciation expense exceeding current year capital assets additions and the maturity of the serial bonds payable. Restricted net position increased primarily due to the year end deposit to capital reserve offset by the budgeted withdrawal from the maintenance reserve. Unrestricted net position increased primarily due to the decrease in net pension and pension related deferred inflows and outflows.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2018/2019
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	
Current and Other Assets	\$ 5,126,130	\$ 4,579,593	\$ 34,577	\$ 15,361	\$ 5,160,707	\$ 4,594,954	
Capital Assets, Net	49,883,574	51,059,711	7,525	9,014	49,891,099	51,068,725	
Total Assets	<u>55,009,704</u>	<u>55,639,304</u>	<u>42,102</u>	<u>24,375</u>	<u>55,051,806</u>	<u>55,663,679</u>	-1.10%
Deferred Outflows of Resources	1,922,411	2,499,399			1,922,411	2,499,399	-23.09%
Other Liabilities	1,846,824	1,723,554	15,991	13,640	1,862,815	1,737,194	
Long-Term Liabilities	31,923,596	34,127,594			31,923,596	34,127,594	
Total Liabilities	<u>33,770,420</u>	<u>35,851,148</u>	<u>15,991</u>	<u>13,640</u>	<u>33,786,411</u>	<u>35,864,788</u>	-5.80%
Deferred Inflows of Resources	2,574,819	2,129,050			2,574,819	2,129,050	20.94%
Net Position:							
Net Investment in Capital Assets	25,645,074	25,757,830	7,525	9,014	25,652,599	25,766,844	
Restricted	3,113,170	2,797,494			3,113,170	2,797,494	
Unrestricted/(Deficit)	<u>(8,171,368)</u>	<u>(8,396,819)</u>	<u>18,586</u>	<u>1,721</u>	<u>(8,152,782)</u>	<u>(8,395,098)</u>	
Total Net Position	<u>\$ 20,586,876</u>	<u>\$ 20,158,505</u>	<u>\$ 26,111</u>	<u>\$ 10,735</u>	<u>\$ 20,612,987</u>	<u>\$ 20,169,240</u>	2.20%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Changes in Net Position. The Changes in Net Position shows the cost of the program services and the revenues of the District on a comparative schedule (Figure A-4).

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
Revenue:							
Program Revenue:							
Charges for Services	\$ 497,205	\$ 731,797	\$ 398,729	\$ 367,536	\$ 895,934	\$ 1,099,333	
Grants and Contributions:							
Operating	10,102,595	11,475,969	74,143	96,276	10,176,738	11,572,245	
General Revenue:							
Property Taxes	25,592,426	24,853,127			25,592,426	24,853,127	
Federal/State Aid and Local Grants not Restricted	454,470	1,373,502			454,470	1,373,502	
Other	155,447	149,518	919	580	156,366	150,098	
Total Revenue	<u>36,802,143</u>	<u>38,583,913</u>	<u>473,791</u>	<u>464,392</u>	<u>37,275,934</u>	<u>39,048,305</u>	-4.54%
Expenses:							
Instruction	18,718,524	20,312,496			18,718,524	20,312,496	
Pupil and Instruction Services	7,171,698	7,610,632			7,171,698	7,610,632	
Administrative Services	3,061,219	3,241,173			3,061,219	3,241,173	
Maintenance and Operations	3,322,367	2,905,434			3,322,367	2,905,434	
Transportation	1,561,878	1,683,092			1,561,878	1,683,092	
Other	2,538,086	2,582,593	458,415	477,741	2,996,501	3,060,334	
Total Expenses	<u>36,373,772</u>	<u>38,335,420</u>	<u>458,415</u>	<u>477,741</u>	<u>36,832,187</u>	<u>38,813,161</u>	-5.10%
Other Item		200,000				200,000	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 428,371</u>	<u>\$ 448,493</u>	<u>\$ 15,376</u>	<u>\$ (13,349)</u>	<u>\$ 443,747</u>	<u>\$ 435,144</u>	1.98%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved. However, maintaining existing programs and the provision of a multitude of special programs/services for disabled pupils places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Because State aid has either remained relatively flat or been reduced overall over the past few years, the burden of funding education in the District has fallen on local property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the School District budget will be funded entirely through property taxes.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018/2019	2017/2018	2018/2019	2017/2018
Instruction	\$ 18,718,524	\$ 20,312,496	\$ 11,567,142	\$11,755,209
Pupil and Instruction Services	7,171,698	7,610,632	5,061,399	4,869,519
Administrative and Business	3,061,219	3,241,173	2,350,853	2,519,653
Maintenance and Operations	3,322,367	2,905,434	3,322,367	2,905,434
Transportation	1,561,878	1,683,092	934,125	1,495,246
Other	2,538,086	2,582,593	2,538,086	2,582,593
	<u>\$ 36,373,772</u>	<u>\$ 38,335,420</u>	<u>\$ 25,773,972</u>	<u>\$ 26,127,654</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$15,376. The increase is primarily due to an increase in daily sales. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial situation improved significantly in the General Fund in spite of difficult economic times which have had a direct impact upon the District's revenue sources. However, ratables of the municipality remain more or less stable, thus generating concern for the local tax levy in the future. As a result, to maintain a stable financial position, the District must continue to practice sound fiscal management.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following category:

- Changes made within budgetary line items were in school-based needs for programs and textbooks, and increased maintenance, legal and other professional services.

Capital Assets

Figure A-6

Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change</u>
	<u>2018/2019</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2017/2018</u>	
Sites (Land)	\$ 4,996,634	\$ 4,996,634			\$ 4,996,634	\$ 4,996,634	
Construction in Progress	1,060,499	1,060,499			1,060,499	1,060,499	
Site Improvements	564,821	606,380			564,821	606,380	
Buildings and Building Improvements	42,690,712	43,789,301			42,690,712	43,789,301	
Machinery and Equipment	<u>570,908</u>	<u>606,897</u>	<u>\$ 7,525</u>	<u>\$ 9,014</u>	<u>578,433</u>	<u>615,911</u>	
Total Capital Assets (Net of Depreciation)	<u>\$ 49,883,574</u>	<u>\$ 51,059,711</u>	<u>\$ 7,525</u>	<u>\$ 9,014</u>	<u>\$ 49,891,099</u>	<u>\$ 51,068,725</u>	<u>-2.31%</u>

The District's overall capital assets decreased due to current year depreciation expense exceeding current year additions.

Figure A-7

Outstanding Long-Term Liabilities

	<u>Total School District</u>		<u>Total Percentage Change 2018/2019</u>
	<u>2018/2019</u>	<u>2017/2018</u>	
General Obligation Bonds (Financed with Property Taxes)	\$ 24,340,000	\$ 25,410,000	
Unamortized Bond Premiums	564,002	663,521	
Net Pension Liability	6,344,355	7,396,349	
Compensated Absences Payable	<u>675,239</u>	<u>657,724</u>	
	<u>\$ 31,923,596</u>	<u>\$ 34,127,594</u>	<u>-6.46%</u>

The current year maturities of the serial bonds payable was \$1,070,000. Also, the net pension liability decreased \$1,051,994.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Factors Bearing on the District's Future Revenue/Expense Changes

While significant decreases in aid from the State in prior years have been partially offset by increases in more recent years, the District does not anticipate a quick improvement in the State's financial condition and, consequently, does not anticipate the State will be contributing its legally mandated share of the District's operating expenditures at any point in the near future.

Increasing State regulations and State-mandated submissions and reporting requirements will have a negative impact on the ability of the existing administration to comply with all State directives while maintaining the day to day operations of the schools.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 128 Cokesbury Rd. Lebanon, NJ 08833.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 938,494	\$ 24,422	\$ 962,916
Receivables from Federal Government	394,513	3,304	397,817
Receivables from State Government	667,320	261	667,581
Prepaid Expenses	12,635	741	13,376
Inventory		5,849	5,849
Restricted Cash and Cash Equivalents	3,113,168		3,113,168
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,057,133		6,057,133
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	43,826,441	7,525	43,833,966
Total Assets	<u>55,009,704</u>	<u>42,102</u>	<u>55,051,806</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	101,500		101,500
Deferred Outflows Related to Pensions	1,820,911		1,820,911
Total Deferred Outflows of Resources	<u>1,922,411</u>		<u>1,922,411</u>
LIABILITIES			
Accrued Interest Payable	448,252		448,252
Payable to Federal Government	3,903		3,903
Payable to State Government	11,055		11,055
Accounts Payable	1,364,548		1,364,548
Unearned Revenue	19,066	15,991	35,057
Noncurrent Liabilities:			
Due Within One Year	1,224,519		1,224,519
Due Beyond One Year	30,699,077		30,699,077
Total Liabilities	<u>33,770,420</u>	<u>15,991</u>	<u>33,786,411</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	\$ 2,574,819		\$ 2,574,819
Total Deferred Inflows of Resources	<u>2,574,819</u>		<u>2,574,819</u>
NET POSITION			
Net Investment in Capital Assets	25,645,074	\$ 7,525	25,652,599
Restricted for:			
Capital Projects	2,691,430		2,691,430
Maintenance Reserve	421,738		421,738
Debt Service	2		2
Unrestricted/(Deficit)	<u>(8,171,368)</u>	<u>18,586</u>	<u>(8,152,782)</u>
Total Net Position	<u>\$ 20,586,876</u>	<u>\$ 26,111</u>	<u>\$ 20,612,987</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 12,546,499	\$ 29,867	\$ 3,478,903		\$ (9,037,729)		\$ (9,037,729)
Special Education	4,943,643	467,338	2,861,440		(1,614,865)		(1,614,865)
Other Special Instruction	1,058,798		313,834		(744,964)		(744,964)
School Sponsored Instruction	169,584				(169,584)		(169,584)
Support services:							
Tuition	527,794		345,359		(182,435)		(182,435)
Student & Instruction Related Services	6,643,904		1,764,940		(4,878,964)		(4,878,964)
General Administrative Services	884,629		119,821		(764,808)		(764,808)
School Administrative Services	1,475,990		416,918		(1,059,072)		(1,059,072)
Central Services	700,558		173,627		(526,931)		(526,931)
Administrative Information Technology	42				(42)		(42)
Plant Operations and Maintenance	3,322,367				(3,322,367)		(3,322,367)
Pupil Transportation	1,561,878		627,753		(934,125)		(934,125)
Unallocated Depreciation	1,454,350				(1,454,350)		(1,454,350)
Capital Outlay	89,009				(89,009)		(89,009)
Interest on Long-Term Debt	913,326				(913,326)		(913,326)
Special Schools	81,401				(81,401)		(81,401)
Total Governmental Activities	36,373,772	497,205	10,102,595		(25,773,972)		(25,773,972)
Business-Type Activities:							
Food Service	458,415	\$ 398,729	74,143			\$ 14,457	14,457
Total Business-Type Activities	458,415	398,729	74,143			14,457	14,457
Total Primary Government	\$ 36,832,187	\$ 895,934	\$ 10,176,738	\$ -0-	(25,773,972)	14,457	(25,759,515)

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Net (Expenses)/Revenues and Changes in Net Position</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>Activities</u>	<u>Total</u>
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purposes, Net	\$ 23,492,320	\$ 23,492,320
Taxes Levied for Debt Service	2,100,106	2,100,106
Federal and State Aid Not Restricted	454,470	454,470
Investment Earnings	8,133	919
Miscellaneous Income	147,314	147,314
Total General Revenues	26,202,343	919
Change in Net Position	428,371	15,376
Net Position - Beginning	20,158,505	10,735
Net Position - Ending	<u>\$ 20,586,876</u>	<u>\$ 26,111</u>
	<u>\$ 20,586,876</u>	<u>\$ 20,612,987</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 938,492		\$ 2	\$ 938,494
Interfund Receivable	358,010			358,010
Receivables from Federal Government		\$ 394,513		394,513
Receivables from State Government	667,320			667,320
Prepaid Expenses	12,635			12,635
Restricted Cash and Cash Equivalents	3,113,168			3,113,168
Total Assets	\$ 5,089,625	\$ 394,513	\$ 2	\$ 5,484,140
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable		\$ 358,010		\$ 358,010
Payable to Federal Government		3,903		3,903
Payable to State Government		11,055		11,055
Accounts Payable	\$ 1,053,207	2,479		1,055,686
Unearned Revenue		19,066		19,066
Total Liabilities	1,053,207	394,513		1,447,720
Fund Balances:				
Restricted:				
Capital Reserve Account	2,691,430			2,691,430
Maintenance Reserve	421,738			421,738
Debt Service Fund			\$ 2	2
Assigned:				
Year End Encumbrances	57,974			57,974
Unassigned	865,276			865,276
Total Fund Balances	4,036,418		2	4,036,420
Total Liabilities and Fund Balances	\$ 5,089,625	\$ 394,513	\$ 2	\$ 5,484,140

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances from Prior Page	\$ 4,036,420
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	49,883,574
Interest on long term debt is not accrued in government funds, but rather is recognized as expenditure when due.	(448,252)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	101,500
Long-Term Liabilities, Including Bonds Payable, are not due and payable in the current period and therefore is not reported as a liability in the Funds.	(25,579,241)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(6,344,355)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	1,512,049
Deferred Inflows	<u>(2,574,819)</u>
Net Position of Governmental Activities	<u><u>\$ 20,586,876</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 23,492,320		\$ 2,100,106	\$ 25,592,426
Tuition from Individuals	29,867			29,867
Tuition from Other LEAs	467,338			467,338
Interest Earned on Capital and Maintenance Reserve Funds	8,133			8,133
Miscellaneous	147,314	\$ 17,553		164,867
Total - Local Sources	<u>24,144,972</u>	<u>17,553</u>	<u>2,100,106</u>	<u>26,262,631</u>
State Sources	6,703,491	198,889		6,902,380
Federal Sources	428,221			428,221
Total Revenues	<u>30,848,463</u>	<u>644,663</u>	<u>2,100,106</u>	<u>33,593,232</u>
EXPENDITURES				
Current:				
Regular Instruction	6,922,604	202,013		7,124,617
Special Education Instruction	2,681,119			2,681,119
Other Special Instruction	573,039			573,039
School Sponsored Instruction	133,906			133,906
Support Services and Undistributed Costs:				
Tuition	182,435	345,359		527,794
Student & Instruction Related Services	3,694,421	97,291		3,791,712
General Administrative Services	688,006			688,006
School Administrative Services	768,757			768,757
Central Services	415,639			415,639
Administrative Information Technology	42			42
Plant Operations and Maintenance	2,623,776			2,623,776

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES				
Current:				
Pupil Transportation	\$ 1,556,505			\$ 1,556,505
Unallocated Benefits	9,734,904			9,734,904
Capital Outlay	406,094			406,094
Special Schools	81,401			81,401
Debt Service:				
Principal			\$ 1,070,000	1,070,000
Interest and Other Charges			1,030,106	1,030,106
Total Expenditures	<u>30,462,648</u>	<u>\$ 644,663</u>	<u>2,100,106</u>	<u>33,207,417</u>
Excess of Revenues Over Expenditures	385,815			385,815
Fund Balance - July 1	<u>3,650,603</u>		<u>2</u>	<u>3,650,605</u>
Fund Balance - June 30	<u>\$ 4,036,418</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 4,036,420</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 385,815

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 depreciation differs from capital outlays in the period.

Depreciation expense	\$ (1,493,222)
Capital Outlays	<u>317,085</u>
	(1,176,137)

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). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

(17,515)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

23,880

The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)

99,519

CLINTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)	\$ 1,070,000
The governmental funds report the effect of deferred amount on a bond refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-)	(6,619)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	1,051,994
Change in Deferred Outflows	(556,797)
Change in Deferred Inflows	(445,769)
	\$ 428,371
Change in Net Position of Governmental Activities (A-2)	\$ 428,371

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Fund Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 24,422
Intergovernmental Receivable:	
Federal	3,304
State	261
Accounts Receivable - Other	741
Inventory	<u>5,849</u>
Total Current Assets	<u>34,577</u>
Non-Current Assets:	
Capital Assets	168,139
Less: Accumulated Depreciation	<u>(160,614)</u>
Total Non-Current Assets	<u>7,525</u>
Total Assets	<u>42,102</u>
LIABILITIES:	
Unearned Revenue - Donated Commodities	2,483
Unearned Revenue - Prepaid Sales	<u>13,508</u>
Total Current Liabilities	<u>15,991</u>
Total Liabilities	<u>15,991</u>
NET POSITION:	
Investment in Capital Assets	7,525
Unrestricted	<u>18,586</u>
Total Net Position	<u>\$ 26,111</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 215,314
Daily Sales - Nonreimbursable Programs	183,415
	398,729
Total Operating Revenue	398,729
Operating Expenses:	
Cost of Sales - Reimbursable Programs	119,811
Cost of Sales - Nonreimbursable Programs	102,061
Salaries, Benefits & Payroll Taxes	177,261
Supplies, Insurance & Other Costs	39,793
Management Fee	18,000
Depreciation Expense	1,489
	458,415
Total Operating Expenses	458,415
Operating Loss	(59,686)
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	51,295
Food Distribution Program	18,891
State Sources:	
State School Lunch Program	3,957
Local Sources:	
Interest Income	919
	75,062
Total Non-Operating Revenue	75,062
Change in Net Position	15,376
Net Position - Beginning of Year	10,735
Net Position - End of Year	\$ 26,111

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Fund Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 398,729
Payments to Food Service Vendor	(394,351)
Payments to Suppliers for Goods and Services	<u>(39,794)</u>
Net Cash (Used for) Operating Activities	<u>(35,416)</u>
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	4,032
Federal Subsidy Reimbursements	<u>52,573</u>
Net Cash Provided by Noncapital Financing Activities	<u>56,605</u>
Cash Flows from Investing Activities:	
Interest on Investments	<u>919</u>
Net Cash Provided by Investing Activities	<u>919</u>
Net Increase in Cash and Cash Equivalents	22,108
Cash and Cash Equivalents, July 1	<u>2,314</u>
Cash and Cash Equivalents, June 30	<u>\$ 24,422</u>
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (59,686)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	1,489
Food Distribution Program	18,891
Changes in Assets and Liabilities:	
Decrease in Inventory	1,997
(Increase) in Other Accounts Receivable	(458)
Increase in Unearned Revenue - Prepaid Sales	1,816
Increase in Unearned Revenue - Donated Commodities	<u>535</u>
Net Cash (Used for) Operating Activities	<u>\$ (35,416)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$19,426 and utilized U.S.D.A. Commodities valued at \$18,891.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2019

	<u>Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ASSETS:			
Cash and Cash Equivalents	\$ 244,937	\$ 8,115	\$ 77,158
Total Assets	<u>244,937</u>	<u>8,115</u>	<u>77,158</u>
LIABILITIES:			
Payroll Deductions and Withholdings	110,691		
Due to Student Groups	<u>134,246</u>		
Total Liabilities	<u>244,937</u>		
NET POSITION:			
Held in Trust for Unemployment Claims			77,158
Held in Trust for Flexible Spending Claims		<u>8,115</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 8,115</u>	<u>\$ 77,158</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions:		
Employee Deductions	\$ 14,700	\$ 34,514
Total Contributions	<u>14,700</u>	<u>34,514</u>
Investment Earnings	<u>243</u>	<u>933</u>
Total Additions	<u>14,943</u>	<u>35,447</u>
DEDUCTIONS:		
Unemployment Claims and Contributions		27,510
Flexible Spending Claims	<u>15,142</u>	
Total Deductions	<u>15,142</u>	<u>27,510</u>
Change in Net Position	(199)	7,937
Net Position - Beginning of the Year	<u>8,314</u>	<u>69,221</u>
Net Position - End of the Year	<u>\$ 8,115</u>	<u>\$ 77,158</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Clinton Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue from sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes,

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and the Flexible Spending Trust Fund .

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

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 budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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 referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,818,200	\$ 630,213
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not.		
Cancellation of Prior Year Encumbrances		(2,786)
Prior Year Encumbrances		17,236
Current Year State Aid Payments Recognized for Budgetary Purposes , not Recognized for GAAP Statements	(193,163)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	<u>223,426</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 30,848,463</u>	<u>\$ 644,663</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,462,648	\$ 630,213
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Cancellation of Prior Year Encumbrances		(2,786)
Prior Year Encumbrances		<u>17,236</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 30,462,648</u>	<u>\$ 644,663</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 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.

New Jersey school districts are limited as to type 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 governmental 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of government units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the governmental units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed, and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term 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.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Site Improvements	15 to 30 years
Machinery and Equipment	5 to 20 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements 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.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore there are no accrued salaries and wages related to this option as of June 30, 2019.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$4,036,418 General Fund fund balance at June 30, 2019, \$57,974 is assigned for encumbrances; \$2,691,430 is restricted in the capital reserve account; \$421,738 has been restricted in the maintenance reserve account; and \$865,276 is unassigned fund balance, which is \$193,163 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2020.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2019 is \$2.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2019.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$193,163, as reported in the fund statements (modified accrual basis). 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 this state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, 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 these state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$8,171,368 in its governmental activities, which is primarily a result of accrued interest payable, compensated absences payable, net pension liability and the pension related deferred inflows and outflows net of fund balance assigned for subsequent year's expenditures and encumbrances as well as unassigned fund balance.

The deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2019 related to pensions as well as for the deferred amount on the refunding of debt.

The District had deferred inflows of resources related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve and debt service.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2019.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2019.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Pensions

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 the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

The Board 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.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investment section of this note.

Custodial Credit Risk- The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

New Jersey statutes permit the deposit of public funds in public depositories located in New Jersey which 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.

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

During the period ended June 30, 2019, the District did not hold any investments.

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Restricted</u> <u>Cash and Cash Equivalents</u>		<u>Total</u>
		<u>Capital</u> <u>Reserve</u>	<u>Maintenance</u> <u>Reserve</u>	
Checking and Savings Accounts	\$ 1,293,126	\$ 2,691,430	\$ 421,738	\$4,406,294

The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$4,406,294 and the bank balance was \$5,172,690.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District 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 State 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 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. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2018		\$ 2,176,254
Increased by:		
Interest Earned	\$ 7,633	
Transferred by Board Resolution June 2019	507,543	
		515,176
Ending Balance, June 30, 2019		\$ 2,691,430

The June 30, 2019 LRFP balance of local support costs of uncompleted capital projects exceeds the June 30, 2019 capital reserve account balance.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,996,634			\$ 4,996,634
Construction in Progress	1,060,499			1,060,499
Total Capital Assets Not Being Depreciated	<u>6,057,133</u>			<u>6,057,133</u>
Capital Assets Being Depreciated:				
Site Improvements	1,575,968			1,575,968
Buildings and Building Improvements	65,198,637	\$ 245,247		65,443,884
Machinery and Equipment	1,729,579	71,838		1,801,417
Total Capital Assets Being Depreciated	<u>68,504,184</u>	<u>317,085</u>		<u>68,821,269</u>
Governmental Activities Capital Assets	<u>74,561,317</u>	<u>317,085</u>		<u>74,878,402</u>
Less Accumulated Depreciation for:				
Site Improvements	(969,588)	(41,559)		(1,011,147)
Buildings and Building Improvements	(21,409,336)	(1,343,836)		(22,753,172)
Machinery and Equipment	(1,122,682)	(107,827)		(1,230,509)
	<u>(23,501,606)</u>	<u>(1,493,222)</u>		<u>(24,994,828)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,059,711</u>	<u>\$ (1,176,137)</u>	<u>\$ -0-</u>	<u>\$ 49,883,574</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 168,139			\$ 168,139
Less Accumulated Depreciation	(159,125)	\$ (1,489)		(160,614)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,014</u>	<u>\$ (1,489)</u>	<u>\$ -0-</u>	<u>\$ 7,525</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Plant Operations and Maintenance	\$ 37,870
Pupil Transportation	1,002
Unallocated	1,454,350
	\$ 1,493,222

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2019, the District had no net transfers to the capital outlay accounts that required approval from the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019
Serial Bonds Payable	\$ 25,410,000		\$ 1,070,000	\$ 24,340,000
Unamortized Bond Premiums	663,521		99,519	564,002
Net Pension Liability	7,396,349		1,051,994	6,344,355
Compensated Absences Payable	657,724	\$ 17,515		675,239
	\$ 34,127,594	\$ 17,515	\$ 2,221,513	\$ 31,923,596

A. 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 Board are general obligation bonds. The current portion of bonds at June 30, 2019 is \$1,125,000 and the long-term portion is \$23,215,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2019 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2011 Refunding Bonds	1/15/2024	5.000%	\$ 5,600,000
2012 Refunding Bonds	1/15/2030	2.250%-4.125%	10,250,000
2015 Refunding Bonds	1/15/2034	2.250%-4.125%	8,490,000
			\$ 24,340,000

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,125,000	\$ 923,086	\$ 2,048,086
2021	1,185,000	865,086	2,050,086
2022	1,250,000	803,873	2,053,873
2023	1,320,000	739,173	2,059,173
2024	1,385,000	677,523	2,062,523
Thereafter:			
2025-2029	8,095,000	2,522,271	10,617,271
2030-2034	9,980,000	788,230	10,768,230
	<u>\$24,340,000</u>	<u>\$7,319,242</u>	<u>\$ 31,659,242</u>

B. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$99,519 and is separated from the long-term liability balance of \$464,483.

C. Bonds Authorized But Not Issued:

As of June 30, 2019, the Board had no bonds authorized but not issued.

D. Capital Leases Payable:

As of June 30, 2019, the Board has no capital leases payable.

E. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$675,239. There is no current portion of compensated absences payable.

The General Fund will be used to liquidate the compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, no liability existed for compensated absences in the Enterprise Fund.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2019 is \$-0- and the long-term portion is \$6,344,355. See Note 9 for further information on the PERS.

NOTE 8. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Clinton Township School District by board resolution. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	621,238
Increased by:		
Interest Earned		500
		621,238
Decreased by:		
Budgeted Withdrawal		200,000
		200,000
Ending Balance, June 30, 2019	\$	421,238

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee’s Retirement System (PERS) of New Jersey; the Teachers’ Pension and Annuity Fund (TPAF) or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$327,307 for fiscal year 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the District reported a liability of \$6,344,355 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.0322%, which was an increase of 0.0004% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$275,749. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 50,216	
	2015	5.72	226,645	
	2016	5.57	768,584	
	2017	5.48		\$ (1,169,533)
	2018	5.63		(859,054)
			<u>1,045,445</u>	<u>(2,028,587)</u>
Difference Between Expected and Actual Experience	2015	5.72	62,882	
	2016	5.57	23,324	
	2017	5.48	34,782	
	2018	5.63		(32,714)
			<u>120,988</u>	<u>(32,714)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		38,337
	2016	5.00		214,322
	2017	5.00		(192,900)
	2018	5.00		(119,269)
				<u>(59,510)</u>
Changes in Proportion	2014	6.44	40,274	
	2015	5.72		(71,436)
	2016	5.57		(382,572)
	2017	5.48	222,140	
	2018	5.63	83,202	
			<u>345,616</u>	<u>(454,008)</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	308,862	
			<u>\$ 1,820,911</u>	<u>\$ (2,574,819)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2019	\$ 44,034
2020	(60,963)
2021	(437,165)
2022	(378,941)
2023	(121,343)
	\$ (954,378)

Actuarial Assumptions

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

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected 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' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate (Cont'd)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, 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:

	June 30, 2018		
	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 7,977,296	\$ 6,344,355	\$ 4,974,423

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$2,193,809 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,026,303.

The employee contribution rate was 7.50% effective July 1, 2018.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$69,065,940. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The 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 members, actuarially determined. At June 30, 2018, the District's proportion was 0.0109%, which was a decrease of 0.003% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	69,065,940
Total	<u>\$ 69,065,940</u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$4,026,303 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			11,053,759,853	16,078,750,001
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			1,420,239,017	96,229,812
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5		(192,642,062)
	2016	5		(863,710,381)
	2017	5		678,024,787
	2018	5		384,121,486
				5,793,830
			\$12,473,998,870	\$ 16,180,773,643

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

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

Inflation Rate	2.25%
Salary Increases:	
201-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 81,634,630	\$ 69,065,940	\$ 58,646,803

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$12,840 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$23,540 for the fiscal year ended June 30, 2019.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. 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. The District obtains its health care coverage through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The Clinton Township School District is a member of the New Jersey Schools Insurance Group (the “Group”). The Group provides general liability, property, automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group’s liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2019 audit report for the Group is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2018 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 348,953,830
Net Position	\$ 82,580,855
Total Revenue	\$ 133,258,299
Total Expenses	\$ 129,340,074
Change in Net Position	\$ 3,918,225
Member Dividends	\$ -0-

Financial statements for the Group are available at the Executive Director’s Office:

New Jersey School Insurance Group
6000 Midatlantic Drive
Suite 300 North
Mount Laurel, NJ 08054
(609) 386-6060

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019		\$ 933	\$ 34,514	\$ 27,510	\$ 77,158
2017-2018		1,141	16,138	48,324	69,221
2016-2017		753	25,633	19,046	100,266

NOTE 11. 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, permit 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:

Lincoln National	AXA Equitable
VALIC	Legend Group

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2019 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 358,010	
Special Revenue Fund		\$ 358,010
	<u>\$ 358,010</u>	<u>\$ 358,010</u>

The interfund receivable in the General Fund represents the \$358,010 cash deficit due from the Special Revenue Fund as the result of federal grants receivable.

NOTE 13. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in claims or lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these cases would have a material adverse effect on the District's financial position.

Grant Programs

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 57,974</u>	<u>\$ 57,974</u>
<u>\$ 57,974</u>	<u>\$ 57,974</u>

NOTE 15. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and September 12. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges.

A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the school district on a predetermined mutually agreed-upon schedule.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental and Business-Type Activities as of June 30, 2019 consisted of the following:

	<u>Governmental Funds</u>		District	Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Contribution Subsequent to the Measurement Date</u>	
Vendors	\$ 154,013	\$ 2,479		156,492
Salaries	899,194			\$ 899,194
State of New Jersey			\$ 308,862	308,862
	<u>\$ 1,053,207</u>	<u>\$ 2,479</u>	<u>\$ 308,862</u>	<u>\$ 1,364,548</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, 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: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement 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 years or more 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
----------------	-------

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

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

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

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

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 56,523,859
Changes for Year:	
Service Cost	2,185,430
Interest on the Total OPEB Liability	2,079,368
Changes of Assumptions	(5,618,087)
Differences between Expected and Actual Experience	(4,949,484)
Gross Benefit Payments by the State	(1,309,099)
Contributions from Members	45,245
Net Changes	(7,566,627)
Balance at June 30, 2018	\$ 48,957,232

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 57,877,414	\$ 48,957,232	\$ 41,866,608

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 40,466,004	\$ 48,957,232	\$ 60,187,207

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$2,392,355 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (5,946,682)
Changes in Assumptions	2018	9.51		(5,027,332)
				(10,974,014)
Differences Between Expected and Actual Experience	2018	9.51		(4,752,393)
Changes in Proportion	N/A	N/A	\$ 448,002	
			\$ 448,002	\$(15,726,407)

N/A - Not Available

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2019	\$ (1,937,888)
2020	(1,937,888)
2021	(1,937,888)
2022	(1,937,888)
2023	(1,937,888)
Thereafter	<u>(6,036,964)</u>
	<u>\$ (15,726,407)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0355776482%	0.0343432683%	0.3016899020%	0.0317734413%	0.0322220204%
District's proportionate share of the net pension liability	\$ 6,661,109	\$ 7,709,376	\$ 8,935,190	\$ 7,396,349	\$ 6,344,355
District's covered employee payroll	\$ 2,049,620	\$ 2,096,944	\$ 2,247,236	\$ 2,303,417	\$ 2,212,101
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	324.99%	367.65%	397.61%	321.10%	286.80%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 260,969	\$ 293,297	\$ 295,260	\$ 310,309	\$ 327,307
Contributions in relation to the contractually required contribution	(260,969)	(293,297)	(295,260)	(310,309)	(327,307)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,355,925	\$ 2,049,620	\$ 2,096,944	2,247,236	2,303,417
Contributions as a percentage of covered employee payroll	11.08%	14.31%	14.08%	13.81%	14.21%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.1198850273%	0.1173919781%	0.119866681%	0.111136768%	0.108563772%
State's proportionate share of the net pension liability attributable to the District	\$ 64,074,645	\$ 74,196,743	\$ 94,294,763	\$ 74,932,416	\$ 69,065,943
District's covered employee payroll	\$ 11,690,976	\$ 11,364,829	\$ 11,001,425	\$ 11,770,823	\$ 11,130,435
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	548.07%	652.86%	857.11%	636.59%	620.51%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 3,447,817	\$ 4,530,379	\$ 7,084,939	\$ 5,190,938	\$ 4,026,303
Contributions in relation to the contractually required contribution	(934,664)	(959,700)	(1,250,070)	(1,598,761)	(2,193,809)
Contribution deficiency/(excess)	<u>\$ 2,513,153</u>	<u>\$ 3,570,679</u>	<u>\$ 5,834,869</u>	<u>\$ 3,592,177</u>	<u>\$ 1,832,494</u>
District's covered employee payroll	\$ 11,690,976	\$ 11,364,829	\$ 11,001,425	\$ 11,770,823	\$ 11,130,435
Contributions as a percentage of covered employee payroll	7.99%	8.44%	11.36%	13.58%	19.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CLINTON TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST TWO FISCAL YEARS
 UNAUDITED

	Fiscal Years Ending	
	June 30, 2018	June 30, 2019
Total OPEB Liability		
Service Cost	\$ 2,631,266	\$ 2,185,430
Interest Cost	1,793,132	2,079,368
Differences between Expected and Actual Experiences		(4,949,484)
Changes in Assumptions	(7,551,238)	(5,618,087)
Member Contributions	48,208	45,245
Gross Benefit Payments	(1,309,213)	(1,309,099)
Net Change in Total OPEB Liability	(4,387,845)	(7,566,627)
Total OPEB Liability - Beginning	60,911,704	56,523,859
Total OPEB Liability - Ending	<u>\$ 56,523,859</u>	<u>\$ 48,957,232</u>
State's Covered Employee Payroll *	\$ 14,074,240	\$ 13,342,536
Total OPEB Liability as a Percentage of Covered Employee Payroll	402%	367%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 is based on the payroll on the June 30, 2016 and June 30, 2017 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 23,492,320		\$ 23,492,320	\$ 23,492,320	
Tuition from Individuals	45,000		45,000	29,867	(15,133)
Tuition from Other LEAs	673,626		673,626	467,338	(206,288)
Interest Earned on Capital Reserve Funds				7,633	7,633
Interest Earned on Maintenance Reserve Funds				500	500
Miscellaneous	72,459		72,459	147,314	74,855
Total - Local Sources	24,283,405		24,283,405	24,144,972	(138,433)
State Sources:					
Categorical Special Education Aid	1,008,514		1,008,514	1,008,514	
Categorical Security Aid	95,566		95,566	95,566	
School Choice Aid	260,897		260,897	260,897	
Adjustment Aid	302,694	\$ (302,694)			
Categorical Transportation Aid	655,670		655,670	655,670	
Extraordinary Special Education Costs Aid	100,000		100,000	611,085	511,085
Nonpublic School Transportation Costs				18,560	18,560
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,193,809	2,193,809
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,015,938	1,015,938
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				2,160	2,160
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				45,922	45,922
Reimbursed TPAF Social Security (Non-Budgeted)				765,107	765,107
Total State Sources	2,423,341	(302,694)	2,120,647	6,673,228	4,552,581
TOTAL REVENUES	26,706,746	(302,694)	26,404,052	30,818,200	4,414,148

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 119,081	\$ 49,504	\$ 168,585	\$ 168,585	
Kindergarten - Salaries of Teachers	361,452	48,875	410,327	410,327	
Grades 1-5 - Salaries of Teachers	3,080,889	48,926	3,129,815	3,128,072	\$ 1,743
Grades 6-8 - Salaries of Teachers	2,199,323	(70,995)	2,128,328	2,128,328	
Regular Programs - Home Instruction:					
Salaries of Teachers	16,000	(5,000)	11,000	10,290	710
Purchased Professional - Educational Services	5,000	8,271	13,271	13,271	
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	217,522	60,427	277,949	277,949	
Purchased Technical Services	11,000	2,800	13,800	13,522	278
Other Purchased Services (400-500 series)	348,170	19,008	367,178	357,177	10,001
General Supplies	538,209	(162,549)	375,660	373,944	1,716
Textbooks	37,500		37,500	34,313	3,187
Other Objects	10,450	250	10,700	6,826	3,874
Total Regular Programs - Instruction	6,944,596	(483)	6,944,113	6,922,604	21,509
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of Teachers	59,654	(764)	58,890	58,890	
Other Salaries for Instruction	28,346	5,858	34,204	34,204	
Learning and/or Language Disabilities	88,000	5,094	93,094	93,094	
Resource Room/Resource Center:					
Salaries of Teachers	2,075,136	(15,164)	2,059,972	2,059,972	
Other Salaries for Instruction	29,502	97,425	126,927	113,792	13,135
Purchased Professional - Educational Services	1,854	45,220	47,074	45,220	1,854
General Supplies	20,000	(10,000)	10,000	9,414	586
Total Resource Room/Resource Center	2,126,492	117,481	2,243,973	2,228,398	15,575

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Autism:					
Salaries of Teachers	\$ 267,504	\$ (83,504)	\$ 184,000	\$ 134,378	\$ 49,622
Other Salaries for Instruction	29,502	153,233	182,735	176,606	6,129
Purchased Professional - Educational Services	18,500	(7,943)	10,557	7,090	3,467
General Supplies	4,000	9,000	13,000	12,870	130
Total Autism	319,506	70,786	390,292	330,944	59,348
Preschool Disabilities - Full-time:					
Other Salaries for Instruction	95,579	(45,000)	50,579	28,683	21,896
Total Preschool Disabilities - Full-time	95,579	(45,000)	50,579	28,683	21,896
Total Special Education Instruction	2,629,577	148,361	2,777,938	2,681,119	96,819
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	687,637	(126,979)	560,658	559,843	815
Purchased Professional - Educational Services	16,500	(6,534)	9,966	8,693	1,273
General Supplies	6,000		6,000	4,503	1,497
Total Basic Skills/Remedial - Instruction	710,137	(133,513)	576,624	573,039	3,585
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	35,774	32,781	68,555	64,338	4,217
Supplies and Materials	6,600		6,600	6,600	6,600
Total School-Sponsored Cocurricular Activities - Instruction	42,374	32,781	75,155	64,338	10,817
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	74,122	(23,000)	51,122	42,921	8,201
Purchased Services (300-500 series)	15,543		15,543	15,543	536
Supplies and Materials	11,640		11,640	11,104	300
Other Objects	300		300		
Total School-Sponsored Cocurricular Athletics - Instruction	101,605	(23,000)	78,605	69,568	9,037
Total Instruction	10,428,289	24,146	10,452,435	10,310,668	141,767

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Disabled - Within the State	\$ 380,532	\$ (69,899)	\$ 310,633	\$ 176,165	\$ 134,468
Tuition - Other	290	5,980	6,270	6,270	
Total Undistributed Expenditures - Instruction:	380,822	(63,919)	316,903	182,435	134,468
Attendance and Social Work:					
Salaries	65,634	79,190	144,824	144,823	1
Supplies and Materials	32,932	(4,691)	28,241	14,266	13,975
Total Attendance and Social Work	98,566	74,499	173,065	159,089	13,976
Health Services:					
Salaries	349,500	(73,327)	276,173	259,361	16,812
Purchased Professional and Technical Services	4,043	(543)	3,500	3,000	500
Supplies and Materials	16,525		16,525	6,935	9,590
Total Health Services	370,068	(73,870)	296,198	269,296	26,902
Other Support Services - Students - Related Services:					
Salaries	495,736	(22,427)	473,309	469,273	4,036
Purchased Professional - Educational Services	36,000	46,035	82,035	60,314	21,721
Supplies and Materials	3,000		3,000	2,614	386
Total Other Support Services - Students - Related Services	534,736	23,608	558,344	532,201	26,143
Other Support Services - Students - Extraordinary Services:					
Salaries	416,350	(78,402)	337,948	328,159	9,789
Purchased Professional - Educational Services	221,400	66,200	287,600	272,189	15,411
Total Other Support Services - Students - Extraordinary Services	637,750	(12,202)	625,548	600,348	25,200
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	454,428	6,618	461,046	370,584	90,462
Supplies and Materials	1,350		1,350	142	1,208
Total Other Support Services - Students - Guidance	455,778	6,618	462,396	370,726	91,670

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	\$ 741,061	\$ 94,420	\$ 835,481	\$ 835,481	
Salaries of Secretarial and Clerical Assistants	198,976	(119,054)	79,922	79,922	
Purchased Professional - Educational Services	45,998	(14,172)	31,826	27,230	\$ 4,596
Other Purchased Services (400-500)	48,805	(18,038)	30,767	30,355	412
Supplies and Materials	20,600	(106)	20,494	16,554	3,940
Other Objects	2,025		2,025	464	1,561
Total Other Support Services - Students - Child Study Teams	1,057,465	(56,950)	1,000,515	990,006	10,509
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	102,430	5,169	107,599	107,599	
Salaries of Other Professional Staff	47,278	15,108	15,108	15,108	
Salaries of Secretarial and Clerical Assistants		(23,320)	23,958	23,958	
Purchased Professional - Educational Services		16,800	16,800	16,800	
Other Purchased Services (400-500)	6,000	(1,893)	4,107	3,409	698
Supplies and Materials		2,250	2,250	1,503	747
Other Objects	4,250	(357)	3,893	3,738	155
Total Improvement of Instructional Services	159,958	13,757	173,715	172,115	1,600
Educational Media Services/School Library:					
Salaries	370,887	(11,078)	359,809	348,199	11,610
Salaries of Technology Coordinators	120,822		120,822	119,434	1,388
Purchased Professional and Technical Services	4,000	131	4,131	4,131	
Supplies and Materials	27,681	50	27,731	20,363	7,368
Total Educational Media Services/School Library	523,390	(10,897)	512,493	492,127	20,366

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisor of Instruction	\$ 31,000	\$ 754	\$ 31,000	4,159	\$ 26,841
Salaries of Other Professional Staff			754		
Salaries of Secretarial and Clerical Assistants		23,100	23,100	23,100	
Purchased Professional - Educational Services	60,273	1,200	61,473	56,413	5,060
Other Purchased Service (400-500 Series)	66,856	(23,785)	43,071	23,426	19,645
Staff Training Supplies		3,500	3,500	661	2,839
Total Instructional Staff Training Services	158,129	4,769	162,898	108,513	54,385
Support Services - General Administration:					
Salaries	182,706	32,406	215,112	213,746	1,366
Legal Services	117,485	153,273	270,758	266,182	4,576
Audit Fees	32,000	(2,500)	29,500	29,500	
Architect/Engineering Services	13,000	39,365	52,365	49,038	3,327
Other Purchased Professional Services	10,000	8,264	18,264	18,180	84
Communications/Telephone	47,500	(21,207)	26,293	26,293	
BOE Other Purchased Services	1,500	(898)	602		602
Miscellaneous Purchased Services (400-500 series)	35,000	31,081	66,081	64,569	1,512
General Supplies	2,000	647	2,647	2,642	5
BOE In-House Training/Meetings Supplies	500		500	380	120
Miscellaneous Expenditures	4,500	770	5,270	5,270	
BOE Membership Dues and Fees	13,000	(500)	12,500	12,206	294
Total Support Services - General Administration	459,191	240,701	699,892	688,006	11,886
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	709,992	(126,971)	583,021	582,500	521
Salaries of Secretarial and Clerical Assistants	154,272	29,184	183,456	161,233	22,223
Other Purchased Services (400-500 series)	24,840	(3,997)	20,843	14,023	6,820
Supplies and Materials		3,000	3,000		3,000
Other Objects	15,000	2,497	17,497	11,001	6,496
Total Support Services - School Administration	904,104	(96,287)	807,817	768,757	39,060

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 383,274	\$ (73,542)	\$ 309,732	\$ 309,732	
Unused Vacation Payment to Terminated/Retired Staff		10,161	10,161	10,161	
Purchased Professional Services	21,735	42,340	64,075	63,901	\$ 174
Purchased Technical Services	16,730	1,350	18,080	18,062	18
Miscellaneous Purchased Services	9,150	(4,073)	5,077	5,008	69
Supplies and Materials	7,250	1,330	8,780	8,775	5
Interest of Lease Purchase Agreements	3,165	(3,165)	18		
Miscellaneous Expenditures	1,700	(1,682)			18
Total Central Services	443,004	(27,081)	415,923	415,639	284
Administrative Information Technology:					
Other Purchased Services (400-500 Series)		42	42	42	
Total Administrative Technology		42	42	42	
Required Maintenance of School Facilities:					
Salaries	287,961	36,366	324,327	322,109	2,218
Cleaning, Repair and Maintenance Services	256,654	138,682	395,336	392,758	2,578
General Supplies	82,655	(3,167)	79,488	73,983	5,505
Other Objects	1,500		1,500	1,465	35
Total Required Maintenance of School Facilities	628,770	171,881	800,651	790,315	10,336
Custodial Services:					
Salaries	802,911	143,044	945,955	944,827	1,128
Purchased Professional and Technical Services	51,950	7,437	59,387	57,123	2,264
Cleaning, Repair and Maintenance Services	61,558	(10,714)	50,844	49,685	1,159
Other Purchased Property Services	30,000	(6,488)	23,512	21,377	2,135
Insurance	125,535	(24,039)	101,496	101,478	18
Miscellaneous Purchased Services	2,500	(270)	2,230	2,229	1
General Supplies	68,968	(6,052)	62,916	62,038	878
Energy (Electricity)	448,095	(63,363)	384,732	384,730	2
Energy (Natural Gas)	212,285	(40,584)	171,701	171,701	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services (Cont'd):					
Energy (Oil)	\$ 9,197	\$ (2,570)	\$ 6,627	\$ 6,627	\$ 1,000
Other Objects	1,000		1,000		
Total Custodial Services	1,813,999	(3,599)	1,810,400	1,801,815	8,585
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	2,000	(1,999)	1		1
Cleaning, Repair and Maintenance Services	3,500	(747)	2,753	1,370	1,383
General Supplies	35,946	(9,210)	26,736	23,549	3,187
Total Care and Upkeep of Grounds	41,446	(11,956)	29,490	24,919	4,571
Security:					
Cleaning, Repair and Maintenance Services	4,000	30,000	34,000	2,500	31,500
General Supplies	50,000	(30,000)	20,000	4,227	15,773
Total Security	54,000		54,000	6,727	47,273
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	15,000	(10,000)	5,000		5,000
Between Home and School - Regular	7,268		7,268	5,000	2,268
Between Home and School - Special	7,268		7,268	5,000	2,268
Unused Vacation Payment to Terminated/Retired Staff		16,250	16,250	16,250	
Management Fee - ESC and CTSA Transportation Program	10,452	6,490	16,942	15,601	1,341
Other Purchased Professional and Technical Services	50,470	(17,349)	33,121	25,466	7,655
Contracted Services:					
Other Than Between Home and School - Vendors	38,425	(15,585)	22,840	22,777	63
Between Home and School - Joint Agreements	150,508	(38,342)	112,166	112,166	
Special Education Students - Vendors	135,760	986	136,746	136,179	567
Regular Students - ESC's and CTSA's	1,210,195	(79,597)	1,130,598	1,112,529	18,069
Special Education Students - ESC's and CTSA's	79,976	(12,565)	67,411	67,410	1
Aid in Lieu - Nonpublic Schools	37,500	2,349	39,849	38,127	1,722
Miscellaneous Purchased Services - Transportation	3,500	(2,435)	1,065		1,065
General Supplies	500		500		500
Total Student Transportation Services	1,746,822	(149,798)	1,597,024	1,556,505	40,519

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 342,000	\$ (76,501)	\$ 265,499	\$ 265,499	
Other Retirement Contributions - PERS	315,552	27,488	343,040	327,307	\$ 15,733
Other Retirement Contributions - Regular	4,000	8,840	12,840	12,840	
Unemployment Compensation	50,000	(50,000)			
Workmen's Compensation	187,381	(62,906)	124,475	124,475	
Health Benefits	4,921,866	103,399	5,025,265	4,867,297	157,968
Tuition Reimbursement	62,106	2,598	64,704	56,033	8,671
Other Employee Benefits	84,424	22,766	107,190	58,517	48,673
Total Unallocated Benefits	5,967,329	(24,316)	5,943,013	5,711,968	231,045
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,193,809	(2,193,809)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,015,938	(1,015,938)
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				2,160	(2,160)
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				45,922	(45,922)
Reimbursed TPAF Social Security (Non-Budgeted)				765,107	(765,107)
Total On-Behalf Contributions				4,022,936	(4,022,936)
Total Personal Services - Employee Benefits	5,967,329	(24,316)	5,943,013	9,734,904	(3,791,891)
Undistributed Expenditures - Food Services:					
Transfers to Cover Deficit (Enterprise Fund)	25,000		25,000		25,000
Total Undistributed Expenditures - Food Services	25,000		25,000		25,000
Total Undistributed Expenses	16,460,327	5,000	16,465,327	19,664,485	(3,199,158)
TOTAL GENERAL CURRENT EXPENSE	26,888,616	29,146	26,917,762	29,975,153	(3,057,391)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Security	71,838		71,838	71,838	
Total Equipment	71,838		71,838	71,838	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	\$ 59,293	\$ (59,293)	\$ 288,221	\$ 245,247	\$ 42,974
Construction Services	265,110	23,111	89,009	89,009	
Other Objects - Debt Service Assessment	89,009				
Total Facilities Acquisition and Construction Services	413,412	(36,182)	377,230	334,256	42,974
TOTAL CAPITAL OUTLAY	485,250	(36,182)	449,068	406,094	42,974
SPECIAL SCHOOLS:					
Summer School:					
Salaries of Teachers	46,191	8,552	54,743	54,743	
Other Salaries for Instruction	24,206	1,394	25,600	25,600	
Purchased Professional and Technical Services	2,500	(2,500)			
General Supplies	1,500	(410)	1,090	1,058	32
TOTAL SPECIAL SCHOOLS/Summer School	74,397	7,036	81,433	81,401	32
TOTAL EXPENDITURES	27,448,263		27,448,263	30,462,648	(3,014,385)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(741,517)	(302,694)	(1,044,211)	355,552	1,399,763

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 3,874,029		\$ 3,874,029	\$ 3,874,029	
Fund Balance, June 30	\$ 3,132,512	\$ (302,694)	\$ 2,829,818	\$ 4,229,581	\$ 1,399,763
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,691,430	
Maintenance Reserve				421,738	
Assigned - Year End Encumbrances				57,974	
Unassigned				1,058,439	
				4,229,581	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(193,163)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,036,418	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 37,466	\$ 37,466	\$ 3,103	\$ (34,363)
State Sources		209,944	209,944	198,889	(11,055)
Federal Sources	\$ 298,732	189,146	487,878	428,221	(59,657)
Total Revenues	\$ 298,732	\$ 436,556	\$ 735,288	\$ 630,213	\$ (105,075)
EXPENDITURES:					
Instruction					
Purchased Professional/Educational Services	\$ 13,274	\$ 76,723	\$ 89,997	\$ 78,942	\$ 11,055
Tuition	285,458	59,901	345,359	345,359	
Other Purchased Services		16,972	16,972	15,638	
General Supplies		112,153	112,153	71,836	40,317
Textbooks		21,147	21,147	21,147	
Total Instruction	298,732	286,896	585,628	532,922	52,706
Support Services					
Purchased Professional/Technical Services		146,060	146,060	95,711	50,349
Purchased Professional/Educational Services		3,600	3,600	1,580	2,020
Total Support Services		149,660	149,660	97,291	52,369
Total Expenditures	\$ 298,732	\$ 436,556	\$ 735,288	\$ 630,213	\$ 105,075

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 30,818,200	\$ 630,213
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Cancellation of Prior Year Encumbrances		(2,786)
Prior Year Encumbrances		17,236
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(193,163)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	223,426	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 30,848,463	\$ 644,663
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,462,648	\$ 630,213
Differences - Budget to GAAP		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Cancellation of Prior Year Encumbrances		(2,786)
Prior Year Encumbrances		17,236
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,462,648	\$ 644,663

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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 referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	IDEA Part B			
	Basic	Preschool	Non-Public Technology	Non-Public Textbooks
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 402,270	\$ 9,270	\$ 14,256	\$ 21,147
Total Revenue ¹	402,270	9,270	14,256	21,147
EXPENDITURES:				
Instruction:				
Purchased Professional/Educational Services			14,256	
Tuition	345,359			
Other Purchased Services				
General Supplies		7,690		
Textbooks				21,147
Total Instruction	345,359	7,690	14,256	21,147
Support Services:				
Purchased Professional/Technical Services	56,911			
Purchased Professional/Educational Services		1,580		
Total Support Services	56,911	1,580		
Total Expenditures	\$ 402,270	\$ 9,270	\$ 14,256	\$ 21,147

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Non-Public			
	Chapter 192	Chapter 193		Non-Public
	Compensatory Education	Examination and Classification	Corrective Speech	Non-Public Nursing
REVENUE:				
Local Sources				
State Sources	\$ 25,381	\$ 30,823	\$ 8,482	\$ 38,800
Federal Sources				
Total Revenue	25,381	30,823	8,482	38,800
EXPENDITURES:				
Instruction:				
Purchased Professional/Educational Services	25,381	30,823	8,482	
Tuition				
Other Purchased Services				
General Supplies				
Textbooks				
Total Instruction	25,381	30,823	8,482	
Support Services:				
Purchased Professional/Technical Services				38,800
Purchased Professional/Educational Services				
Total Support Services				38,800
Total Expenditures	\$ 25,381	\$ 30,823	\$ 8,482	\$ 38,800

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education Act Title II Part A	Non-Public Security	Various Local Grants	Totals
REVENUE:				
Local Sources			\$ 3,103	\$ 3,103
State Sources		\$ 60,000		198,889
Federal Sources	\$ 15,638			428,221
	1,043			
Total Revenue	<u>15,638</u>	<u>60,000</u>	<u>3,103</u>	<u>630,213</u>
EXPENDITURES:				
Instruction:				
Purchased Professional/Educational Services				78,942
Tuition				345,359
Other Purchased Services	15,638			15,638
General Supplies		60,000	3,103	71,836
Textbooks				21,147
Total Instruction	<u>15,638</u>	<u>60,000</u>	<u>3,103</u>	<u>532,922</u>
Support Services:				
Purchased Professional/Technical Services				95,711
Purchased Professional/Educational Services				1,580
Total Support Services				<u>97,291</u>
Total Expenditures	<u>\$ 15,638</u>	<u>\$ 60,000</u>	<u>\$ 3,103</u>	<u>\$ 630,213</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOT APPLICABLE

**CAPITAL PROJECTS FUND
(NOT APPLICABLE)**

PROPRIETARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$	24,422
Intergovernmental Receivable:		
Federal		3,304
State		261
Accounts Receivable - Other		741
Inventory		5,849
		5,849

Total Current Assets		34,577
----------------------	--	--------

Non-Current Assets:

Capital Assets		168,139
Less: Accumulated Depreciation		(160,614)
		7,525

Total Non-Current Assets		7,525
--------------------------	--	-------

Total Assets		42,102
--------------	--	--------

LIABILITIES:

Unearned Revenue - Donated Commodities		2,483
Unearned Revenue - Prepaid Sales		13,508
		15,991

Total Current Liabilities		15,991
---------------------------	--	--------

Total Liabilities		15,991
-------------------	--	--------

NET POSITION:

Investment in Capital Assets		7,525
Unrestricted		18,586
		26,111

Total Net Position	\$	26,111
--------------------	----	--------

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 215,314
Daily Sales - Nonreimbursable Programs	183,415
	<hr/>
Total Operating Revenue	398,729
Accounts Receivable - Other	
Operating Expenses:	
Cost of Sales - Reimbursable Programs	119,811
Cost of Sales - Nonreimbursable Programs	102,061
Salaries, Benefits & Payroll Taxes	177,261
Supplies, Insurance & Other Costs	39,793
Management Fee	18,000
Depreciation Expense	1,489
	<hr/>
Total Operating Expenses	458,415
	<hr/>
Operating Loss	(59,686)
	<hr/>
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	51,295
Food Distribution Program	18,891
State Sources:	
State School Lunch Program	3,957
Local Sources:	
Interest Income	919
	<hr/>
Total Non-Operating Revenue	75,062
	<hr/>
Change in Net Position	15,376
	<hr/>
Net Position - Beginning of Year	10,735
	<hr/>
Net Position - End of Year	\$ 26,111
	<hr/> <hr/>

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 398,729
Payments to Food Service Vendor	(394,351)
Payments to Suppliers for Goods and Services	(39,794)
	<hr/>
Net Cash (Used for) Operating Activities	(35,416)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	4,032
Federal Subsidy Reimbursements	52,573
	<hr/>
Net Cash Provided by Noncapital Financing Activities	56,605
	<hr/>
Cash Flows from Investing Activities:	
Interest on Investments	919
	<hr/>
Net Cash Provided by Investing Activities	919
	<hr/>
Net Increase in Cash and Cash Equivalents	22,108
Cash and Cash Equivalents, July 1	2,314
	<hr/>
Cash and Cash Equivalents, June 30	\$ 24,422
	<hr/> <hr/>
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (59,686)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	1,489
Food Distribution Program	18,891
Changes in Assets and Liabilities:	
Decrease in Inventory	1,997
(Increase) in Other Accounts Receivable	(458)
Increase in Unearned Revenue - Prepaid Sales	1,816
Increase in Unearned Revenue - Donated Commodities	535
	<hr/>
Net Cash (Used for) Operating Activities	\$ (35,416)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$19,426 and utilized U.S.D.A. Commodities valued at \$18,891.

FIDUCIARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Agency</u>			<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>		
ASSETS:					
Cash and Cash Equivalents	\$ 134,246	\$ 110,691	\$ 244,937	\$ 8,115	\$ 77,158
Total Assets	<u>134,246</u>	<u>110,691</u>	<u>244,937</u>	<u>8,115</u>	<u>77,158</u>
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups	<u>134,246</u>	<u>110,691</u>	<u>110,691</u> <u>134,246</u>		
Total Liabilities	<u>134,246</u>	<u>110,691</u>	<u>244,937</u>		
NET POSITION:					
Held in Trust for Unemployment Claims					77,158
Held in Trust for Flexible Spending Claims				<u>8,115</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,115</u>	<u>\$ 77,158</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions:		
Employee Deductions	\$ 14,700	\$ 34,514
Total Contributions	<u>14,700</u>	<u>34,514</u>
Investment Earnings	<u>243</u>	<u>933</u>
Total Additions	<u>14,943</u>	<u>35,447</u>
DEDUCTIONS:		
Unemployment Claims and Contributions		27,510
Flexible Spending Claims	<u>15,142</u>	<u>27,510</u>
Total Deductions	<u>15,142</u>	<u>27,510</u>
Change in Net Position	(199)	7,937
Net Position - Beginning of the Year	<u>8,314</u>	<u>69,221</u>
Net Position - End of the Year	<u><u>\$ 8,115</u></u>	<u><u>\$ 77,158</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 126,230</u>	<u>\$ 146,397</u>	<u>\$ 138,381</u>	<u>\$ 134,246</u>
Total Assets	<u><u>\$ 126,230</u></u>	<u><u>\$ 146,397</u></u>	<u><u>\$ 138,381</u></u>	<u><u>\$ 134,246</u></u>
 LIABILITIES:				
Due to Student Groups	<u>\$ 126,230</u>	<u>146,397</u>	<u>138,381</u>	<u>\$ 134,246</u>
Total Liabilities	<u><u>\$ 126,230</u></u>	<u><u>\$ 146,397</u></u>	<u><u>\$ 138,381</u></u>	<u><u>\$ 134,246</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Clinton Township District Schools:				
Spruce Run School	\$ 19,618	\$ 216	\$ 10,000	\$ 9,834
Patrick McGaheran School	8,900	18,501	11,119	16,282
Round Valley School	21,742	27,050	25,434	23,358
Clinton Township Middle School	<u>75,970</u>	<u>100,630</u>	<u>91,828</u>	<u>84,772</u>
 Total All Schools	 <u>\$ 126,230</u>	 <u>\$ 146,397</u>	 <u>\$ 138,381</u>	 <u>\$ 134,246</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 24,730	\$ 15,988,632	\$ 15,902,671	\$ 110,691
Total Assets	<u>\$ 24,730</u>	<u>\$ 15,988,632</u>	<u>\$ 15,902,671</u>	<u>\$ 110,691</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 18,524	\$ 7,321,408	\$ 7,229,241	\$ 110,691
Interfund Payable	6,206	6,543	12,749	
Net Payroll		<u>8,660,681</u>	<u>8,660,681</u>	
Total Liabilities	<u>\$ 24,730</u>	<u>\$ 15,988,632</u>	<u>\$ 15,902,671</u>	<u>\$ 110,691</u>

LONG-TERM DEBT

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance June 30, 2018	Matured	Balance June 30, 2019
			Date	Amount	June 30, 2019	Amount				
2011 Refunding Bonds	06/30/11	\$ 12,100,000	1/15/2020	\$ 1,070,000		5.000%	\$ 6,615,000		\$ 5,600,000	
			1/15/2021	1,130,000		5.000%				
			1/15/2022	1,190,000		5.000%				
			1/15/2023	1,255,000		5.000%				
			1/15/2024	955,000		5.000%				
							\$ 1,015,000			
2012 Refunding Bonds	12/22/11	10,630,000	1/15/2020	30,000		2.250%				
			1/15/2021	30,000		2.500%				
			1/15/2022	35,000		2.750%				
			1/15/2023	35,000		3.000%				
			1/15/2024	400,000		3.250%				
			1/15/2025	1,460,000		3.500%				
			1/15/2026	1,520,000		3.625%				
1/15/2027	1,580,000		3.750%							
1/15/2028	1,650,000		3.875%							
1/15/2029	1,720,000		4.000%							
1/15/2030	1,790,000		4.125%							
							10,280,000	30,000	10,250,000	

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of			Interest Rate	Balance June 30, 2018	Matured	Balance June 30, 2019
			Date	Amount	Bonds Outstanding June 30, 2019				
2015 Refunding Bonds	10/28/15	\$ 8,680,000	1/15/2020	\$ 25,000		2.250%			
			1/15/2021	25,000		2.500%			
			1/15/2022	25,000		2.750%			
			1/15/2023	30,000		3.000%			
			1/15/2024	30,000		3.250%			
			1/15/2025	30,000		3.500%			
			1/15/2026	30,000		3.625%			
			1/15/2027	35,000		3.750%			
			1/15/2028	35,000		3.875%			
			1/15/2029	35,000		4.000%			
			1/15/2030	35,000		4.125%			
			1/15/2031	1,950,000		3.750%			
			1/15/2032	2,005,000		3.875%			
			1/15/2033	2,065,000		4.000%			
		1/15/2034	2,135,000		4.125%				
						\$ 8,515,000	\$ 25,000	\$ 8,490,000	
						\$ 25,410,000	\$ 1,070,000	\$ 24,340,000	

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

NOT APPLICABLE

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,100,106		\$ 2,100,106	\$ 2,100,106	
Total Revenues	2,100,106		2,100,106	2,100,106	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,030,106		1,030,106	1,030,106	
Redemption of Principal	1,070,000		1,070,000	1,070,000	
Total Regular Debt Service	2,100,106		2,100,106	2,100,106	
Total Expenditures	2,100,106		2,100,106	2,100,106	
Excess of Revenues Over Expenditures					
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$ 2	\$ -0-	\$ 2	\$ 2	\$ -0-
Recapitulation:					
Restricted			\$ 2	\$ 2	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<u>Exhibit</u>
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.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
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.	J-10 thru J-13
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 and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CLINTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
UNAUDITED

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net Investment in Capital Assets	\$ 24,170,262	\$ 24,723,435	\$ 24,086,810	\$ 24,136,109	\$ 24,467,555	\$ 24,995,409	\$ 25,463,192	\$ 25,862,605	\$ 25,757,830	\$ 25,645,074
Restricted	360,271	725,276	687,759	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170
Unrestricted/(Deficit)	(86,029)	(369,994)	144,549	(1,095,792)	(7,316,596)	(6,572,794)	(5,061,778)	(7,925,307)	(8,396,819)	(8,171,368)
Total governmental activities net position	\$ 24,444,504	\$ 25,078,717	\$ 24,919,118	\$ 24,663,451	\$ 19,150,536	\$ 20,896,394	\$ 22,006,019	\$ 19,978,029	\$ 20,158,505	\$ 20,586,876
Business-type Activities:										
Investment in Capital Assets		\$ 14,089	\$ 19,873	\$ 15,177	\$ 10,481	\$ 13,481	\$ 11,992	\$ 10,503	\$ 9,014	\$ 7,525
Unrestricted		12,144	4,894	720	15,525	13,453	10,658	13,581	1,721	18,586
Total business-type activities net position	\$ -0-	\$ 26,233	\$ 24,767	\$ 15,897	\$ 26,006	\$ 26,934	\$ 22,650	\$ 24,084	\$ 10,735	\$ 26,111
District-wide:										
Net Investment in Capital Assets	\$ 24,170,262	\$ 24,737,524	\$ 24,106,683	\$ 24,151,286	\$ 24,478,036	\$ 25,008,890	\$ 25,475,184	\$ 25,873,108	\$ 25,766,844	\$ 25,652,599
Restricted	360,271	725,276	687,759	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170
Unrestricted/(Deficit)	(86,029)	(357,850)	149,443	(1,095,072)	(7,301,071)	(6,559,341)	(5,051,120)	(7,911,726)	(8,395,098)	(8,152,782)
Total District Net Position	\$ 24,444,504	\$ 25,104,950	\$ 24,943,885	\$ 24,679,348	\$ 19,176,542	\$ 20,923,328	\$ 22,028,669	\$ 20,002,113	\$ 20,169,240	\$ 20,612,987

Source: School District Financial Reports

CLINTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 10,217,601	\$ 10,295,742	\$ 11,059,953	\$ 11,072,542	\$ 10,427,487	\$ 11,982,686	\$ 12,405,176	\$ 15,254,518	\$ 13,579,623	\$ 12,546,499
Special Education	3,416,750	3,299,597	4,125,625	4,555,119	4,493,701	4,767,628	5,046,886	6,289,955	5,246,515	4,943,643
Other Special Instruction	338,861	429,705	454,506	825,701	907,843	1,215,570	1,237,448	1,722,812	1,367,327	1,058,798
School Sponsored Instruction	165,740	52,817	30,593	82,329	87,515	92,121	116,205	151,874	119,031	169,584
Support Services:										
Tuition	740,675	644,832	687,219	851,271	873,557	664,972	467,098	557,171	465,117	527,794
Student & Instruction Related Services	4,969,819	4,866,959	5,117,953	5,209,914	5,733,507	6,322,668	6,845,608	7,331,631	7,145,515	6,643,904
General Administrative Services	1,508,265	1,572,965	1,682,380	1,265,380	1,162,128	1,282,779	1,579,339	1,580,503	752,745	884,629
School Administrative Services	1,410,570	1,340,834	1,330,348	1,344,527	1,338,075	1,694,187	1,630,779	1,818,026	1,787,713	1,475,990
Central Services									686,211	700,558
Administrative Information Technology									14,504	42
Plant Operations and Maintenance	2,828,358	2,579,451	2,524,664	2,481,162	2,618,431	2,660,530	3,288,189	3,625,818	2,905,434	3,322,367
Pupil Transportation	2,028,437	1,887,008	1,814,468	1,901,850	1,589,009	1,600,577	1,653,698	1,683,011	1,683,092	1,561,878
Capital Outlay									122,345	89,009
Food Services	32,154									
Special Schools	234,564	89,858		111,631	114,065	99,612	112,316	116,111	50,301	81,401
Unallocated Depreciation									1,445,886	1,454,350
Interest on Long-Term Debt	1,495,883	1,266,814	1,193,844	1,357,230	1,358,695	1,325,265	1,146,055	1,198,120	964,061	913,326
Total Governmental Activities Expenses	29,387,677	28,326,582	30,107,119	31,058,656	30,704,013	33,708,595	35,528,797	41,329,550	38,335,420	36,373,772
Business-type Activities:										
Food Service		485,150	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415
Total Business-type Activities Expenses		485,150	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415
Total District Expenses	29,387,677	28,811,732	30,588,480	31,527,182	31,132,509	34,130,491	35,990,926	41,836,428	38,813,161	36,832,187
Governmental Activities:										
Charges for Services:										
Regular instruction	426,432	484,226	426,078	377,789	344,801	384,771	422,951	500,399		
Special education instruction	31,666	123,977	156,779	67,775	89,808	70,279	257,962	169,779		
Other instruction		46,806		63,806				8,850		
Tuition					2,787				731,797	497,205
Student & instruction related services	48,583	51,253	46,292	43,275	47,144	26,097	3,357	30,451		
General & business administrative services	38,777	39,878	40,817	38,000	5,312					
Plant operations & maintenance	83,487	58,657	58,944	67,447	67,589	61,154	46,502	49,444		
Pupil transportation	15,978	19,784	29,569	38,812	34,054	32,687	59,619	41,360		
Special schools					7,340		1,582			
Operating Grants and Contributions	955,369	1,034,344	764,091	644,603	837,903	802,768	615,914	634,499	11,475,969	10,102,595
Capital Grants and Contributions				59,895	59,895	444,426	(81,648)			
Total Governmental Activities Program Revenues	1,600,292	1,858,925	1,522,570	1,341,507	1,496,633	1,822,182	1,326,239	1,434,782	12,207,766	10,599,800

CLINTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type Activities:										
Charges for Services:										
Food Service		\$ 429,007	\$ 401,046	\$ 375,792	\$ 353,767	\$ 348,680	\$ 373,016	\$ 389,772	\$ 367,536	\$ 398,729
Operating Grants and Contributions		60,628	78,106	82,351	82,423	73,937	84,583	93,234	96,276	74,143
Total Business-type Activities Revenues		489,635	479,152	458,143	436,190	422,617	457,599	483,006	463,812	472,872
Total District Program Revenues	\$ 1,600,292	2,348,560	2,001,722	1,799,650	1,932,823	2,244,799	1,783,838	1,917,788	12,671,578	11,072,672
Net (Expense)/Revenue										
Governmental Activities	(27,787,385)	(26,467,657)	(28,584,549)	(29,717,149)	(29,207,380)	(31,886,413)	(34,202,558)	(39,894,768)	(26,127,654)	(25,773,972)
Business-type Activities	4,485	(2,209)	(10,383)	7,694	721	(4,530)	(13,929)	(23,872)	(13,929)	14,457
Total District-wide Net (Expense)/Revenue	(27,787,385)	(26,463,172)	(28,586,758)	(29,727,532)	(29,199,686)	(31,885,692)	(34,207,088)	(39,918,640)	(26,141,583)	(25,759,515)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	21,533,969	22,145,328	22,311,013	22,281,013	22,530,498	22,580,498	22,918,742	22,813,416	23,145,143	23,492,320
Taxes Levied for Debt Service	2,600,256	2,732,796	2,241,684	2,170,882	2,083,196	2,113,368	2,161,018	2,091,567	1,707,984	2,100,106
Unrestricted Grants and Contributions	3,384,872	2,416,664	3,856,577	5,291,912	5,326,061	8,822,963	10,066,633	12,831,589	1,373,502	454,470
Net Changes Due to Defeasance of Bonds		(519,110)	(228,991)							
Investment Earnings	13,115	7,158	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133
Miscellaneous Income	247,523	440,747	275,186	142,860	92,067	143,365	201,093	120,629	138,705	147,314
Other Item - Insurance Claims Transfer									200,000	
Transfers	(145,939)	(121,713)	(75,000)	(45,000)	(50,000)	(50,000)	(60,000)	(25,000)		
Total Governmental Activities	27,633,796	27,101,870	28,424,950	29,862,900	30,052,967	33,632,271	35,312,183	37,866,778	26,576,147	26,202,343
Business-type Activities:										
Investment Earnings		35	435	188	183	207	246	306	580	919
Miscellaneous Income		21,713	308	1,325						
Transfers								25,000		
Total Business-type Activities		21,748	743	1,513	183	207	246	25,306	580	919
Total District-wide	\$ 27,633,796	\$ 27,123,618	28,425,693	29,864,413	30,053,150	33,632,478	35,312,429	37,892,084	26,576,727	26,203,262
Change in Net Position	(153,589)	634,213	(159,599)	145,751	845,587	1,745,858	1,109,625	(2,027,990)	448,493	428,371
Governmental Activities		26,233	(1,466)	(8,870)	7,877	928	(4,284)	1,434	(13,349)	15,376
Business-type Activities										
Total District	\$ (153,589)	\$ 660,446	\$ (161,065)	\$ 136,881	\$ 853,464	\$ 1,746,786	\$ 1,105,341	\$ (2,026,556)	\$ 435,144	\$ 443,747

Source: School District Financial Reports

CLINTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES
 GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Restricted	\$ 302,485	\$ 623,082	\$ 607,110	\$ 1,529,068	\$ 929,792	\$ 2,115,969	\$ 1,328,179	\$ 1,649,007	\$ 2,797,492	\$ 3,113,168
Committed	72,201	130,975	569,816	101,456	366,647	988,770	2,865,632	336,121		
Assigned	494,953	635,351	646,498	153,426	200,000	240,000	91,023	241,023	541,517	57,974
Unassigned	521,381	860,394	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276
Total General Fund	\$ 1,391,020	\$ 2,249,802	\$ 2,542,694	\$ 2,412,517	\$ 2,010,896	\$ 3,726,773	\$ 4,585,887	\$ 2,578,464	\$ 3,650,603	\$ 4,036,418
All Other Governmental Funds:										
Restricted, Reported in :										
Capital Projects Fund	\$ 523,320	\$ 425,439	\$ 418,561	\$ 418,561	\$ 1,384,815	\$ 938,670	\$ 74,155		\$ 2	\$ 2
Debt Service Fund	8,058	901	61,857	71,772				393,163		
Assigned, Reported in:										
Debt Service Fund	\$ 531,378	\$ 426,340	\$ 480,418	\$ 490,333	\$ 1,384,815	\$ 938,670	\$ 467,318	\$ 391,724	\$ 2	\$ 2
Total All Other Governmental Funds										
Total All Governmental Funds:										
Restricted	\$ 825,805	\$ 1,048,521	\$ 1,025,671	\$ 1,947,629	\$ 2,314,607	\$ 3,054,639	\$ 1,402,334	\$ 1,649,007	\$ 2,797,494	\$ 3,113,170
Committed	72,201	130,975	569,816	101,456	366,647	988,770	2,865,632	336,121		
Assigned	503,011	636,252	708,355	225,198	200,000	240,000	484,186	632,747	541,517	57,974
Unassigned	521,381	860,394	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276
Total All Governmental Funds	\$ 1,922,398	\$ 2,676,142	\$ 3,023,112	\$ 2,902,850	\$ 3,395,711	\$ 4,665,443	\$ 5,053,205	\$ 2,970,188	\$ 3,650,605	\$ 4,036,420

Source: School District Financial Reports

CLINTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$24,134,225	\$ 24,878,124	\$ 24,552,697	\$ 24,451,895	\$ 24,613,694	\$ 24,693,866	\$ 25,079,760	\$ 24,904,983	\$24,853,127	\$25,592,426
Tuition Charges	458,098	608,203	582,857	444,124	434,609	455,050	598,030	670,178	731,797	497,205
Interest Earnings	13,115	7,158	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133
Miscellaneous	422,640	562,296	156,996	137,568	110,388	164,644	200,724	105,312	158,275	164,867
Other Sources	15,978	15,978	26,317			23,904				
State Sources	3,664,102	2,666,473	3,984,372	5,482,915	5,591,182	6,041,014	5,596,406	5,908,334	6,276,296	6,902,380
Federal Sources	622,422	731,633	609,711	414,257	584,847	520,420	450,501	424,486	377,054	428,221
Total Revenues	29,330,580	29,469,865	29,957,431	30,951,992	31,355,865	31,897,071	31,974,022	32,047,870	32,407,362	33,593,232
Expenditures										
Instruction:										
Regular Instruction	6,994,248	6,882,570	7,361,905	7,367,340	6,925,038	6,816,399	6,557,053	7,769,090	7,128,318	7,124,617
Special Education Instruction	2,039,225	1,844,152	2,357,196	2,782,540	2,958,654	2,624,066	2,384,493	3,115,056	2,631,033	2,681,119
Other Special Instruction	233,327	270,107	284,442	521,774	580,738	641,572	608,461	806,624	679,873	573,039
School Sponsored Instruction	112,630	3,735	19,729	12,559	61,655	62,836	73,169	87,088	85,937	133,906
Support Services:										
Tuition	692,865	556,493	680,719	817,218	388,568	309,736	467,098	232,942	465,117	527,794
Student & Instruction Related Services	3,324,588	3,123,051	3,359,037	3,414,393	3,773,373	3,512,926	3,622,803	3,930,422	3,720,880	3,791,712
General Administrative Services	535,962	558,046	558,990	489,321	450,982	436,175	500,190	550,585	554,154	688,006
School Administrative Services	1,013,008	884,959	853,486	895,970	865,515	964,085	837,796	892,689	892,941	768,757
Central Services	424,616	425,335	369,223	366,229	381,322	387,377	394,432	423,227	423,343	415,639
Administrative Information Technology	122,012	102,284	132,882	31,644	22,610	19,668	19,637	33,787	9,533	42
Plant Operations and Maintenance	2,347,758	2,118,743	2,024,338	2,015,701	2,156,672	2,143,445	2,566,089	2,742,089	2,390,713	2,623,776
Pupil Transportation	2,019,941	1,870,359	1,798,780	1,851,268	1,541,955	1,553,746	1,600,622	1,630,780	1,669,406	1,556,505
Unallocated Benefits	3,984,681	4,320,723	4,716,982	4,580,270	4,560,740	4,579,954	4,807,583	4,873,120	8,810,096	9,734,904

CLINTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Food Service	\$ 22,392									
On-behalf TPAF pension & Social Security contribution	1,518,172	\$ 1,532,804	\$ 1,877,027	\$ 2,395,022	\$ 2,191,134	\$ 2,457,829	\$ 2,882,586	\$ 3,249,153	\$ 50,301	\$ 81,401
Special Schools	161,276	59,163	56,029	72,806	70,411	52,892	56,380	58,997	315,594	406,094
Capital Outlay	24,483	119,853	91,430	597,302	213,345	62,591	1,296,005	836,380		
Special Revenue Funds	955,369	1,034,344	764,091	639,308	837,903	802,768	615,914	634,499		
Capital Projects	29,177	259,437	153,082		638,412	906,897	215,464			
Debt Service:										
Principal	1,245,000	1,280,000	1,225,000	860,000	880,000	905,000	1,119,267	1,032,344	1,020,000	1,070,000
Interest and Other Charges	1,555,395	1,531,519	997,297	1,358,693	1,363,977	1,337,377	1,188,587	1,207,015	1,079,706	1,030,106
Total Expenditures	29,356,125	28,777,677	29,681,665	31,069,358	30,863,004	30,577,339	31,813,629	34,105,887	31,926,945	33,207,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,545)	692,188	275,766	(117,366)	492,861	1,319,732	160,393	(2,058,017)	480,417	385,815
Other Financing Sources (Uses)							175,000			
Capital leases (non budgeted)										
Insurance claims proceeds for storm damage				42,104						
Premium on bonds and notes		1,210,666					305,937			
Proceeds from refunding bond issue		12,100,000	10,630,000				8,680,000			
Payment to refunding bond escrow agent		(13,149,110)	(10,308,991)				(8,873,568)			
Discount on bond issue			(174,805)							
Other Item - Insurance Claims									200,000	
Transferred to Capital Reserve		(100,000)	(75,000)	(45,000)		(50,000)	(60,000)	(25,000)		
Transfers Out		61,556	71,204	(2,896)		(50,000)	227,369	(25,000)	200,000	
Total Other Financing Sources (Uses)	(145,939)	\$ 753,744	\$ 346,970	\$ (120,262)	\$ 492,861	\$ 1,269,732	\$ 387,762	\$ (2,083,017)	\$ 680,417	\$ 385,815
Net Change in Fund Balances										
Debt Service as a Percentage of Noncapital Expenditures	9.5%	9.8%	7.5%	7.3%	7.3%	7.3%	7.6%	6.7%	6.6%	6.4%

Source: School District Financial Reports

CLINTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Other</u>	<u>Total</u>
2010	\$ 458,098	\$ 12,300	\$ 838	\$ 384,063	\$ 855,299
2011	608,203	7,072	17,033	508,339	1,140,647
2012	582,857	44,481	2,909	153,819	784,066
2013	444,124	21,233	12,210	86,015	563,582
2014	434,609	21,145		62,558	518,312
2015	455,050	22,077		103,738	580,865
2016	598,030	24,697		201,015	823,742
2017	670,178	34,577	96	56,887	761,738
2018	731,797	78,357	34,500	36,661	881,315
2019	497,205	105,469		49,978	652,652

Source: School District Financial Reports

CLINTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2009	\$ 19,716,000	\$ 2,082,368,700	\$ 70,495,700	\$ 2,452,816	\$ 234,903,800	\$ 164,242,500	\$ 18,005,800	\$ 2,592,185,316	\$ 13,462,227	\$ 2,605,647,543	\$ 26,207,200	0.930	\$ 2,548,647,650
2010	18,895,600	2,028,180,000	70,897,500	2,515,500	228,936,000	164,242,500	18,132,000	2,531,799,100	11,039,724	2,542,838,824	26,302,000	0.980	2,510,347,819
2011	18,076,000	1,930,391,700	69,096,900	2,499,600	226,230,600	158,714,500	18,132,000	2,423,141,300	8,858,764	2,432,000,064	26,302,000	1.010	2,350,284,312
2012	15,748,800	1,748,923,100	61,211,000	2,482,100	211,503,000	147,366,600	18,111,100	2,205,345,700	7,336,516	2,212,682,216	26,302,000	1.110	2,212,682,216
2013	14,144,800	1,706,925,700	58,510,900	2,473,500	197,046,000	143,348,600	18,541,900	2,140,991,400	5,974,452	2,146,965,852	25,649,400	1.150	2,146,965,852
2014	13,374,700	1,706,616,300	55,811,400	2,393,000	191,683,800	147,099,700	18,541,900	2,135,520,800		2,135,520,800	25,110,900	1.160	2,135,520,800
2015	13,162,200	1,715,936,500	53,221,300	2,408,900	189,838,200	155,426,500	19,142,900	2,149,136,500		2,149,136,500	25,110,900	1.170	2,149,136,500
2016	12,470,100	1,721,744,700	52,845,400	2,387,900	186,955,500	155,319,700	19,342,900	2,151,066,200		2,151,066,200	26,318,600	1.160	2,151,066,200
2017	12,170,800	1,725,515,200	50,999,200	2,660,200	186,206,700	155,262,100	19,342,900	2,152,157,100		2,152,157,100	315,035,303	1.154	2,152,157,100
2018	11,917,800	1,724,916,100	51,555,100	2,779,000	185,252,200	155,282,300	19,347,900	2,151,050,400		2,151,050,400	315,191,403	1.190	2,287,177,599

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

b - Tax rates are per \$100 of assessed value.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

Source: Municipal Tax Assessor.

CLINTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(rate per \$100 of assessed value)
UNAUDITED

Year Ended December 31,	Clinton Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional School Rate	Clinton Township	Hunterdon County	
2009	\$ 0.830	\$ 0.100	\$ 0.930	\$ 0.530	\$ 0.200	\$ 0.340	\$ 2.000
2010	0.870	0.110	0.980	0.550	0.220	0.330	2.080
2011	0.920	0.090	1.010	0.570	0.230	0.330	2.140
2012	1.010	0.100	1.110	0.620	0.260	0.340	2.330
2013	1.050	0.100	1.150	0.640	0.280	0.370	2.440
2014	1.060	0.100	1.160	0.660	0.300	0.370	2.490
2015	1.070	0.100	1.170	0.670	0.320	0.390	2.550
2016	1.060	0.100	1.160	0.650	0.340	0.390	2.540
2017	1.055	0.099	1.154	0.653	0.339	0.391	2.537
2018	1.092	0.098	1.190	0.650	0.377	0.400	2.617

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.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator.

CLINTON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2019			2010				
	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
		\$ 112,100,000	1	5.21%				
	Exxon Capital Corporation	22,586,800	2	1.05%				
	111 Cokesbury LLC	21,603,500	3	1.00%				
	New York Life Insurance Company	17,600,000	4	0.82%				
	East Coast - The Mews at Annandale	16,075,400	5	0.75%				
	ARCP OFC Annandale NJ LLC	11,973,000	6	0.56%				
	Transcontinental Gas Pipeline	6,808,600	7	0.32%				
	Hunterdon Medical Center	6,350,000	8	0.30%				
	Meridian Property Group LLC	5,638,200	9	0.26%				
	Annandale Falls LLC	4,249,500	10	0.20%				
	Kullman Associates LLC							
	Total	\$ 224,985,000		10.46%				

NOT AVAILABLE

Source: Municipal Tax Assessor.

CLINTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	\$ 24,904,983	\$ 24,904,983	100.00%	\$ -0-
2018	24,853,127	24,853,127	100.00%	-0-
2019	25,592,426	25,592,426	100.00%	-0-

N/A - Not Available

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 voted upon or certified prior to the end of the school year.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2010	\$ 33,600,000	\$ 38,256	\$ 540,000	\$ 34,178,256	3.44%	\$ 2,459.40
2011	31,790,000	5,789	540,000	32,335,789	3.35%	2,393.65
2012	31,115,000		540,000	31,655,000	3.25%	2,366.55
2013	30,255,000		540,000	30,795,000	3.07%	2,322.92
2014	29,375,000		540,000	29,915,000	2.99%	2,255.69
2015	28,470,000			28,470,000	2.76%	2,168.48
2016	27,405,000	115,733		27,520,733	2.61%	2,109.35
2017	26,430,000	58,389		26,488,389	2.51%	2,060.71
2018	25,410,000			25,410,000	2.27%	1,968.70
2019	24,340,000			24,340,000	2.18%	1,890.19

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

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

Source: School District Financial Reports.

CLINTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2010	\$ 33,600,000		\$ 33,600,000	1.290%	\$ 2,417.79
2011	31,790,000		31,790,000	1.250%	2,353.25
2012	31,115,000		31,115,000	1.279%	2,326.18
2013	30,255,000		30,255,000	1.367%	2,282.19
2014	29,375,000		29,375,000	1.368%	2,214.98
2015	28,470,000		28,470,000	1.333%	2,168.48
2016	27,405,000		27,405,000	1.275%	2,100.48
2017	26,430,000		26,430,000	1.229%	2,056.17
2018	25,410,000		25,410,000	1.181%	1,968.70
2019	24,340,000		24,340,000	1.132%	1,890.19

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Source: School District Financial Reports.

CLINTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
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:			
Clinton Township	\$ 26,405,000	100.00%	\$ 26,405,000
North Hunterdon Regional High School	2,536,554	27.56%	699,074
Hunterdon County General Obligation Debt	83,452,933	10.93%	9,124,579
Subtotal, Overlapping Debt			36,228,654
Clinton Township School District Direct Debt			25,410,000
Total Direct and Overlapping Debt			<u>\$ 61,638,654</u>

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

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 residents and businesses of Clinton Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Hunterdon County Board of Taxation; debt outstanding data provided by each governmental unit.

CLINTON TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis	
2018	\$ 2,272,502,820
2017	2,284,182,870
2016	2,270,014,985
	<u>\$ 6,826,700,675</u>
Average Equalized Valuation of Taxable Property	\$ 2,275,566,892
Debt Limit (3% of average equalization value) ^a	68,267,007
Net Bonded School Debt as of June 30, 2019	24,340,000
Legal Debt Margin	<u>\$ 43,927,007</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 79,246,179	\$ 76,542,565	\$ 73,531,161	\$ 70,319,904	\$ 67,727,114	\$ 66,543,114	\$ 66,545,021	\$ 67,373,771	\$ 67,921,823	\$ 68,267,007
Total Net Debt Applicable to Limit	34,140,000	32,330,000	31,655,000	30,795,000	29,915,000	28,470,000	27,405,000	26,430,000	25,410,000	24,340,000
Legal Debt Margin	\$ 45,106,179	\$ 44,212,565	\$ 41,876,161	\$ 39,524,904	\$ 25,272,883	\$ 38,073,114	\$ 39,140,021	\$ 40,943,771	\$ 42,511,823	\$ 43,927,007
Total Net Debt Applicable to the Limit										
As a Percentage of Debt Limit	43.08%	42.24%	43.05%	43.79%	44.17%	42.78%	41.18%	39.23%	37.41%	35.65%

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Hunterdon County Per Capita Personal Income ^c	Unemployment Rate ^d
2010	13,509	\$ 966,285,261	\$ 71,529	9.50%
2011	13,376	974,133,952	72,827	9.30%
2012	13,257	1,002,878,793	75,649	9.60%
2013	13,262	999,490,630	75,365	5.00%
2014	13,129	1,030,455,823	78,487	4.90%
2015	13,047	1,053,662,673	80,759	4.30%
2016	12,854	1,055,429,086	82,109	4.10%
2017	12,907	1,117,604,223	86,589	3.80%
2018	12,877	1,115,006,553 ***	86,589 **	3.60%
2019	12,877 *	1,115,006,553 ***	86,589 **	N/A

* - Latest Hunterdon County population available (2018) was used for calculation purposes.

** - Latest Hunterdon County per capita personal income available (2017) was used for calculation purposes.

***- Latest available population data (2018) and latest Hunterdon County per capita personal income (2017) was used for calculation purposes

N/A - Not Available

Source:

- a - Population information provided by the US Department of Census - Population Division.
- b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

CLINTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - HUNTERDON COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2018		2009		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Foster Wheeler North America	2,500	3.79%	Merck & Co.	1,800	3.67%
Hunterdon Pain Ctr	2,000	3.03%	Chubb Insurance Co.	1,500	3.06%
Hunterdon Developmental Ctr	1,500	2.27%	Foster Wheeler	1,432	2.92%
Chubb Group Of Insurance Co	900	1.36%	ExxonMobil Research & Eng.	970	1.98%
Edna Mahan Correctional Fclty	615	0.93%	Hunterdon County	920	1.88%
Johanna Foods Inc	500	0.76%	Johanna Foods	492	1.00%
Readington Middle School	420	0.64%	Shop Rite of Hunterdon	440	0.90%
Hunterdon Central High School	400	0.61%	A.M. Best	423	0.86%
New York Life	400	0.61%	BOC Inc.	389	0.79%
Shop Rite	360	0.55%	Wedco	318	0.65%
	<u>9,595</u>	<u>14.54%</u>		<u>8,684</u>	<u>17.72%</u>

Source: Hunterdon County Treasurer's Office

CLINTON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	106.5	111.5	110.0	103.5	107.9	94.0	91.1	88.1	84.0	89.0
Special Education	76.0	71.5	92.6	100.6	85.2	59.5	58.2	53.5	52.0	53.0
Support Services:										
Student & Instruction Related Services	32.9	31.3	29.0	27.7	30.3	55.3	46.0	46.3	46.0	46.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	11.0	11.0	11.0	11.0	11.0	13.0	13.5	9.5	9.5	9.5
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administration Information Technology	8.0	3.0	1.0	1.0	1.0	3.0	3.0	2.0	2.0	2.0
Plant Operations and Maintenance	22.9	17.0	24.5	24.5	19.8	32.2	30.0	23.6	23.0	23.0
Total	<u>264.3</u>	<u>252.3</u>	<u>275.1</u>	<u>275.3</u>	<u>262.2</u>	<u>264.0</u>	<u>248.8</u>	<u>230.0</u>	<u>223.5</u>	<u>229.5</u>

Source: District Personnel Records.

CLINTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	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
2010	1,726	* 26,531,247	15,372	3.29%	180.0	1:10	1,718.7	* 1,648.2	* -1.82%	95.90%
2011	1,678	* 25,846,305	15,403	0.21%	179.0	1:09	1,677.6	* 1,608.4	* -2.39%	95.88%
2012	1,566	* 27,367,938	17,476	13.46%	184.0	1:09	1,565.5	* 1,505.2	* -6.68%	96.15%
2013	1,602	* 28,253,363	17,636	0.92%	163.0	1:10	1,624.5	* 1,558.3	* 3.77%	95.92%
2014	1,550	* 28,405,682	18,326	3.91%	157.0	1:10	1,542.7	* 1,481.1	* -5.04%	96.01%
2015	1,471	* 28,272,371	19,220	4.88%	146.0	1:10	1,450.2	* 1,372.3	* -6.00%	94.63%
2016	1,405	* 28,209,770	20,078	4.47%	143.0	1:10	1,402.0	* 1,348.8	* -3.32%	96.21%
2017	1,347	* 31,030,148	23,036	14.73%	141.0	1:10	1,335.6	* 1,282.6	* -4.74%	96.03%
2018	1,208	** 29,511,645	24,430	6.05%	136.0	1:09	1,177.8	** 1,133.8	** -11.81%	96.26%
2019	1,225	** 30,701,217	25,062	2.59%	142.0	1:09	1,219.0	** 1,176.1	** 3.50%	96.48%

* - Includes High School enrollment

** - Does not include High School enrollment

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).

d - Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

Note: Enrollment based on end of year District count.

N/A - Not available as enrollment and average daily enrollment for the fiscal year ended June 30, 2018 does not include the high school enrollment while the previous nine years do include the high school enrollment.

Source: School District records

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>					
Spruce Run School (1955)					
Square Feet	54,445	54,445	54,445	54,445	54,445
Capacity (students)	444	444	444	444	444
Enrollment	326	312	301	303	292
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	334	343	301	284	288
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	605	562	556	558	539
Clinton Township Middle School (2007)					
Square Feet	123,284	123,284	123,284	123,284	123,284
Capacity (students)	640	640	640	640	640
Enrollment	445	463	462	457	425
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>					
Spruce Run School (1955)					
Square Feet	54,445	54,445	54,445	54,445	54,445
Capacity (students)	444	444	444	444	444
Enrollment	251	263	243	34	35
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	293	258	242	323	325
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	496	469	462	396	397
Clinton Township Middle School (2007)					
Square Feet	123,284	123,284	123,284	123,284	123,284
Capacity (students)	640	640	640	640	640
Enrollment	413	415	378	455	468

Number of Schools at June 30, 2019

 Elementary = 3

 Middle School = 1

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

N/A - Not Available.

Source: School District Records

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Spruce Run School	N/A	\$ 99,781	\$ 77,364	\$ 86,308	\$ 85,939	\$ 58,124
Patrick McGaheran School	N/A	131,899	71,681	80,195	100,474	93,727
Round Valley School	N/A	115,025	106,628	142,226	114,858	145,003
Clinton Township Middle School	N/A	116,673	87,917	90,873	101,240	158,257
Grand Total		<u>\$463,378</u>	<u>\$343,590</u>	<u>\$399,602</u>	<u>\$402,511</u>	<u>\$455,111</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Spruce Run School	N/A	\$ 93,727	\$137,266	\$134,745	\$128,950	\$148,348
Patrick McGaheran School	N/A	124,614	185,383	194,152	135,398	235,331
Round Valley School	N/A	153,352	246,232	255,526	212,769	200,304
Clinton Township Middle School	N/A	169,418	313,273	283,730	167,636	206,332
Grand Total		<u>\$541,111</u>	<u>\$882,154</u>	<u>\$868,153</u>	<u>\$644,753</u>	<u>\$790,315</u>

N/A - Not Applicable.

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

Source: School District records

CLINTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<u>NJ Schools Insurance Group</u>		
School Commercial Package Policy-		
NJ Schools Insurance Group		
Insurance Group		
Property - Building Blanket and Contents	\$ 450,000,000	\$ 5,000
Electronic Data Processing	1,000,000	1,000
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability	11,000,000	
Comprehensive Auto Liability	11,000,000	
Crime Coverage	1,000,000	1,000
Excess Liability - NJUEP		
Property Damage	29,000,000	
School Board Legal Liability-		
NJ Schools Insurance Group		
Insurance Group		
Directors and Officers Policy	11,000,000	5,000
Environmental Impairment Policy-		
NJ Schools Insurance Group		
Insurance Group through Steadfast Insurance	11,000,000	25,000
Workers Compensation-		
NJ Schools Insurance Group		
Insurance Group-employer's liability		
Bodily Injury by Accident- Each Accident	2,000,000	
Bodily Injury by Disease- Each Employee	2,000,000	
Bodily Injury by Disease- Policy Limit	2,000,000	
Supplemental Indemnity - Chubb Insurance Company		
Benefit period	52 weeks	
Student Accident Insurance - AXIS Insurance Company		
Policy Limit	1,000,000	25,000
Public Employees' Faithful Performance-		
NJ Schools Insurance Group		
School Board Secretary/Business Administrator	230,000	1,000

Source: Clinton Township Board of Education records.

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
Clinton Township School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton Township School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Clinton Township School District
Page 2

Compliance and Other Matters

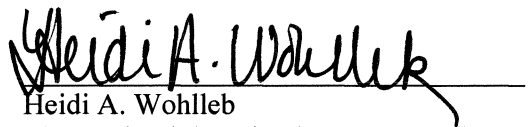
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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 result 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.

Mount Arlington, New Jersey
November 25, 2019

NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

Report on Compliance For Each Major State Program
and Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Clinton Township School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major State Program

We have audited the Clinton Township School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2019. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

The Honorable President and Members
of the Board of Education
Clinton Township School District
Page 2

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

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

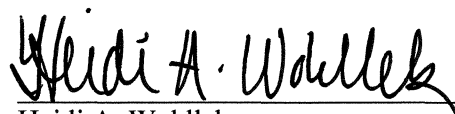
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 25, 2019

NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2018 Unearned Revenue/(Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustment	Prior Year Encumbrances Canceled	Balance at June 30, 2019			
			From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amount Provided to Subrecipients
	U.S. Department of Education - Passed-through State Department of Education: Special Revenue Fund: Elementary and Secondary Education Act: Title IIA	84.367A	7/1/2018	6/30/2019	\$ 16,972	\$ (4,671)	\$ 3,000	\$ (15,638)	\$ 1,671		\$ (15,638)			
	Title IIA	84.367A	7/1/2017	6/30/2018	18,413		886	(1,043)			(157)			
	Title III	84.365	7/1/2018	6/30/2019	1,149				1,671		(157)			
	Special Education Cluster:					(4,671)	3,886	(16,681)	1,671		(15,795)			
	I.D.E.A. Basic	84.027	7/1/2018	6/30/2019	452,619		32,822	(402,270)			(369,448)			
	I.D.E.A. Basic	84.027	7/1/2017	6/30/2018	419,639	(84,702)	85,116	(9,270)	\$ 2,786		(9,270)	\$ 3,200		
	I.D.E.A. Preschool	84.173	7/1/2018	6/30/2019	17,138									
	I.D.E.A. Preschool	84.173	7/1/2017	6/30/2018	13,361	(4,783)	5,486							703
	I.D.E.A. Preschool	84.173	7/1/2016	6/30/2017	11,625	(332)			332					
	Total Special Education Cluster					(89,817)	123,424	(411,540)	332	2,786	(378,718)			3,903
	Total U.S. Department of Education					(94,488)	127,310	(428,221)	2,003	2,786	(394,513)			3,903
	Total Special Revenue Fund					(94,488)	127,310	(428,221)	2,003	2,786	(394,513)			3,903
	U.S. Department of Agriculture - Passed-through State Department of Agriculture: Enterprise Fund													
	Child Nutrition Cluster:													
	Food Distribution Program	10.555	7/1/2018	6/30/2019	19,426		19,426	(16,943)				\$ 2,483		
	Food Distribution Program	10.555	7/1/2017	6/30/2018	32,714	1,948		(1,948)						
	National School Lunch Program	10.555	7/1/2018	6/30/2019	51,295		47,991	(51,295)			(3,304)			
	National School Lunch Program	10.555	7/1/2017	6/30/2018	60,089	(4,582)	4,582							
	Total U.S. Department of Agriculture/Child Nutrition Cluster					(2,634)	71,999	(70,186)			(3,304)	2,483		
	Total Enterprise Fund					(2,634)	71,999	(70,186)			(3,304)	2,483		
	TOTAL FEDERAL AWARDS					(97,122)	199,309	(498,407)	\$ 2,003	\$ 2,786	(397,817)	\$ 2,483	\$ 3,903	\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2018			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO Cumulative Total Expenditures
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	GAAP (Accounts Receivable)				Due to Grantor		
State Department of Education:													
General Fund:													
Categorical Special Education Aid	19-495-034-5120-089	7/1/2018	6/30/2019	\$ 1,008,514			\$ 912,106	\$ (1,008,514)			\$ (96,408)	\$ 1,008,514	
Categorical Security Aid	19-495-034-5120-084	7/1/2018	6/30/2019	95,566			86,430	(95,566)			(9,136)	95,566	
School Choice Aid	19-495-034-5120-068	7/1/2018	6/30/2019	260,897			235,957	(260,897)			(24,940)	260,897	
Categorical Transportation Aid	19-495-034-5120-014	7/1/2018	6/30/2019	655,670			592,991	(655,670)			(62,679)	655,670	
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/2018	6/30/2019	611,085				(611,085)			(611,085)	611,085	
Nonpublic School Transportation Costs	19-495-034-5120-014	7/1/2018	6/30/2019	18,560				(18,560)			(18,560)	18,560	
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	7/1/2018	6/30/2019	765,107			727,432	(765,107)			(37,675)	765,107	
On-Behalf TPAF Post Retirement Medical Contributions	19-495-034-5094-001	7/1/2018	6/30/2019	1,015,938			1,015,938	(1,015,938)				1,015,938	
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/2018	6/30/2019	2,193,809			2,193,809	(2,193,809)				2,193,809	
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/2018	6/30/2019	45,922			45,922	(45,922)				45,922	
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/2018	6/30/2019	2,160			2,160	(2,160)				2,160	
Categorical Special Education Aid	18-495-034-5120-089	7/1/2017	6/30/2018	781,370			75,141					781,370	
Categorical Security Aid	18-495-034-5120-084	7/1/2017	6/30/2018	83,110			7,992					83,110	
School Choice Aid	18-495-034-5120-068	7/1/2017	6/30/2018	507,624			48,816					507,624	
Adjustment Aid	18-495-034-5120-085	7/1/2017	6/30/2018	741,912			71,347					741,912	
Categorical Transportation Aid	18-495-034-5120-014	7/1/2017	6/30/2018	168,475			16,202					168,475	
PARCC Readiness Aid	18-495-034-5120-098	7/1/2017	6/30/2018	14,050			1,351					14,050	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/2017	6/30/2018	14,050			1,351					14,050	
Professional Learning Community Aid	18-495-034-5120-101	7/1/2017	6/30/2018	12,750			1,226					12,750	
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/2017	6/30/2018	285,486			285,486					285,486	
Nonpublic School Transportation Costs	18-495-034-5120-014	7/1/2017	6/30/2018	19,371			19,371					19,371	
Reimbursed TPAF Social Security Contributions	18-495-034-5095-003	7/1/2017	6/30/2018	790,619			40,336					790,619	
Total General Fund State Aid							6,381,364	(6,673,228)			(667,320)	10,092,045	
State Department of Education:													
Special Revenue Fund:													
Nonpublic Textbook Aid	19-100-034-5120-064	7/1/2018	6/30/2019	21,147			21,147	(21,147)				21,147	
Nonpublic Textbook Aid	18-100-034-5120-064	7/1/2017	6/30/2018	21,693						\$ (1,045)		20,648	
Compensatory Education	19-100-034-5120-067	7/1/2018	6/30/2019	34,687			34,687	(25,381)			\$ 9,306	25,381	
Compensatory Education	18-100-034-5120-067	7/1/2017	6/30/2018	38,091						(23,032)		15,059	
Examination and Classification	19-100-034-5120-066	7/1/2018	6/30/2019	32,572			32,572	(30,823)			1,749	30,823	
Examination and Classification	18-100-034-5120-066	7/1/2017	6/30/2018	38,036						(3,283)		34,753	
Corrective Speech	19-100-034-5120-066	7/1/2018	6/30/2019	8,482			8,482	(8,482)				8,482	
Corrective Speech	18-100-034-5120-066	7/1/2017	6/30/2018	8,749			446			(446)		8,303	

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2018		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO	
		From	To		Budgetary Unearned Revenues/ (Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
Special Revenue Fund:														
Nonpublic Technology Initiative	19-100-034-5120-373	7/1/2018	6/30/2019	\$ 14,256	\$	\$ 14,256	\$	\$ (14,256)	\$ (53)	\$	\$	\$	\$	\$ 14,256
Nonpublic Technology Initiative	18-100-034-5120-373	7/1/2017	6/30/2018	14,652	\$ 53	\$	\$	\$ (60,000)	\$ (2,148)	\$	\$	\$	\$	14,599
Nonpublic Security Aid	19-100-034-5120-509	7/1/2018	6/30/2019	60,000			60,000							60,000
Nonpublic Security Aid	18-100-034-5120-509	7/1/2017	6/30/2018	29,775	2,148									27,627
Nonpublic Nursing Aid	19-100-034-5120-070	7/1/2018	6/30/2019	38,800			38,800							38,800
Nonpublic Nursing Aid	18-100-034-5120-070	7/1/2017	6/30/2018	38,509					(205)					38,304
Total Special Revenue Fund					30,212	209,944		(198,889)	(30,212)		\$ 11,055			358,182
Total State Department of Education					\$ (568,619)	\$ 6,591,308	\$ (6,872,117)	\$ (30,212)	\$ (667,320)	\$ (30,212)	\$ 11,055	\$ (860,483)	\$ 10,450,227	
State Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program	19-100-010-3350-023	7/1/2018	6/30/2019	3,957			3,696	(3,957)			(261)		(261)	3,957
State School Lunch Program	18-100-010-3350-023	7/1/2017	6/30/2018	4,318			336							4,318
Total State Department of Agriculture					(336)	4,032		(3,957)			(261)		(261)	8,275
Total Enterprise Fund					(336)	4,032		(3,957)			(261)		(261)	8,275
Total State Awards Subject to Single Audit Determination					\$ (568,955)	\$ 30,212	\$ 6,595,340	\$ (6,876,074)	\$ (30,212)	\$ (667,581)	\$ 11,055	\$ (860,744)	\$ 10,458,502	
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/2018	6/30/2019	1,015,938				1,015,938						1,015,938
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/2018	6/30/2019	2,193,809				2,193,809						2,193,809
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/2018	6/30/2019	45,922				45,922						45,922
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/2018	6/30/2019	2,160				2,160						2,160
Subtotal - On-Behalf TPAF Pension System Contributions								3,257,829						3,257,829
Total State Awards Subject to Single Audit Major Program Determination								\$ (3,618,245)						\$ (3,618,245)

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Clinton Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of the 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO 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 audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget 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 budget year due to the state deferral and recording of the last 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$30,263 for the general fund and \$0 (which does not include the prior year encumbrances on local grants of \$14,450) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,703,491	\$ 6,703,491
Special Revenue Fund	\$ 428,221	198,889	627,110
Food Service Enterprise Fund	70,186	3,957	74,143
Total Financial Assistance	<u>\$ 498,407</u>	<u>\$ 6,906,337</u>	<u>\$ 7,404,744</u>

NOTE 5. 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.

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The Clinton Township School District had no loan balances outstanding at June 30, 2019.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance..*
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2019 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Categorical Special Education Aid	19-495-034-5120-089	7/1/18 - 6/30/19	\$ 1,008,514	\$ 1,008,514
Categorical Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	95,566	95,566
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	260,897	260,897

- The threshold used for distinguishing between Type A and Type B State programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

The District had no prior year audit findings.