

**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, 2020**

**Comprehensive Annual
Financial Report**

of the

**Clinton Township School District
Board of Education**

Clinton Township, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

**Clinton Township School District
Board of Education**

Office of the Business Administrator

CLINTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Clinton Township Board of Education



“Where Children Come First”

Dr. Joanna Ruberto
Superintendent of Schools

Mr. Mark Kramer
School Business Administrator/Board Secretary

December 16, 2020

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 (the “CAFR”) of the Clinton Township School District (the “District”) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 CAFR 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 2019-2020 fiscal year with an average daily enrollment of 1233.39 students.

2.) ECONOMIC CONDITIONS AND OUTLOOK:

From the Congressional Budget Office (CBO)

increases in public deficits and debt that are occurring as governments spend significant amounts to attempt to mitigate the impact of the pandemic and the economic downturn.

From the Report on the Financial Condition of the State of New Jersey

The onset of the COVID-19 health pandemic has created a global economic crisis that the world has not seen since the Great Depression nearly a century ago, and a health crisis not seen since the 1918 Spanish Flu pandemic. As a result, the Blue Chip Consensus Forecast is now predicting a 24.5 percent drop in national real GDP in the second quarter of 2020, with the range of individual forecasts varying from a 12.9 percent decline (average of the 10 “best case” forecasts) to a 36.9 percent decline (average of the 10 “worst case” forecasts). The magnitude of the projected national real GDP decline in the second quarter is unprecedented, but so is the speed at which professional economic forecasters have revised their projections downward. In February most national forecasters were projecting low rates of growth for all quarters in 2020. Then, beginning in the middle of March and continuing for the next four weeks, most professional economic forecasters participated in a race to the bottom as forecasts plummeted. This rapidly devolving economic forecasting environment complicated an increasingly daunting revenue forecasting situation.

In little more than one month’s time it has now become a foregone conclusion that both the national and state economies will enter a recession in 2020. The advance estimate of real GDP growth for the U.S. during the first quarter of 2020 shows that economic activity declined by 4.8 percent on an annualized basis. There is no question that real GDP growth will be negative during the second quarter. The only question is how severe and how lasting the drop will be. The economic ramifications of the COVID-19 health pandemic are described well in an April 24th blog post by the Congressional Budget Office (CBO). Economists at the CBO are projecting economic activity for the U.S. to decline by 39.6 percent in the second quarter. While growth will rebound in the second half of 2020, averaging 17.0 percent during this time, followed by 2.8 percent growth in 2021, the CBO expects the actual dollar value of real GDP for the U.S. at the end of 2021 to be 6.7 percent below its pre-COVID-19 projection.

Full recovery may take years. While most forecasts are projecting positive growth beginning in Q3 2020, real GDP does not return to pre-COVID-19 levels until mid-2022 at the earliest. Based on a review of recent state-level forecast data, the trajectory of New Jersey’s recession and recovery will be similar to that of the nation, reflecting the very real possibility that the state economy’s productive output may not be fully restored to last year’s levels for another two years or more. The unemployment picture is also deteriorating rapidly. Nationally, over 38 million people have filed unemployment claims since the onset of the pandemic. In New Jersey the total claims filed (not all processed) since the pandemic began reached 1,088,763 through May 16. This total is equivalent to roughly 27 percent of the total insured in the state.

The current surge in unemployment claims will have a significant impact on the reported monthly unemployment rate. In April, national unemployment rose to 14.7 percent, the highest level since the Great Depression nine decades ago, and payroll employment declined by 20.5 million jobs.

New Jersey’s unemployment rate rose to 15.3 percent in April. Those rates for both the state and the nation are expected to rise further in the short term and remain high well into next year. The CBO projects that the national unemployment rate will average 15.0 percent during the second and third quarters of 2020 and then begin to decline, reaching 9.5 percent by the end of 2021.

While the direst forecasts see the national unemployment rate spiking over 20 percent in Q2 and continuing to climb through the remainder of the year, on average forecasters expect an increase to about 17 percent in June, followed by a slow decline that will not return the nation to its historic lows of late 2019 (3.5 percent) by the end of 2022.

One major driver of CBO's forecast of the economy for the next several years is the agency's projections about how the pandemic and social distancing will unfold. CBO projects that the degree of social distancing will decline by about two-thirds from its April 2020 peak during the second half of this year, leading to an increase in social activities and commerce.

Another major factor underlying the economic forecast is the agency's projections of the economic effects of the four laws enacted in March and April to address the public health emergency and to directly assist affected households, businesses, and state and local governments. Those laws—which together are projected to increase the federal deficit by \$2.2 trillion in fiscal year 2020 and by \$0.6 trillion in 2021—will, in CBO's assessment, partially mitigate the deterioration in economic conditions and help spur the recovery.

From the third quarter of 2020 through the third quarter of 2021, the degree of social distancing is projected to gradually diminish to zero (even though social distancing may increase at times in some areas), and the effects of fiscal and monetary policy actions are expected to take hold. Real GDP and employment are projected to rebound quickly in response. In CBO's projections, strong GDP growth continues through 2024 but at a slower pace. Meanwhile, the unemployment rate decreases from a peak of over 14 percent in the third quarter of 2020 to 5.9 percent by the end of 2024.

Low-income families have borne the brunt of the economic crisis, partly because the hardest-hit industries employ low-wage workers. African American, Hispanic, and female workers have been hit particularly hard, in part because they make up a disproportionate share of the workforce in certain industries with jobs that involve elevated risks of exposure to the coronavirus. Although the labor market is expected to improve, in CBO's projections, the unemployment rate remains higher through 2030 than it was before the pandemic.

Inflation, as measured by the growth rate of the price index for personal consumption expenditures (PCE), is projected to be 0.4 percent in 2020 and to nearly reach 2.0 percent the Federal Reserve's long-run objective for inflation by 2024. CBO expects the Federal Reserve to keep its target for the federal funds rate at 0.1 percent throughout that period. In CBO's projections, the interest rate on 10-year Treasury notes gradually rises from an average of 0.9 percent in 2020 to 1.6 percent by 2024.

Like the interim projections that CBO published in May, the agency's latest economic projections are surrounded by an unusually high degree of uncertainty. Some of that uncertainty results from the nature of the pandemic and the behavioral and policy responses intended to contain its spread. The severity and duration of the pandemic are subject to significant uncertainty. In particular, several important epidemiological characteristics of the coronavirus remain unclear. Much still needs to be learned about its transmissibility and lethality and about the immunity conferred on people who have recovered from it. Moreover, the severity and duration of the pandemic will be affected by how various mitigation measures reduce the spread of the virus and by when vaccines and additional treatments become available outcomes that remain highly uncertain. Further uncertainty surrounds the effects of the pandemic and social distancing on economic activity and on the pace of economic recovery.

In addition, it is not clear how individuals, businesses, and state and local governments will respond to recent fiscal and monetary policy actions taken by the federal government. International conditions may also change in unanticipated ways as the pandemic works its way through the rest of the world. A further contributor to the overall uncertainty is that the speed and intensity of the recent downturn have greatly increased the difficulty of recording and compiling reliable economic data; CBO's projections are based on data that may later be substantially revised.

The agency's longer-run projections reflect the additional uncertainty of the underlying trends of key variables, such as the size of the potential labor force, the average number of labor hours per worker, capital investment, and productivity. Another source of uncertainty is the global economy's longer-term response to the substantial

Again, based on a review of non-public forecasts for New Jersey, the state's employment trajectory is expected to be similar to that of the U.S. average. As a point of reference, the national unemployment rate peaked at 10.0 percent during the 2008-2009 Great Recession, while the New Jersey rate peaked at 9.8 percent.

The impact of the economic damage on New Jersey revenues will last well into Fiscal Year 2021 (FY21) and beyond. Spending will continue to be impacted well after the economic and social restrictions are lifted, as many residents will be in arrears on rent, utility bills and other debts that will need to be repaid. Although businesses will be able to re-open, they will face lower demand for their goods and services. They will also face several months of back rent and supplier invoices that will need to be repaid. The job recovery is expected to be slow.

The revenue scenario described below assumes that New Jersey's "stay-at-home" order remains largely in effect through June (a period of three-and-a-half months). The experiences of other countries across the globe indicate that economic activity does not return to normal as soon as the lockdown expires. Social distancing measures will need to remain in effect in some form as long as the virus continues to spread or until a vaccine is found.

3.) MAJOR INITIATIVES: To provide all members of our educational community with a safe and healthy school environment during this evolving situation as identified within the Clinton Township School District Reopening Plan.

To provide all students with a societal awareness of equity as it relates to their citizenship and the development of the students' global citizenship, professional learning will be offered to the faculty/staff to heighten sensitivity and the modeling of equity as it relates to our school/classroom environment, the modeling of equity through class discussion, appropriate resource materials, and planned focused activities/projects.

To support the continued integration of technology to amplify learning within the alternative learning schedule and the ever-evolving situation to best integrate 21st Century skills into lesson design/organization.

To continue to promote the philosophy/concept of Social and Emotional learning (SEL) to the staff and students within the alternative learning schedule and the ever evolving situation in order to better understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions.

To support our staff with the implementation of instructional designs/organization within the alternative learning schedule and the ever-evolving situation as it relates to Domain. Two, Classroom Environment, with professional learning to apply the characteristics/indicators of a highly effective classroom environment to the hybrid and synchronized classroom organization.

The 2019/2020 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 Frontline Professional Growth system. Technology initiatives included the use of G-Suite for Education 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 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, 2020.

6.) ACCOUNTING SYSTEMS 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.

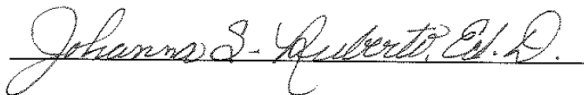
9.) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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.) ACKNOWLEDGEMENTS: 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

P.O. Box 6, Annandale, NJ 08801 ● (908) 236-7235 ● Fax (908) 236-7645

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,

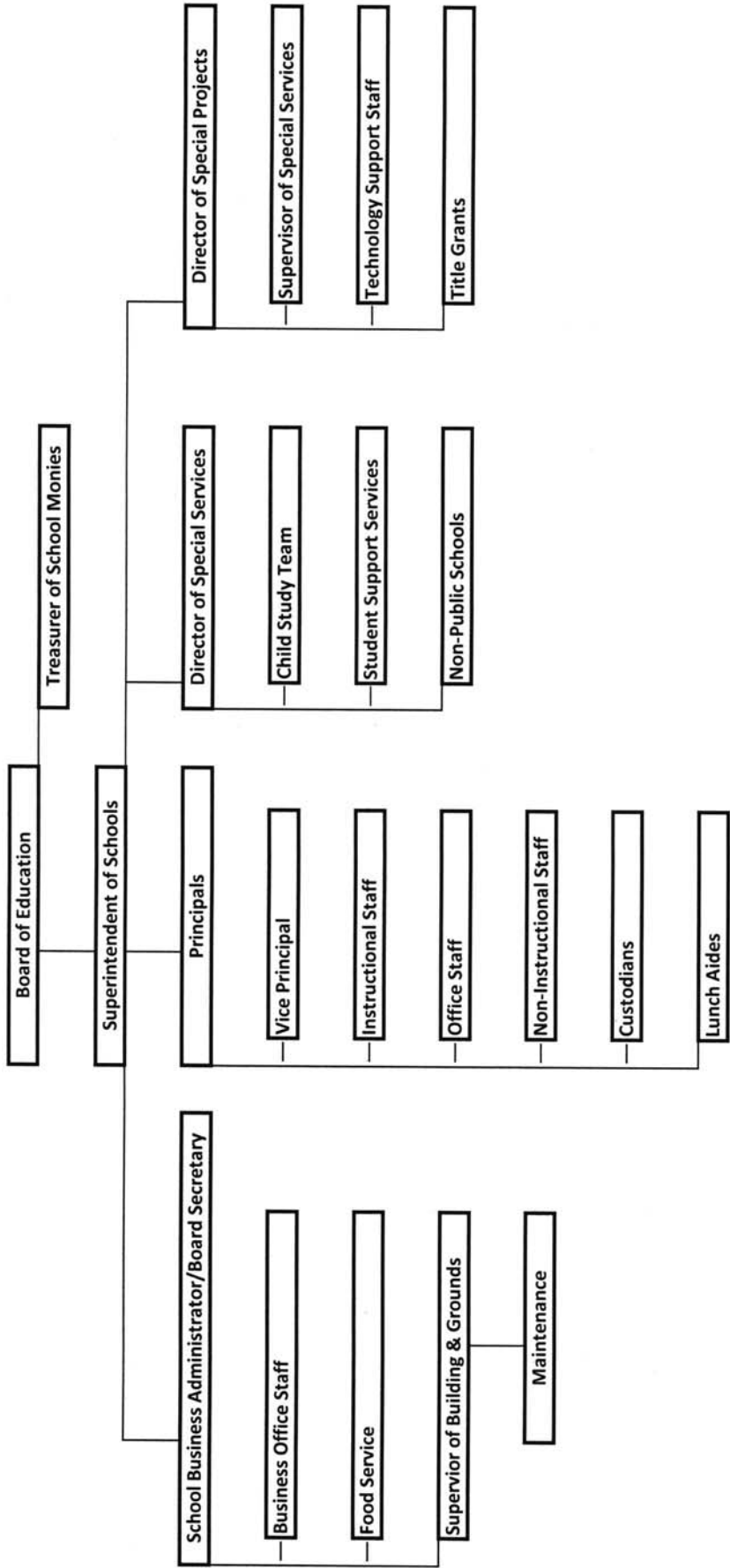


Dr. Johanna Ruberto
Interim Superintendent of Schools



Mark Kramer
Interim School Business Administrator/Board
Secretary

Clinton Township Board of Education Organization Chart



**CLINTON TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mrs. Lana Brennan	President	2020
Dr. Catherine Riihimaki	Vice President	2021
Dr. Laura Brasher		2021
Mrs. Mary Beth Brooks		2020
Ms. Catherine Mary Emery		2021
Ms. Maria Grant		2020
Dr. Alicia Grantham		2022
Mr. Scott Hornick		2022
Mrs. Jennifer Kaltenbach		2022

<u>Other Officials</u>	<u>Title</u>
Dr. Michele Cone	Superintendent of Schools (to June 30, 2020)
Mr. Michael Falkowski	Interim School Business Administrator/Board Secretary (to June 30, 2020)

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

Bond Counsel

Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095

Financial Advisors

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, NJ 08505

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, 2020, 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, 2020, 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 December 16, 2020 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
December 16, 2020

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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, 2020**

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, 2020. 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.

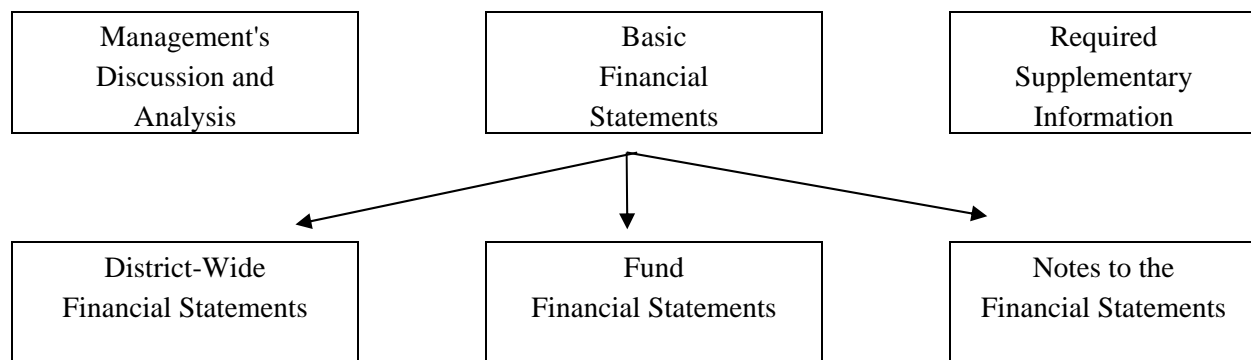
Overview of the Financial Statements

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, 2020**

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, 2020**

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, 2020**

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 \$726,505. Net position from governmental activities increased \$746,486 and net position from business-type activities decreased by \$19,981. Net investment in capital assets increased by \$346,664, restricted net position decreased by \$296,540, and unrestricted net position increased by \$676,381. Net investment in capital assets increased primarily due to current year capital assets additions and the maturity of the serial bonds payable exceeding current year depreciation expense. Restricted net position decreased primarily due to the net budgeted withdrawal from the capital reserve offset by a year end deposit to the maintenance reserve. Unrestricted net position increased primarily due to the decrease in net pension and pension related deferred inflows and outflows, amounts designated for subsequent year's expenditures as well as the excess in budgeted revenue and unexpended budget balances offset by the increase in compensated absences payable.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/2020	2018/2019*	2019/2020	2018/2019	2019/2020	2018/2019*	2019/2020
Current and Other Assets	\$ 6,624,671	\$ 5,126,130	\$ 34,702	\$ 34,577	\$ 6,659,373	\$ 5,160,707	
Capital Assets, Net	49,113,346	49,883,574	6,036	7,525	49,119,382	49,891,099	
Total Assets	<u>55,738,017</u>	<u>55,009,704</u>	<u>40,738</u>	<u>42,102</u>	<u>55,778,755</u>	<u>55,051,806</u>	1.32%
Deferred Outflows of Resources	<u>1,384,784</u>	<u>1,922,411</u>			<u>1,384,784</u>	<u>1,922,411</u>	-27.97%
Other Liabilities	3,229,867	1,846,824	34,608	15,991	3,264,475	1,862,815	
Long-Term Liabilities	<u>30,316,689</u>	<u>32,131,655</u>			<u>30,316,689</u>	<u>32,131,655</u>	
Total Liabilities	<u>33,546,556</u>	<u>33,978,479</u>	<u>34,608</u>	<u>15,991</u>	<u>33,581,164</u>	<u>33,994,470</u>	-1.22%
Deferred Inflows of Resources	<u>2,450,942</u>	<u>2,574,819</u>			<u>2,450,942</u>	<u>2,574,819</u>	-4.81%
Net Position:							
Net Investment in Capital Assets	25,993,227	25,645,074	6,036	7,525	25,999,263	25,652,599	
Restricted	2,816,630	3,113,170			2,816,630	3,113,170	
Unrestricted/(Deficit)	<u>(7,684,554)</u>	<u>(8,379,427)</u>	<u>94</u>	<u>18,586</u>	<u>(7,684,460)</u>	<u>(8,360,841)</u>	
Total Net Position	<u>\$ 21,125,303</u>	<u>\$ 20,378,817</u>	<u>\$ 6,130</u>	<u>\$ 26,111</u>	<u>\$ 21,131,433</u>	<u>\$ 20,404,928</u>	3.56%

* - Restated

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Revenue:							
Program Revenue:							
Charges for Services	\$ 637,999	\$ 497,205	\$ 265,980	\$ 398,729	\$ 903,979	\$ 895,934	
Grants and Contributions:							
Operating	8,968,154	10,102,595	77,176	74,143	9,045,330	10,176,738	
General Revenue:							
Property Taxes	25,595,324	25,592,426			25,595,324	25,592,426	
Federal/State Aid and Local Grants not Restricted	331,106	454,470			331,106	454,470	
Other	175,897	155,447	635	919	176,532	156,366	
Total Revenue	<u>35,708,480</u>	<u>36,802,143</u>	<u>343,791</u>	<u>473,791</u>	<u>36,052,271</u>	<u>37,275,934</u>	-3.28%
Expenses:							
Instruction	19,248,498	18,718,524			19,248,498	18,718,524	
Pupil and Instruction Services	5,795,432	7,171,698			5,795,432	7,171,698	
Administrative Services	3,226,903	3,061,219			3,226,903	3,061,219	
Maintenance and Operations	2,758,378	3,322,367			2,758,378	3,322,367	
Transportation	1,437,625	1,561,878			1,437,625	1,561,878	
Other	2,492,058	2,538,086	366,872	458,415	2,858,930	2,996,501	
Total Expenses	<u>34,958,894</u>	<u>36,373,772</u>	<u>366,872</u>	<u>458,415</u>	<u>35,325,766</u>	<u>36,832,187</u>	-4.09%
Transfers	(3,100)	-0-	3,100	-0-	-0-	-0-	0.00%
Increase/(Decrease) in Net Position	<u>\$ 746,486</u>	<u>\$ 428,371</u>	<u>\$ (19,981)</u>	<u>\$ 15,376</u>	<u>\$ 726,505</u>	<u>\$ 443,747</u>	63.72%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019/2020</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2018/2019</u>
Instruction	\$ 19,248,498	\$ 18,718,524	\$ 12,385,601	\$11,567,142
Pupil and Instruction Services	5,795,432	7,171,698	4,293,607	5,061,399
Administrative and Business	3,226,903	3,061,219	2,669,304	2,350,853
Maintenance and Operations	2,758,378	3,322,367	2,758,378	3,322,367
Transportation	1,437,625	1,561,878	753,793	934,125
Other	2,492,058	2,538,086	2,492,058	2,538,086
	<u>\$ 34,958,894</u>	<u>\$ 36,373,772</u>	<u>\$ 25,352,741</u>	<u>\$25,773,972</u>

Business-Type Activities

Net position from the District's business-type activities decreased by \$19,981. The decrease is primarily due to a decrease in daily sales due to the COVID-19 shutdown from mid-March to the end of the school year in June which was not offset by a reduction in expenses. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's financial situation improved 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, 2020**

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 as well as the settlement of the teachers contract.

Capital Assets

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	
Sites (Land)	\$ 4,996,634	\$ 4,996,634			\$ 4,996,634	\$ 4,996,634	
Construction in Progress	1,644,093	1,060,499			1,644,093	1,060,499	
Site Improvements	523,262	564,821			523,262	564,821	
Buildings and Building Improvements	41,409,851	42,690,712			41,409,851	42,690,712	
Machinery and Equipment	539,506	570,908	\$ 6,036	\$ 7,525	545,542	578,433	
Total Capital Assets (Net of Depreciation)	\$49,113,346	\$49,883,574	\$ 6,036	\$ 7,525	\$49,119,382	\$49,891,099	-1.55%

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

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2019/2020	Restated 2018/2019	
General Obligation Bonds (Financed with Property Taxes)	\$ 23,215,000	\$ 24,340,000	
Unamortized Bond Premiums	464,483	564,002	
Net Pension Liability	5,721,350	6,344,355	
Compensated Absences Payable	915,856	883,298	
	\$ 30,316,689	\$ 32,131,655	-5.65%

The current year maturities of the serial bonds payable was \$1,125,000. Also, the net pension liability decreased \$623,005 and compensated absences increased primarily due to the accrual of additional sick and vacation days.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,798,786	\$ 12,076	\$ 2,810,862
Internal Balances	(3,100)	3,100	
Receivables from Federal Government	211,554	1,810	213,364
Receivables from State Government	771,062	28	771,090
Receivables from Other Government	29,739		29,739
Prepaid Expenses		459	459
Inventory		17,229	17,229
Restricted Cash and Cash Equivalents	2,816,630		2,816,630
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,640,727		6,640,727
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	<u>42,472,619</u>	<u>6,036</u>	<u>42,478,655</u>
Total Assets	<u>55,738,017</u>	<u>40,738</u>	<u>55,778,755</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	94,881		94,881
Deferred Outflows Related to Pensions	<u>1,289,903</u>		<u>1,289,903</u>
Total Deferred Outflows of Resources	<u>1,384,784</u>		<u>1,384,784</u>
LIABILITIES			
Accrued Interest Payable	423,080		423,080
Payable to Federal Government	4,113		4,113
Payable to State Government	56,604		56,604
Accounts Payable	2,717,126	4,072	2,721,198
Unearned Revenue	28,944	30,536	59,480
Noncurrent Liabilities:			
Due Within One Year	1,284,519		1,284,519
Due Beyond One Year	<u>29,032,170</u>		<u>29,032,170</u>
Total Liabilities	<u>33,546,556</u>	<u>34,608</u>	<u>33,581,164</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	\$ 2,450,942		\$ 2,450,942
Total Deferred Inflows of Resources	2,450,942		2,450,942
NET POSITION			
Net Investment in Capital Assets	25,993,227	\$ 6,036	25,999,263
Restricted for:			
Capital Projects	1,894,892		1,894,892
Maintenance Reserve	921,738		921,738
Unrestricted/(Deficit)	(7,684,554)	94	(7,684,460)
Total Net Position	\$ 21,125,303	\$ 6,130	\$ 21,131,433

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, 2020

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 12,912,325	\$ 33,600	\$ 3,202,424	\$ (9,676,301)		\$ (9,676,301)
Special Education	5,399,270	576,446	2,848,804	(1,974,020)		(1,974,020)
Other Special Instruction	770,762		201,623	(569,139)		(569,139)
School Sponsored Instruction	166,141			(166,141)		(166,141)
Support services:						
Tuition	418,376		287,055	(131,321)		(131,321)
Student & Instruction Related Services	5,377,056		1,214,770	(4,162,286)		(4,162,286)
General Administrative Services	784,628		94,626	(690,002)		(690,002)
School Administrative Services	1,537,284		248,978	(1,288,306)		(1,288,306)
Central Services	904,991		213,995	(690,996)		(690,996)
Plant Operations and Maintenance	2,758,378			(2,758,378)		(2,758,378)
Pupil Transportation	1,437,625	27,953	655,879	(753,793)		(753,793)
Unallocated Depreciation	1,457,925			(1,457,925)		(1,457,925)
Capital Outlay	94,020			(94,020)		(94,020)
Interest on Long-Term Debt	859,934			(859,934)		(859,934)
Special Schools	80,179			(80,179)		(80,179)
Total Governmental Activities	34,958,894	637,999	8,968,154	(25,352,741)		(25,352,741)
Business-Type Activities:						
Food Service	366,872	265,980	77,176		(23,716)	(23,716)
Total Business-Type Activities	366,872	265,980	77,176		(23,716)	(23,716)
Total Primary Government	\$ 35,325,766	\$ 903,979	\$ 9,045,330	(25,352,741)	(23,716)	(25,376,457)

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Transfers:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 23,492,320		\$ 23,492,320
Taxes Levied for Debt Service	2,103,004		2,103,004
Federal and State Aid Not Restricted	331,106		331,106
Investment Earnings	5,258	\$ 635	5,893
Miscellaneous Income	170,639		170,639
Transfers	(3,100)	3,100	
	26,099,227	3,735	26,102,962
Total General Revenues			726,505
Change in Net Position	746,486	(19,981)	
Net Position - Beginning as Restated	20,378,817	26,111	20,404,928
Net Position - Ending	\$ 21,125,303	\$ 6,130	\$ 21,131,433

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

FUND FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICTBALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,798,786		\$ 2,798,786
Interfund Receivable	135,914		135,914
Receivables from Federal Government		\$ 211,554	211,554
Receivables from State Government	758,827	12,235	771,062
Receivables from Other Governments	27,953	1,786	29,739
Restricted Cash and Cash Equivalents	<u>2,816,630</u>		<u>2,816,630</u>
Total Assets	<u>\$ 6,538,110</u>	<u>\$ 225,575</u>	<u>\$ 6,763,685</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 3,100	\$ 135,914	\$ 139,014
Payable to Federal Government		4,113	4,113
Payable to State Government		56,604	56,604
Accounts Payable	2,337,026		2,337,026
Unearned Revenue		<u>28,944</u>	<u>28,944</u>
Total Liabilities	<u>2,340,126</u>	<u>225,575</u>	<u>2,565,701</u>
Fund Balances:			
Restricted:			
Capital Reserve Account	1,894,892		1,894,892
Maintenance Reserve	921,738		921,738
Assigned:			
Year End Encumbrances	313,850		313,850
For Subsequent Year's Expenditures	198,504		198,504
Unassigned	<u>869,000</u>		<u>869,000</u>
Total Fund Balances	<u>4,197,984</u>		<u>4,197,984</u>
Total Liabilities and Fund Balances	<u>\$ 6,538,110</u>	<u>\$ 225,575</u>	<u>\$ 6,763,685</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

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

Total Fund Balances from Prior Page	\$ 4,197,984
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	49,113,346
Interest on long term debt is not accrued in government funds, but rather is recognized as expenditure when due.	(423,080)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	94,881
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.	(24,595,339)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(5,721,350)
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	909,803
Deferred Inflows	<u>(2,450,942)</u>
Net Position of Governmental Activities	<u>\$ 21,125,303</u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 23,492,320		\$ 2,103,004	\$ 25,595,324
Tuition from Individuals	33,600			33,600
Tuition from Other LEAs	576,446			576,446
Transportation Fees from Other LEAs	27,953			27,953
Interest Earned on Capital and Maintenance Reserve Funds	5,258			5,258
Miscellaneous	170,639	\$ 4,115		174,754
Total - Local Sources	<u>24,306,216</u>	<u>4,115</u>	<u>2,103,004</u>	<u>26,413,335</u>
State Sources	6,718,700	140,948		6,859,648
Federal Sources	388,700	388,700		388,700
Total Revenues	<u>31,024,916</u>	<u>533,763</u>	<u>2,103,004</u>	<u>33,661,683</u>
EXPENDITURES				
Current:				
Regular Instruction	7,496,535	385,333		7,881,868
Special Education Instruction	3,152,109	148,430		3,300,539
Other Special Instruction	428,332			428,332
School Sponsored Instruction	121,705			121,705
Support Services and Undistributed Costs:				
Tuition	131,321			131,321
Student & Instruction Related Services	3,287,503			3,287,503
General Administrative Services	622,620			622,620
School Administrative Services	873,712			873,712
Central Services	538,612			538,612
Plant Operations and Maintenance	2,269,235			2,269,235

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
EXPENDITURES				
Current:				
Pupil Transportation	\$ 1,435,063			\$ 1,435,063
Unallocated Benefits	9,602,735			9,602,735
Capital Outlay	820,589			820,589
Special Schools	80,179			80,179
Debt Service:				
Principal			\$ 1,125,000	1,125,000
Interest and Other Charges			978,006	978,006
Total Expenditures	<u>30,860,250</u>	<u>\$ 533,763</u>	<u>2,103,006</u>	<u>33,497,019</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	164,666		(2)	164,664
OTHER FINANCING USES				
Transfers Out	<u>(3,100)</u>			<u>(3,100)</u>
Total Other Financing Uses	<u>(3,100)</u>			<u>(3,100)</u>
Net Change in Fund Balances	161,566		(2)	161,564
Fund Balance - July 1	<u>4,036,418</u>		<u>2</u>	<u>4,036,420</u>
Fund Balance - June 30	<u>\$ 4,197,984</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,197,984</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, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 161,564

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	\$ (1,496,797)
Capital Outlays	<u>726,569</u>
	(770,228)

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 (+).

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 (+).

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. (+) 25,172

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, 2020

<p>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. (+)</p>	<p>\$ 1,125,000</p>
<p>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. (-)</p>	<p>(6,619)</p>
<p>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:</p>	
<p style="padding-left: 20px;">Change in Net Pension Liability</p>	<p>623,005</p>
<p style="padding-left: 20px;">Change in Deferred Outflows</p>	<p>(602,246)</p>
<p style="padding-left: 20px;">Change in Deferred Inflows</p>	<p><u>123,877</u></p>
<p>Change in Net Position of Governmental Activities (A-2)</p>	<p><u>\$ 746,486</u></p>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Business-Type Activities - Enterprise Fund Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 12,076
Interfund Receivable - General Fund	3,100
Intergovernmental Receivable:	
Federal	1,810
State	28
Accounts Receivable - Other	459
Inventory	17,229
Total Current Assets	34,702
Non-Current Assets:	
Capital Assets	168,139
Less: Accumulated Depreciation	(162,103)
Total Non-Current Assets	6,036
Total Assets	40,738
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	4,072
Unearned Revenue - Donated Commodities	2,670
Unearned Revenue - Prepaid Sales	27,866
Total Current Liabilities	34,608
Total Liabilities	34,608
NET POSITION:	
Investment in Capital Assets	6,036
Unrestricted	94
Total Net Position	\$ 6,130

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, 2020

	Business-Type Activities - Enterprise Fund
	Food Service
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 140,970
Daily Sales - Nonreimbursable Programs	125,010
Total Operating Revenue	265,980
Operating Expenses:	
Cost of Sales - Reimbursable Programs	101,276
Cost of Sales - Nonreimbursable Programs	90,048
Salaries, Benefits & Payroll Taxes	125,091
Supplies, Insurance & Other Costs	30,608
Management Fee	18,360
Depreciation Expense	1,489
Total Operating Expenses	366,872
Operating Loss	(100,892)
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	33,584
Seamless Summer Option	7,061
Food Distribution Program	33,972
State Sources:	
State School Lunch Program	2,447
Seamless Summer Option	112
Local Sources:	
Interest Income	635
Total Non-Operating Revenue	77,811
Change in Net Position Before Transfer	(23,081)
Transfer In - General Fund	3,100
Change in Net Position	(19,981)
Net Position - Beginning of Year	26,111
Net Position - End of Year	\$ 6,130

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, 2020

	Business-Type Activities - Enterprise Fund Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 265,979
Payments to Food Service Vendor	(293,283)
Payments to Suppliers for Goods and Services	(30,608)
	(57,912)
Net Cash (Used for) Operating Activities	
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	2,792
Federal Subsidy Reimbursements	42,139
	44,931
Net Cash Provided by Noncapital Financing Activities	
Cash Flows from Investing Activities:	
Interest on Investments	635
	635
Net Cash Provided by Investing Activities	
Net Decrease in Cash and Cash Equivalents	(12,346)
Cash and Cash Equivalents, July 1	24,422
Cash and Cash Equivalents, June 30	\$ 12,076
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (100,892)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	1,489
Food Distribution Program	33,972
Changes in Assets and Liabilities:	
Decrease in Inventory	(11,380)
Decrease in Other Accounts Receivable	282
Increase in Accounts Payable	4,072
Increase in Unearned Revenue - Prepaid Sales	14,358
Increase in Unearned Revenue - Donated Commodities	187
	(57,912)
Net Cash (Used for) Operating Activities	

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$34,159 and utilized U.S.D.A. Commodities valued at \$33,972.

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, 2020

	<u>Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ASSETS:			
Cash and Cash Equivalents	\$ 116,837	\$ 12,353	\$ 50,157
Total Assets	<u>116,837</u>	<u>12,353</u>	<u>50,157</u>
LIABILITIES:			
Payroll Deductions and Withholdings	593		
Due to Student Groups	<u>116,244</u>		
Total Liabilities	<u>116,837</u>		
NET POSITION:			
Held in Trust for Unemployment Claims			50,157
Held in Trust for Flexible Spending Claims		<u>12,353</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 12,353</u>	<u>\$ 50,157</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, 2020

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions:		
Employee Deductions	\$ 19,140	\$ 25,257
Total Contributions	<u>19,140</u>	<u>25,257</u>
Investment Earnings	<u>158</u>	<u>550</u>
Total Additions	<u>19,298</u>	<u>25,807</u>
 DEDUCTIONS:		
Unemployment Claims and Contributions		52,808
Flexible Spending Claims	<u>15,060</u>	
Total Deductions	<u>15,060</u>	<u>52,808</u>
Change in Net Position	4,238	(27,001)
Net Position - Beginning of the Year	<u>8,115</u>	<u>77,158</u>
Net Position - End of the Year	<u><u>\$ 12,353</u></u>	<u><u>\$ 50,157</u></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, 2020

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, 2020

(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, 2020

(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, 2020

(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, 2020 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, 2020
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 31,022,017	\$ 542,700
Difference - Budgetary 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.		
Current Year Encumbrances		(8,937)
Current Year State Aid Payments Recognized for Budgetary Purposes , not Recognized for GAAP Statements	(190,264)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	193,163	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 31,024,916	\$ 533,763
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,860,250	\$ 542,700
Differences - Budgetary 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		
Current Year Encumbrances		(8,937)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,860,250	\$ 533,763

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2020
(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, 2020.

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, 2020
(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 governmental 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, 2020.

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. Additionally, the District has established a sick bank in cooperation with the employee's union where employees can participate in the bank on a voluntary basis by donating sick days to the sick bank.

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, 2020
(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 \$4,197,984 General Fund fund balance at June 30, 2020, \$313,850 is assigned for encumbrances; \$198,504 is assigned and has been anticipated as revenue for the fiscal year ended June 30, 2021; \$1,894,892 is restricted in the capital reserve account; \$921,738 has been restricted in the maintenance reserve account; and \$869,000 is unassigned fund balance, which is \$190,264 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, 2021.

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, 2020.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$190,264, 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 \$7,684,554 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, 2020
(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, 2020 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 and a maintenance reserve.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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, 2020.

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 and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2020.

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, 2020
(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, 2020

(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, 2020

(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, 2020
(Continued)

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

During the period ended June 30, 2020, the District did not hold any investments.

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents		Total
		Capital Reserve	Maintenance Reserve	
Checking and Savings Accounts	\$ 2,990,209	\$ 1,894,892	\$ 921,738	\$5,806,839

The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$5,806,839 and the bank balance was \$6,292,135.

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

Beginning Balance, July 1, 2019		\$ 2,691,430
Increased by:		
Interest Earned	\$ 5,258	
Unexpended Balance of Current Year Withdrawal	274,551	
Transferred by Board Resolution June 2020	553	
		280,362
		2,971,792
Decreased by :		
Budgeted Withdrawal		(1,076,900)
Ending Balance, June 30, 2020		\$ 1,894,892

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The June 30, 2020 LRFPP balance of local support costs of uncompleted capital projects exceeds the June 30, 2020 capital reserve account balance. The withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFPP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 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	\$ 583,594		1,644,093
Total Capital Assets Not Being Depreciated	<u>6,057,133</u>	<u>583,594</u>		<u>6,640,727</u>
Capital Assets Being Depreciated:				
Site Improvements	1,575,968			1,575,968
Buildings and Building Improvements	65,443,884	64,590		65,508,474
Machinery and Equipment	1,801,417	78,385		1,879,802
Total Capital Assets Being Depreciated	<u>68,821,269</u>	<u>142,975</u>		<u>68,964,244</u>
Governmental Activities Capital Assets	<u>74,878,402</u>	<u>726,569</u>		<u>75,604,971</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,011,147)	(41,559)		(1,052,706)
Buildings and Building Improvements	(22,753,172)	(1,345,451)		(24,098,623)
Machinery and Equipment	(1,230,509)	(109,787)		(1,340,296)
	<u>(24,994,828)</u>	<u>(1,496,797)</u>		<u>(26,491,625)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 49,883,574</u>	<u>\$ (770,228)</u>	<u>\$ -0-</u>	<u>\$ 49,113,346</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 168,139			\$ 168,139
Less Accumulated Depreciation	(160,614)	\$ (1,489)		(162,103)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,525</u>	<u>\$ (1,489)</u>	<u>\$ -0-</u>	<u>\$ 6,036</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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	<u>1,457,925</u>
	<u>\$ 1,496,797</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, 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, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Restated Balance 6/30/2019</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2020</u>
Serial Bonds Payable	\$ 24,340,000		\$ 1,125,000	\$ 23,215,000
Unamortized Bond Premiums	564,002		99,519	464,483
Net Pension Liability	6,344,355		623,005	5,721,350
Compensated Absences Payable	<u>883,298</u>	<u>\$ 34,735</u>	<u>2,177</u>	<u>915,856</u>
	<u>\$ 32,131,655</u>	<u>\$ 34,735</u>	<u>\$ 1,849,701</u>	<u>\$ 30,316,689</u>

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, 2020 is \$1,185,000 and the long-term portion is \$22,030,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2020 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2011 Refunding Bonds	1/15/2024	5.000%	\$ 4,530,000
2012 Refunding Bonds	1/15/2030	2.500%-4.125%	10,220,000
2015 Refunding Bonds	1/15/2034	2.500%-4.125%	<u>8,465,000</u>
			<u>\$23,215,000</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2025	1,490,000	625,523	
Thereafter:			
2026-2030	8,430,000	2,195,909	10,625,909
2031-2034	8,155,000	489,069	8,644,069
	<u>\$23,215,000</u>	<u>\$6,396,156</u>	<u>\$27,495,633</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 \$364,964.

C. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

D. Capital Leases Payable:

As of June 30, 2020, 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 \$915,856. 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, 2020, 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, 2020

(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, 2020 is \$-0- and the long-term portion is \$5,721,350. 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	421,738
Increased by:		
Transfer by Board Resolution June 2020		500,000
Ending Balance, June 30, 2020	\$	921,738

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; 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/annual-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. The following represents the membership tiers for PERS:

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 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, 2020

(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 will be 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 \$310,860 for 2020.

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, 2020, the District reported a liability of \$5,721,350 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0318%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$164,223.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 15,120	
	2015	5.72	93,493	
	2016	5.57	462,685	
	2017	5.48		\$ (821,321)
	2018	5.63		(663,702)
	2019	5.21		(500,839)
			<u>571,298</u>	<u>(1,985,862)</u>
Difference Between Expected and Actual Experience	2015	5.72	25,939	
	2016	5.57	14,041	
	2017	5.48	24,426	
	2018	5.63		(25,274)
	2019	5.21		
			<u>38,284</u>	<u>(25,274)</u>
			<u>102,690</u>	<u>(25,274)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		105,600
	2017	5.00		(126,727)
	2018	5.00		(88,149)
	2019	5.00		18,962
				<u>(90,314)</u>
Changes in Proportion	2014	6.44	12,305	
	2015	5.72		(29,894)
	2016	5.57		(233,689)
	2017	5.48	158,281	
	2018	5.63	65,229	
	2019	5.21		(85,909)
			<u>235,815</u>	<u>(349,492)</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	<u>380,100</u>	
			<u>\$ 1,289,903</u>	<u>\$ (2,450,942)</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)

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:

Fiscal Year Ending June 30,	Total
2020	\$ (165,206)
2021	(535,927)
2022	(478,551)
2023	(224,705)
2024	(23,073)
	\$ (1,427,462)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term 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, 2019 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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, 2019 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, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 7,277,271	\$ 5,721,350	\$ 4,483,607

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/annual-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. 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.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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. For fiscal year 2020, 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 2020, the State of New Jersey contributed \$2,344,160 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,037,710.

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, 2020
(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, 2020, the State's proportionate share of the net pension liability associated with the District was \$68,455,863. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The 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, 2019, the District's proportion was 0.1115%, which was an increase of 0.003% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>68,455,863</u>
Total	\$	<u>68,455,863</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$4,037,710 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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)

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
				<u>163,369,676</u>
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)

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
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term 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, 2019 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 80,724,615	\$ 68,455,863	\$ 58,276,674

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 \$12,602 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$35,815 for the fiscal year ended June 30, 2020.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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.

Selected, summarized financial information for the Group as of June 30, 2020 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 384,022,002
Net Position	\$ 139,233,105
Total Revenue	\$ 144,445,665
Total Expenses	\$ 113,037,156
Change in Net Position	\$ 31,408,509
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, 2020
(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>
2019-2020	\$ -0-	\$ 550	\$ 25,257	\$ 52,808	\$ 50,157
2018-2019	-0-	933	34,514	27,510	77,158
2017-2018	-0-	1,141	16,138	48,324	69,221

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, 2020 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 135,914	\$ 3,100
Special Revenue Fund		135,914
Proprietary Fund - Food Service Fund	3,100	
	<u>\$ 139,014</u>	<u>\$ 139,014</u>

The interfund receivable in the General Fund represents the \$135,914 cash deficit in the Special Revenue Fund due to the timing lag between request and receipt of federal and state grant reimbursements. The interfund receivable in the Food Service Fund is due to a transfer that was not remitted by the General Fund by year end.

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, 2020
(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, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 313,850	\$ 8,937	\$ 322,787
\$ 313,850	\$ 8,937	\$ 322,787

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$8,937 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue.

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, 2020
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Fund and Governmental Activities as of June 30, 2020 consisted of the following:

	<u>Governmental Funds</u>	<u>District Contribution</u>	<u>Total</u>
	<u>General Fund</u>	<u>Subsequent to the Measurement Date</u>	<u>Governmental Activities</u>
Salaries	\$ 2,337,026		\$ 2,337,026
State of New Jersey		\$ 380,100	380,100
	<u>\$ 2,337,026</u>	<u>\$ 380,100</u>	<u>\$ 2,717,126</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, 2020
(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, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

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

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%
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CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)

	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2018	\$ 48,957,232
Changes for Year:	
Service Cost	1,887,516
Interest on the Total OPEB Liability	1,942,148
Changes of Assumptions	667,103
Differences between Expected and Actual Experience	(7,379,552)
Gross Benefit Payments by the State	(1,373,437)
Contributions from Members	40,713
Net Changes	(4,215,509)
Balance at June 30, 2019	\$ 44,741,723

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, 2019, 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 52,857,656	\$ 44,741,723	\$ 38,294,871

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 36,865,186	\$ 44,741,723	\$ 55,168,641

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$1,238,475 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, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 5,208,841
	2018	9.51		4,480,308
	2019	9.29	\$ 595,293	9,689,149
			595,293	9,689,149
Differences between Expected and Actual Experience	2018	9.51		4,235,285
	2019	9.29		7,006,645
				11,241,930
Changes in Proportion	N/A	N/A	964,018	
			\$ 1,559,311	\$ 20,931,079

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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:

Fiscal Year Ending June 30,	Total
2020	\$ (2,730,375)
2021	(2,730,374)
2022	(2,730,374)
2023	(2,730,374)
2024	(2,730,374)
Thereafter	(6,683,915)
	\$ (20,335,786)

NOTE 18. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as the District will not have any daily sales revenue for the fiscal year ended June 30, 2021 and the federal and state subsidy reimbursements received under the Seamless Summer Option will likely not offset the food service management company's operating expenses.

The District issued \$3,441,000 of refunding bonds on December 3, 2020 to refund \$3,400,000 of its 2011 Refunding Bonds which had been issued with an interest rate of 5.00%. The 2020 refunding bonds were issued with an interest rate of .897%. The net present value savings on the 2020 School refunding bonds is \$223,734.11.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 19. PRIOR PERIOD ADJUSTMENT

The District restated the balance for compensated absences as of June 30, 2019 to include the sick bank established under the employees' union contract.

	Balance 6/30/19 as Previously Reported	Retroactive Adjustments	Balance 6/30/19 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
LIABILITIES			
Long-Term Liabilities	\$ 31,923,596	\$ 208,059	\$ 32,131,655
Total Liabilities	33,770,420	208,059	33,978,479
NET POSITION			
Unrestricted/(Deficit)	(8,171,368)	(208,059)	(8,379,427)
Total Net Position	20,586,876	(208,059)	20,378,817

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0355776482%	0.0343432683%	0.3016899020%	0.0317734413%	0.0322220204%	0.0317526731%
District's proportionate share of the net pension liability	\$ 6,661,109	\$ 7,709,376	\$ 8,935,190	\$ 7,396,349	\$ 6,344,355	\$ 5,721,350
District's covered employee payroll	\$ 2,009,431	\$ 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	331.49%	376.14%	426.11%	329.13%	275.43%	258.64%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 260,969	\$ 293,297	\$ 295,260	\$ 310,309	\$ 327,307	\$ 310,860
Contributions in relation to the contractually required contributio	(260,969)	(293,297)	(295,260)	(310,309)	(327,307)	(310,860)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,049,620	\$ 2,096,944	\$ 2,247,236	\$ 2,303,417	2,212,101	1,987,587
Contributions as a percentage of covered employee payroll	12.73%	13.99%	13.14%	13.47%	14.80%	15.64%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.1198850273%	0.11173919781%	0.11198666811%	0.11111367677%	0.1085637724%	0.11115444201%
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	\$ 68,455,863
District's covered employee payroll	\$ 11,141,989	\$ 11,364,829	\$ 11,001,425	\$ 11,770,823	\$ 11,130,435	\$ 10,893,711
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	575.07%	652.86%	857.11%	636.59%	620.51%	628.40%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 3,447,817	\$ 4,530,379	\$ 7,084,939	\$ 5,190,938	\$ 4,026,303	\$ 4,037,710
Contributions in relation to the contractually required contributio	(934,664)	(959,700)	(1,250,070)	(1,598,761)	(2,193,809)	(2,344,160)
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>	<u>\$ 1,693,550</u>
District's covered employee payroll	\$ 11,364,829	\$ 11,001,425	\$ 11,770,823	\$ 11,130,435	\$ 10,893,711	\$ 10,266,658
Contributions as a percentage of covered employee payroll	8.22%	8.72%	10.62%	14.36%	20.14%	22.83%

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 PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Service Cost	\$ 2,631,266	\$ 2,185,430	\$ 1,887,516
Interest	1,793,132	2,079,368	1,942,148
Changes in Assumptions	(7,551,238)	(4,949,484)	667,103
Differences between Expected and Actual Experience	48,208	(5,618,087)	(7,379,552)
Member Contributions	48,208	45,245	40,713
Gross Benefit Payments	(1,309,213)	(1,309,099)	(1,373,437)
Net Change in Total OPEB Liability	(4,387,845)	(7,566,627)	(4,215,509)
Total OPEB Liability - Beginning	60,911,704	56,523,859	48,957,232
Total OPEB Liability - Ending	<u>\$ 56,523,859</u>	<u>\$ 48,957,232</u>	<u>\$ 44,741,723</u>
District's Covered Employee Payroll *	\$ 13,414,449	\$ 13,098,369	\$ 13,433,852
Total OPEB Liability as a Percentage of Covered Employee Payroll	421%	374%	333%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, and 2019 are based on the payroll on the June 30, 2016, 2017, and 2018 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, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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 plan actuary's modified MP-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 July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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 for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The 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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	54,000		54,000	33,600	\$ (20,400)
Tuition from Other LEAs	544,168		544,168	576,446	32,278
Transportation Fees from Other LEAs	15,458		15,458	27,953	12,495
Interest Earned on Capital Reserve Funds	500		500	5,258	4,758
Interest Earned on Maintenance Reserve Funds	250		250		(250)
Miscellaneous	130,000		130,000	170,639	40,639
Total - Local Sources	24,236,696		24,236,696	24,306,216	69,520
State Sources:					
Categorical Special Education Aid	1,012,993		1,012,993	1,012,993	
Categorical Security Aid	95,566		95,566	95,566	
School Choice Aid	232,745		232,745	232,745	
Categorical Transportation Aid	655,670		655,670	655,670	
Extraordinary Special Education Costs Aid	200,000		200,000	721,996	521,996
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,344,160	2,344,160
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				885,228	885,228
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				1,944	1,944
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				42,016	42,016
Reimbursed TPAF Social Security (Non-Budgeted)				723,483	723,483
Total State Sources	2,196,974		2,196,974	6,715,801	4,518,827
TOTAL REVENUES	26,433,670		26,433,670	31,022,017	4,588,347

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 176,307	\$ 14,972	\$ 191,279	\$ 191,279	
Kindergarten - Salaries of Teachers	429,122	23,334	452,456	452,456	
Grades 1-5 - Salaries of Teachers	3,367,508	285,661	3,653,169	3,653,169	
Grades 6-8 - Salaries of Teachers	2,097,235	104,307	2,201,542	2,201,542	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(8,600)	1,400	1,400	
Purchased Professional - Educational Services	13,000	(9,386)	3,614	2,755	\$ 859
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	218,000	(3,109)	214,891	214,891	
Purchased Technical Services	11,000	(3,198)	7,802	7,802	
Other Purchased Services (400-500 series)	350,000	(48,839)	301,161	300,761	400
General Supplies	538,000	(52,691)	485,309	462,110	23,199
Textbooks	37,500	(32,477)	5,023	5,023	
Other Objects	10,450	(6,951)	3,499	3,347	152
Total Regular Programs - Instruction	7,258,122	263,023	7,521,145	7,496,535	24,610
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of Teachers	61,588	(513)	61,075	61,075	
Other Salaries for Instruction	29,265	25,658	54,923	54,923	
Learning and/or Language Disabilities	90,853	25,145	115,998	115,998	
Multiple Disabilities:					
Salaries of Teachers		58,404	58,404	58,404	
Other Salaries for Instruction		62,564	62,564	62,564	
Multiple Disabilities		120,968	120,968	120,968	
Resource Room/Resource Center:					
Salaries of Teachers	1,889,305	216,507	2,105,812	2,105,812	
Other Salaries for Instruction	133,464	226,920	360,384	360,384	
Purchased Professional - Educational Services	25,000	17,785	42,785	42,785	
General Supplies	12,000	(531)	11,469	11,469	
Total Resource Room/Resource Center	2,059,769	460,681	2,520,450	2,520,450	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Autism:					
Salaries of Teachers	\$ 140,533	\$ (10,445)	\$ 130,088	\$ 130,088	
Other Salaries for Instruction	137,284	(36,225)	101,059	101,059	
Purchased Professional - Educational Services	18,500	(18,500)			
General Supplies	5,000	(313)	4,687	3,914	\$ 773
Total Autism	<u>301,317</u>	<u>(65,483)</u>	<u>235,834</u>	<u>235,061</u>	<u>773</u>
Preschool Disabilities - Full-time:					
Other Salaries for Instruction	29,997	129,635	159,632	159,632	
Total Preschool Disabilities - Full-time	<u>29,997</u>	<u>129,635</u>	<u>159,632</u>	<u>159,632</u>	
Total Special Education Instruction	<u>2,481,936</u>	<u>670,946</u>	<u>3,152,882</u>	<u>3,152,109</u>	<u>773</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	523,034	(96,702)	426,332	426,332	
Purchased Professional - Educational Services	16,500	(16,500)			
General Supplies	6,000	(4,000)	2,000	2,000	
Total Basic Skills/Remedial - Instruction	<u>545,534</u>	<u>(117,202)</u>	<u>428,332</u>	<u>428,332</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	30,000	18,761	48,761	48,761	
Supplies and Materials	6,600	(6,412)	188	188	
Total School-Sponsored Cocurricular Activities - Instruction	<u>36,600</u>	<u>12,349</u>	<u>48,949</u>	<u>48,949</u>	
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	40,000	7,756	47,756	47,756	
Purchased Services (300-500 series)	15,000		15,000	15,000	
Supplies and Materials	10,000		10,000	10,000	
Other Objects	300	(300)			
Total School-Sponsored Cocurricular Athletics - Instruction	<u>65,300</u>	<u>7,456</u>	<u>72,756</u>	<u>72,756</u>	
Total Instruction	<u>10,387,492</u>	<u>836,572</u>	<u>11,224,064</u>	<u>11,198,681</u>	<u>25,383</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 380,000	\$ (257,959)	\$ 122,041	\$ 122,041	
Tuition - Other	5,000	4,280	9,280	9,280	
Total Undistributed Expenditures - Instruction:	385,000	(253,679)	131,321	131,321	
Attendance and Social Work:					
Supplies and Materials	25,000	(9,965)	15,035	14,900	\$ 135
Total Attendance and Social Work	25,000	(9,965)	15,035	14,900	135
Health Services:					
Salaries	268,921	35,564	304,485	304,485	
Purchased Professional and Technical Services	3,500	18,170	21,670	15,494	6,176
Supplies and Materials	15,000	1,078	16,078	15,265	813
Total Health Services	287,421	54,812	342,233	335,244	6,989
Other Support Services - Students - Speech, OT, PT and Related Services:					
Salaries	512,943	(163,800)	349,143	349,143	
Purchased Professional - Educational Services	36,000	418,582	454,582	396,581	58,001
Supplies and Materials	3,000	(14)	2,986	2,986	
Total Other Support Services - Students - Speech, OT, PT and Related Services	551,943	254,768	806,711	748,710	58,001
Other Support Services - Students - Extraordinary Services:					
Salaries	299,442	(298,773)	669	669	
Purchased Professional - Educational Services	250,000	(94,589)	155,411	126,200	29,211
Total Other Support Services - Students - Extraordinary Services	549,442	(393,362)	156,080	126,869	29,211
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	388,259	13,271	401,530	401,530	
Supplies and Materials	1,000	(158)	842	842	
Total Other Support Services - Students - Guidance	389,259	13,113	402,372	402,372	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 779,283	\$ 62,086	\$ 841,369	841,369	
Salaries of Secretarial and Clerical Assistants	83,412	(1,750)	81,662	81,662	
Purchased Professional - Educational Services	55,000	(16,735)	38,265	35,068	\$ 3,197
Other Purchased Services (400-500)	35,000	(16,166)	18,834	18,834	
Supplies and Materials	20,000	(11,989)	8,011	7,141	870
Other Objects	2,000	(1,155)	845	845	
Total Other Support Services - Students - Child Study Teams	974,695	14,291	988,986	984,919	4,067
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	50,112	93,043	143,155	143,155	
Purchased Professional - Educational Services	14,000	14,000	14,000	14,000	
Other Purchased Services (400-500)	3,000	(1,541)	1,459	1,459	
Supplies and Materials	1,000	17	1,017	1,017	
Other Objects	4,250	1,078	5,328	5,328	
Total Improvement of Instructional Services	58,362	106,597	164,959	164,959	
Educational Media Services/School Library:					
Salaries	344,144	(65,866)	278,278	278,278	
Salaries of Technology Coordinators	122,400		122,400	122,400	
Purchased Professional and Technical Services	4,000	(4,000)			
Supplies and Materials	22,000	(2,530)	19,470	19,470	
Total Educational Media Services/School Library	492,544	(72,396)	420,148	420,148	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisor of Instruction	\$ 5,000	\$ (5,000)			
Salaries of Other Professional Staff	4,000	(4,000)			
Salaries of Secretarial and Clerical Assistants	25,000	(25,000)			
Purchased Professional - Educational Services	60,000	9,260	\$ 69,260	\$ 69,260	
Other Purchased Service (400-500 Series)	41,000	(20,878)	20,122	20,122	
Total Instructional Staff Training Services	135,000	(45,618)	89,382	89,382	
Support Services - General Administration:					
Salaries	179,384	20,701	200,085	200,085	
Legal Services	68,000	127,558	195,558	195,558	
Audit Fees	35,000	30,427	65,427	34,427	\$ 31,000
Architect/Engineering Services	10,000	(7,625)	2,375	2,375	
Other Purchased Professional Services	42,000	(20,699)	21,301	21,301	
Communications/Telephone	42,000	12,832	54,832	54,832	
BOE Other Purchased Services	1,500	(1,053)	447	447	
Miscellaneous Purchased Services (400-500 series)	75,000	(8,720)	66,280	66,025	255
General Supplies	3,000	(52)	2,948	2,948	
BOE In-House Training/Meetings/Supplies	500	(427)	73	73	
Judgements Against the District		29,000	29,000	29,000	
Miscellaneous Expenditures	4,500	(1,171)	3,329	3,329	
BOE Membership Dues and Fees	13,000	(780)	12,220	12,220	
Total Support Services - General Administration	473,884	179,991	653,875	622,620	31,255
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	496,849	29,614	526,463	526,463	
Salaries of Secretarial and Clerical Assistants	322,336	4,541	326,877	326,877	
Other Purchased Services (400-500 series)	20,000	(6,601)	13,399	13,399	
Other Objects	15,000	(8,027)	6,973	6,973	
Total Support Services - School Administration	854,185	19,527	873,712	873,712	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 369,719	\$ 82,772	\$ 452,491	\$ 452,491	
Purchased Professional Services	22,000	29,825	51,825	51,825	
Purchased Technical Services	20,000	10,639	30,639	21,639	\$ 9,000
Miscellaneous Purchased Services	7,500	(1,733)	5,767	5,767	
Supplies and Materials	7,250	(360)	6,890	6,890	
Interest on Current Loans	1,500	(1,500)			
Miscellaneous Expenditures	1,700	(1,700)			
Total Central Services	429,669	117,943	547,612	538,612	9,000
Required Maintenance of School Facilities					
Salaries	263,382	(8,199)	255,183	255,183	
Cleaning, Repair and Maintenance Services	300,000	(3,694)	296,306	282,637	13,669
General Supplies	100,000	(76,070)	23,930	18,224	5,706
Other Objects	1,500	(1,500)			
Total Required Maintenance of School Facilities	664,882	(89,463)	575,419	556,044	19,375
Custodial Services:					
Salaries	586,574	184,256	770,830	770,830	
Salaries of Non-Instructional Aides	136,843	(19,928)	116,915	116,915	
Purchased Professional and Technical Services	50,000	(11,556)	38,444	37,686	758
Cleaning, Repair and Maintenance Services	52,000	(4,523)	47,477	47,461	16
Other Purchased Property Services	30,000	(14,962)	15,038	15,038	
Insurance	125,000	(8,589)	116,411	116,411	
Miscellaneous Purchased Services	2,500	(687)	1,813	1,813	
General Supplies	70,000	(25,905)	44,095	44,015	80
Energy (Electricity)	425,000	(72,757)	352,243	352,243	
Energy (Natural Gas)	165,000	(4,254)	160,746	160,746	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services (Cont'd):					
Energy (Oil)	\$ 6,000	\$ (2,575)	\$ 3,425	\$ 3,425	
Other Objects	1,000	(1,000)			
Total Custodial Services	1,649,917	17,520	1,667,437	1,666,583	\$ 854
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	2,000	(2,000)			
Cleaning, Repair and Maintenance Services	3,500	16,698	20,198	20,198	
General Supplies	30,000	(29,671)	329	329	
Total Care and Upkeep of Grounds	35,500	(14,973)	20,527	20,527	
Security:					
Cleaning, Repair and Maintenance Services	4,000	5,758	9,758	9,758	
General Supplies	100,000	(77,584)	22,416	16,323	6,093
Total Security	104,000	(71,826)	32,174	26,081	6,093
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	15,000	(11,100)	3,900	3,900	
Between Home and School - Regular	7,268	(6,435)	833	833	
Between Home and School - Special	7,268	(6,435)	833	833	
Management Fee - ESC and CTSA Transportation Program	13,000	(391)	12,609	11,722	887
Other Purchased Professional and Technical Services:	50,000	(24,025)	25,975	25,975	
Contracted Services:					
Other Than Between Home and School - Vendors	30,000	(12,493)	17,507	17,507	
Special Education Students - Vendors	322,851	(96,154)	226,697	212,192	14,505
Regular Students - ESC's and CTSA's	1,176,317	(40,000)	1,136,317	1,126,863	9,454
Aid in Lieu - Nonpublic Schools	36,000	328	36,328	34,161	2,167
Miscellaneous Purchased Services - Transportatior	3,500	(2,423)	1,077	1,077	
General Supplies	500	(500)			
Total Student Transportation Services	1,661,704	(199,628)	1,462,076	1,435,063	27,013

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 230,000	\$ 64,520	\$ 294,520	\$ 294,520	
Other Retirement Contributions - PERS	350,000	(39,140)	310,860	310,860	
Other Retirement Contributions - Regular	4,000	59,632	63,632	63,632	
Unemployment Compensation:	100,000	(100,000)			
Workmen's Compensation	175,000	(10,181)	164,819	164,819	
Health Benefits	5,102,012	(391,306)	4,710,706	4,670,139	\$ 40,567
Tuition Reimbursement	60,000	24,502	84,502	82,285	2,217
Other Employee Benefits	70,000	(50,351)	19,649	19,649	
Total Unallocated Benefits	6,091,012	(442,324)	5,648,688	5,605,904	42,784
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,344,160	(2,344,160)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				885,228	(885,228)
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				1,944	(1,944)
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				42,016	(42,016)
Reimbursed TPAF Social Security (Non-Budgeted)				723,483	(723,483)
Total On-Behalf Contributions				3,996,831	(3,996,831)
Total Personal Services - Employee Benefit:	6,091,012	(442,324)	5,648,688	9,602,735	(3,954,047)
Total Undistributed Expenses	15,813,419	(814,672)	14,998,747	18,760,801	(3,762,054)
TOTAL GENERAL CURRENT EXPENSE	26,200,911	21,900	26,222,811	29,959,482	(3,736,671)

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services					
Lease Purchase Agreements - Principal	\$ 60,000	5,010	\$ 5,010	5,010	\$ 52,822
Construction Services	1,119,874	(5,011)	1,114,863	726,570	388,293
Other Objects - Debt Service Assessment	89,009		89,009	89,009	
Total Facilities Acquisition and Construction Services	1,268,883	(7,179)	1,261,704	820,589	441,115
TOTAL CAPITAL OUTLAY	1,268,883	(7,179)	1,261,704	820,589	441,115
SPECIAL SCHOOLS:					
Summer School:					
Salaries of Teachers	44,000	3,596	47,596	47,596	
Other Salaries for Instruction	25,000	7,583	32,583	32,583	
Purchased Professional and Technical Services	2,500	(2,500)			
General Supplies	1,500	(1,500)			
TOTAL SPECIAL SCHOOLS/Summer School	73,000	7,179	80,179	80,179	
TOTAL EXPENDITURES	27,542,794	21,900	27,564,694	30,860,250	(3,295,556)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,109,124)	(21,900)	(1,131,024)	161,767	1,292,791

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Uses:					
Transfer Out:					
Transfer to Food Service Fund	\$ (25,000)	\$ 21,900	\$ (3,100)	\$ (3,100)	
Total Other Financing Uses	<u>(25,000)</u>	<u>21,900</u>	<u>(3,100)</u>	<u>(3,100)</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	(1,134,124)		(1,134,124)	158,667	\$ 1,292,791
Fund Balance, July 1	4,229,581		4,229,581	4,229,581	
Fund Balance, June 30	<u>\$ 3,095,457</u>	<u>\$ -0-</u>	<u>\$ 3,095,457</u>	<u>\$ 4,388,248</u>	<u>\$ 1,292,791</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,894,892	
Maintenance Reserve				921,738	
Assigned - Year End Encumbrances				313,850	
Assigned - Designated for Subsequent Year's Expenditures				198,504	
Unassigned				<u>1,059,264</u>	
				<u>4,388,248</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(190,264)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,197,984</u>	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 33,906		\$ 33,906	\$ 4,115	\$ (29,791)
State Sources	196,808		196,808	140,948	(55,860)
Federal Sources	\$ 299,055	161,265	460,320	397,637	(62,683)
Total Revenues	\$ 299,055	\$ 391,979	\$ 691,034	\$ 542,700	\$ (148,334)
EXPENDITURES:					
Instruction					
Purchased Services - Instruction	\$ 12,000		\$ 111,549	\$ 57,232	\$ 54,317
Tuition	287,055		287,055	287,055	
General Supplies		88,146	88,146	57,911	30,235
Textbooks		14,864	14,864	13,335	1,529
Total Instruction	299,055	202,559	501,614	415,533	86,081
Support Services:					
Purchased Professional/Technical Services		185,239	185,239	123,336	61,903
Other Purchased Services		4,181	4,181	3,831	350
Total Support Services		189,420	189,420	127,167	62,253
Total Expenditures	\$ 299,055	\$ 391,979	\$ 691,034	\$ 542,700	\$ 148,334

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 31,022,017	\$ 542,700
Difference - Budgetary 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 Current Year Encumbrances		(8,937)
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(190,264)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	193,163	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 31,024,916	\$ 533,763
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,860,250	\$ 542,700
Differences - Budgetary 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 Current Year Encumbrances		(8,937)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 30,860,250	\$ 533,763

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020 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). 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, 2020

	Elementary and Secondary Education Act Title I	Basic	IDEA Part B Preschool	Non-Public Technology	Non-Public Textbooks
REVENUE:					
Local Sources					
State Sources	\$ 17,431	\$ 347,237	\$ 20,155	\$ 9,908	\$ 13,335
Federal Sources					
Total Revenue	<u>17,431</u>	<u>347,237</u>	<u>20,155</u>	<u>9,908</u>	<u>13,335</u>
EXPENDITURES:					
Instruction:					
Purchased Professional/Educational Services				9,908	
Tuition		287,055			13,335
General Supplies	10,000				
Textbooks					
Total Instruction	<u>10,000</u>	<u>287,055</u>		<u>9,908</u>	<u>13,335</u>
Support Services:					
Purchased Professional/Technical Services	3,600	60,182	20,155		
Other Purchased Services	3,831				
Total Support Services	<u>7,431</u>	<u>60,182</u>	<u>20,155</u>		
Total Expenditures	<u>\$ 17,431</u>	<u>\$ 347,237</u>	<u>\$ 20,155</u>	<u>\$ 9,908</u>	<u>\$ 13,335</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Non-Public				
	Chapter 192		Chapter 193		
	Home Instruction	Compensatory Education	Examination and Classification	Corrective Speech	Non-Public Nursing
REVENUE:					
Local Sources					
State Sources	\$ 1,952	\$ 18,494	\$ 23,232	\$ 3,646	\$ 27,645
Federal Sources					
Total Revenue	<u>1,952</u>	<u>18,494</u>	<u>23,232</u>	<u>3,646</u>	<u>27,645</u>
EXPENDITURES:					
Instruction:					
Purchased Services - Instruction	1,952	18,494	23,232	3,646	
Tuition					
General Supplies					
Textbooks					
Total Instruction	<u>1,952</u>	<u>18,494</u>	<u>23,232</u>	<u>3,646</u>	
Support Services:					
Purchased Professional/Technical Services					27,645
Other Purchased Services					
Total Support Services					<u>27,645</u>
Total Expenditures	<u>\$ 1,952</u>	<u>\$ 18,494</u>	<u>\$ 23,232</u>	<u>\$ 3,646</u>	<u>\$ 27,645</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Elementary and Secondary Education Act Title II Part A</u>	<u>Title III</u>	<u>Non-Public Security</u>	<u>Various Local Grants</u>	<u>Totals</u>
REVENUE:					
Local Sources				\$ 4,115	\$ 4,115
State Sources	\$ 11,754	\$ 1,060	\$ 42,736		\$ 140,948
Federal Sources					397,637
Total Revenue	<u>11,754</u>	<u>1,060</u>	<u>42,736</u>	<u>4,115</u>	<u>542,700</u>
EXPENDITURES:					
Instruction:					
Purchased Services - Instruction					57,232
Tuition					287,055
General Supplies		1,060	42,736	4,115	57,911
Textbooks					13,335
Total Instruction		<u>1,060</u>	<u>42,736</u>	<u>4,115</u>	<u>415,533</u>
Support Services:					
Purchased Professional/Technical Services	11,754				123,336
Other Purchased Services					3,831
Total Support Services	<u>11,754</u>				<u>127,167</u>
Total Expenditures	<u>\$ 11,754</u>	<u>\$ 1,060</u>	<u>\$ 42,736</u>	<u>\$ 4,115</u>	<u>\$ 542,700</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

**CAPITAL PROJECTS FUND
(NOT APPLICABLE)**

PROPRIETARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 12,076
Interfund Receivable - General Fund	3,100
Intergovernmental Receivable:	
Federal	1,810
State	28
Accounts Receivable - Other	459
Inventory	17,229
	<hr/>

Total Current Assets	<hr/> 34,702 <hr/>
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Non-Current Assets:

Capital Assets	168,139
Less: Accumulated Depreciation	<hr/> (162,103) <hr/>

Total Non-Current Assets	<hr/> 6,036 <hr/>
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Total Assets	<hr/> 40,738 <hr/>
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	4,072
Unearned Revenue - Donated Commodities	2,670
Unearned Revenue - Prepaid Sales	<hr/> 27,866 <hr/>

Total Current Liabilities	<hr/> 34,608 <hr/>
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Total Liabilities	<hr/> 34,608 <hr/>
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NET POSITION:

Investment in Capital Assets	6,036
Unrestricted	<hr/> 94 <hr/>

Total Net Position	<hr/> \$ 6,130 <hr/> <hr/>
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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, 2020

APPLICABLE

Operating Revenue:

Charges for Services:

Daily Sales - Reimbursable Programs	\$ 140,970
Daily Sales - Nonreimbursable Programs	125,010

Total Operating Revenue

 265,980

Operating Expenses:

Cost of Sales - Reimbursable Programs	101,276
Cost of Sales - Nonreimbursable Programs	90,048
Salaries, Benefits & Payroll Taxes	125,091
Supplies, Insurance & Other Costs	30,608
Management Fee	18,360
Depreciation Expense	1,489

Total Operating Expenses

 366,872

Operating Loss

 (100,892)

Non-Operating Revenue:

Federal Sources:

National School Lunch Program	33,584
Seamless Summer Option	7,061
Food Distribution Program	33,972

State Sources:

State School Lunch Program	2,447
Seamless Summer Option	112

Local Sources:

Interest Income	635
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Total Non-Operating Revenue

 77,811

Change in Net Position Before Transfer

(23,081)

Transfer In - General Fund

 3,100

Change in Net Position

(19,981)

Net Position - Beginning of Year

 26,111

Net Position - End of Year

 \$ 6,130

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 265,979
Payments to Food Service Vendor	(293,283)
Payments to Suppliers for Goods and Services	<u>(30,608)</u>
Net Cash (Used for) Operating Activities	<u>(57,912)</u>
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	2,792
Federal Subsidy Reimbursements	<u>42,139</u>
Net Cash Provided by Noncapital Financing Activities	<u>44,931</u>
Cash Flows from Investing Activities:	
Interest on Investments	<u>635</u>
Net Cash Provided by Investing Activities	<u>635</u>
Net Decrease in Cash and Cash Equivalents	(12,346)
Cash and Cash Equivalents, July 1	<u>24,422</u>
Cash and Cash Equivalents, June 30	<u>\$ 12,076</u>
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (100,892)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	1,489
Food Distribution Program	33,972
Changes in Assets and Liabilities:	
(Increase) in Inventory	(11,380)
Decrease in Other Accounts Receivable	282
Increase in Accounts Payable	4,072
Increase in Unearned Revenue - Prepaid Sales	14,358
Increase in Unearned Revenue - Donated Commodities	<u>187</u>
Net Cash (Used for) Operating Activities	<u>\$ (57,912)</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 \$34,159 and utilized U.S.D.A. Commodities valued at \$33,972.

FIDUCIARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<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	\$ 116,244	\$ 593	\$ 116,837	\$ 12,353	\$ 50,157
Total Assets	<u>116,244</u>	<u>593</u>	<u>116,837</u>	<u>12,353</u>	<u>50,157</u>
LIABILITIES:					
Payroll Deductions and Withholdings Due to Student Groups	<u>116,244</u>	593	593		
Total Liabilities	<u>116,244</u>	<u>593</u>	<u>116,837</u>		
NET POSITION:					
Held in Trust for Unemployment Claims					50,157
Held in Trust for Flexible Spending Claims				<u>12,353</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,353</u>	<u>\$ 50,157</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions:		
Employee Deductions	\$ 19,140	\$ 25,257
Total Contributions	<u>19,140</u>	<u>25,257</u>
Investment Earnings	<u>158</u>	<u>550</u>
Total Additions	<u>19,298</u>	<u>25,807</u>
DEDUCTIONS:		
Unemployment Claims and Contributions		52,808
Flexible Spending Claims	<u>15,060</u>	
Total Deductions	<u>15,060</u>	<u>52,808</u>
Change in Net Position	4,238	(27,001)
Net Position - Beginning of the Year	<u>8,115</u>	<u>77,158</u>
Net Position - End of the Year	<u><u>\$ 12,353</u></u>	<u><u>\$ 50,157</u></u>

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 134,246	\$ 67,692	\$ 85,694	\$ 116,244
Total Assets	<u>\$ 134,246</u>	<u>\$ 67,692</u>	<u>\$ 85,694</u>	<u>\$ 116,244</u>
LIABILITIES:				
Due to Student Groups	\$ 134,246	67,692	85,694	\$ 116,244
Total Liabilities	<u>\$ 134,246</u>	<u>\$ 67,692</u>	<u>\$ 85,694</u>	<u>\$ 116,244</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Clinton Township District Schools:				
Spruce Run School	\$ 9,834	\$ 54	\$ 5,333	\$ 4,555
Patrick McGaheran School	16,282	2,940	4,644	14,578
Round Valley School	23,358	11,548	16,051	18,855
Clinton Township Middle School	<u>84,772</u>	<u>53,150</u>	<u>59,666</u>	<u>78,256</u>
Total All Schools	<u>\$ 134,246</u>	<u>\$ 67,692</u>	<u>\$ 85,694</u>	<u>\$ 116,244</u>

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 110,691	\$ 15,358,907	\$ 15,469,005	\$ 593
Total Assets	<u>\$ 110,691</u>	<u>\$ 15,358,907</u>	<u>\$ 15,469,005</u>	<u>\$ 593</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 110,691	\$ 6,911,657	\$ 7,021,755	\$ 593
Net Payroll		<u>8,447,250</u>	<u>8,447,250</u>	
Total Liabilities	<u>\$ 110,691</u>	<u>\$ 15,358,907</u>	<u>\$ 15,469,005</u>	<u>\$ 593</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, 2019	Matured	Balance June 30, 2020
			Date	Amount	June 30, 2020	Amount				
2011 Refunding Bonds	06/30/11	\$ 12,100,000	1/15/2021	\$ 1,130,000		5.000%	\$ 5,600,000	\$ 1,070,000	\$ 4,530,000	
			1/15/2022	1,190,000		5.000%				
			1/15/2023	1,255,000		5.000%				
			1/15/2024	955,000		5.000%				
2012 Refunding Bonds	12/22/11	10,630,000	1/15/2021	30,000		2.500%	10,250,000	30,000	10,220,000	
			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%				

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, 2019	Matured	Balance June 30, 2020
			Date	Amount				
2015 Refunding Bonds	10/28/15	\$ 8,680,000	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%				
						\$ 8,490,000	\$ 25,000	\$ 8,465,000
						\$ 24,340,000	\$ 1,125,000	\$ 23,215,000

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,103,004		\$ 2,103,004	\$ 2,103,004	
Total Revenues	2,103,004		2,103,004	2,103,004	
EXPENDITURES:					
Regular Debt Service:					
Interest	978,006		978,006	978,006	
Redemption of Principal	1,125,000		1,125,000	1,125,000	
Total Regular Debt Service	2,103,006		2,103,006	2,103,006	
Total Expenditures	2,103,006		2,103,006	2,103,006	
Deficit of Revenues Under Expenditures	(2)		(2)	(2)	
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019*	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 25,993,227
Restricted	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	2,816,630
Unrestricted/(Deficit)	(369,994)	144,549	(1,095,792)	(7,316,596)	(6,572,794)	(5,061,778)	(7,925,307)	(8,396,819)	(8,379,427)	(7,684,554)
Total governmental activities net position	\$ 25,078,717	\$ 24,919,118	\$ 24,663,451	\$ 19,150,536	\$ 20,896,394	\$ 22,006,019	\$ 19,978,029	\$ 20,158,505	\$ 20,378,817	\$ 21,125,303
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	\$ 6,036
Unrestricted	12,144	4,894	720	15,525	13,453	10,658	13,581	1,721	18,586	94
Total business-type activities net position	\$ 26,233	\$ 24,767	\$ 15,897	\$ 26,006	\$ 26,934	\$ 22,650	\$ 24,084	\$ 10,735	\$ 26,111	\$ 6,130
District-wide:										
Net Investment in Capital Assets	\$ 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	\$ 25,999,263
Restricted	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	2,816,630
Unrestricted/(Deficit)	(357,850)	149,443	(1,095,072)	(7,301,071)	(6,559,341)	(5,051,120)	(7,911,726)	(8,395,098)	(8,360,841)	(7,684,460)
Total District Net Position	\$ 25,104,950	\$ 24,943,885	\$ 24,679,348	\$ 19,176,542	\$ 20,923,328	\$ 22,028,669	\$ 20,002,113	\$ 20,169,240	\$ 20,404,928	\$ 21,131,433

* - Restated.

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 12,912,325
Special Education	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	5,399,270
Other Special Instruction	429,705	454,506	825,701	907,843	1,215,570	1,237,448	1,722,812	1,367,327	1,058,798	770,762
School Sponsored Instruction	52,817	30,593	82,329	87,515	92,121	116,205	151,874	119,031	169,584	166,141
Support Services:										
Tuition	644,832	687,219	851,271	873,557	664,972	467,098	557,171	465,117	527,794	418,376
Student & Instruction Related Services	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	5,377,056
General Administrative Services	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	784,628
School Administrative Services	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	1,537,284
Central Services								686,211	700,558	904,991
Administrative Information Technology								14,504	42	
Plant Operations and Maintenance	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	2,758,378
Pupil Transportation	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	1,437,625
Capital Outlay								122,345	89,009	94,020
Special Schools	89,858	85,566	111,631	114,065	99,612	112,316	116,111	50,301	81,401	80,179
Unallocated Depreciation								1,445,886	1,454,350	1,457,925
Interest on Long-Term Debt	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	859,934
Total Governmental Activities Expenses	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	34,958,894
Business-type Activities:										
Food Service	485,150	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872
Total Business-type Activities Expenses	485,150	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872
Total District Expenses	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	35,325,766
Governmental Activities:										
Charges for Services:										
Regular instruction	484,226	426,078	377,789	344,801	384,771	422,951	500,399			
Special education instruction	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	610,046
Student & instruction related services	51,253	46,292	43,275	47,144	26,097	3,357	30,451			
General & business administrative services	39,878	40,817	38,000	5,312						
Plant operations & maintenance	58,657	58,944	67,447	67,589	61,154	46,502	49,444			
Pupil transportation	19,784	29,569	38,812	34,054	32,687	59,619	41,360			
Special schools				7,340		1,582				27,953
Operating Grants and Contributions	1,034,344	764,091	644,603	837,903	802,768	615,914	634,499	11,475,969	10,102,595	8,968,154
Capital Grants and Contributions				59,895	444,426	(81,648)				
Total Governmental Activities Program Revenues	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	9,606,153

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	\$ 265,980
Operating Grants and Contributions	60,628	78,106	82,351	82,423	73,937	84,583	93,234	96,276	74,143	77,176
Total Business-type Activities Revenues	489,635	479,152	458,143	436,190	422,617	457,599	483,006	463,812	472,872	343,156
Total District Program Revenues	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	9,949,309
Net (Expense)/Revenue										
Governmental Activities	(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)	(25,352,741)
Business-type Activities	4,485	(2,209)	(10,383)	7,694	721	(4,530)	(23,872)	(13,929)	14,457	(23,716)
Total District-wide Net (Expense)/Revenue	(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)	(25,376,457)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	23,492,320
Taxes Levied for Debt Service	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	2,103,004
Unrestricted Grants and Contributions	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	331,106
Net Changes Due to Defeasance of Bonds	(519,110)	(228,991)								
Investment Earnings	7,158	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258
Miscellaneous Income	440,747	275,186	142,860	92,067	143,365	201,093	120,629	138,705	147,314	170,639
Other Item - Insurance Claims Transfer								200,000		
Transfers	(121,713)	(75,000)	(45,000)		(50,000)	(60,000)	(25,000)			(3,100)
Total Governmental Activities	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	26,099,227
Business-type Activities:										
Investment Earnings	35	435	188	183	207	246	306	580	919	635
Miscellaneous Income	21,713	308	1,325				25,000			3,100
Transfers										
Total Business-type Activities	21,748	743	1,513	183	207	246	25,306	580	919	3,735
Total District-wide	\$ 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	26,102,962
Change in Net Position										
Governmental Activities	634,213	(159,599)	145,751	845,587	1,745,858	1,109,625	(2,027,990)	448,493	428,371	746,486
Business-type Activities	26,233	(1,466)	(8,870)	7,877	928	(4,284)	1,434	(13,349)	15,376	(19,981)
Total District	\$ 660,446	\$ (161,065)	\$ 136,881	\$ 853,464	\$ 1,746,786	\$ 1,105,341	\$ (2,026,556)	\$ 435,144	\$ 443,747	\$ 726,505

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 623,082	\$ 607,110	\$ 1,529,068	\$ 929,792	\$ 2,115,969	\$ 1,328,179	\$ 1,649,007	\$ 2,797,492	\$ 3,113,168	\$ 2,816,630
Committed	130,975	569,816	101,456	366,647	988,770	2,865,632	336,121			
Assigned	635,351	646,498	153,426	200,000	240,000	91,023	241,023	541,517	57,974	512,354
Unassigned	860,394	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000
Total General Fund	<u>\$ 2,249,802</u>	<u>\$ 2,542,694</u>	<u>\$ 2,412,517</u>	<u>\$ 2,010,896</u>	<u>\$ 3,726,773</u>	<u>\$ 4,585,887</u>	<u>\$ 2,578,464</u>	<u>\$ 3,650,603</u>	<u>\$ 4,036,418</u>	<u>\$ 4,197,984</u>
All Other Governmental Funds:										
Restricted, Reported in :										
Capital Projects Fund	\$ 425,439	\$ 418,561	\$ 418,561	\$ 1,384,815	\$ 938,670	\$ 74,155		\$	\$	\$ 2
Debt Service Fund	901	61,857	71,772			393,163	\$ 391,724		\$	2
Assigned, Reported in:										
Debt Service Fund	\$ 426,340	\$ 480,418	\$ 490,333	\$ 1,384,815	\$ 938,670	\$ 467,318	\$ 391,724	\$ 2	\$ 2	\$ - 0 -
Total All Other Governmental Funds										
Total All Governmental Funds:										
Restricted	\$ 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	\$ 2,816,630
Committed	130,975	569,816	101,456	366,647	988,770	2,865,632	336,121			
Assigned	636,252	708,355	225,198	200,000	240,000	484,186	632,747	541,517	57,974	512,354
Unassigned	860,394	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000
Total All Governmental Funds	<u>\$ 2,676,142</u>	<u>\$ 3,023,112</u>	<u>\$ 2,902,850</u>	<u>\$ 3,395,711</u>	<u>\$ 4,665,443</u>	<u>\$ 5,053,205</u>	<u>\$ 2,970,188</u>	<u>\$ 3,650,605</u>	<u>\$ 4,036,420</u>	<u>\$ 4,197,984</u>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 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	\$ 25,595,324
Tuition	608,203	582,857	444,124	434,609	455,050	598,030	670,178	731,797	497,205	610,046
Transportation Fees										27,953
Interest Earnings	7,158	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258
Miscellaneous	562,296	156,996	137,568	110,388	164,644	200,724	105,312	158,275	164,867	174,754
Other Sources	15,978	26,317		23,904						
State Sources	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	6,859,648
Federal Sources	731,633	609,711	414,257	584,847	520,420	450,501	424,486	377,054	428,221	388,700
Total Revenues	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	33,661,683
Expenditures										
Instruction:										
Regular Instruction	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	7,881,868
Special Education Instruction	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	3,300,539
Other Special Instruction	270,107	284,442	521,774	580,738	641,572	608,461	806,624	679,873	573,039	428,332
School Sponsored Instruction	3,735	19,729	12,559	61,655	62,836	73,169	87,088	85,937	133,906	121,705
Support Services:										
Tuition	556,493	680,719	817,218	388,568	309,736	467,098	232,942	465,117	527,794	131,321
Student & Instruction Related Services	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	3,287,503
General Administrative Services	558,046	558,990	489,321	450,982	436,175	500,190	550,585	554,154	688,006	622,620
School Administrative Services	884,959	853,486	895,970	865,515	964,085	837,796	892,689	892,941	768,757	873,712
Central Services	425,335	369,223	366,229	381,322	387,377	394,432	423,227	423,343	415,639	538,612
Administrative Information Technology	102,284	132,882	31,644	22,610	19,668	19,637	33,787	9,533	42	
Plant Operations and Maintenance	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	2,269,235
Pupil Transportation	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	1,435,063
Unallocated Benefits	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	9,602,755

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
On-behalf TPAF pension & Social Security contribution	\$ 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	\$ 80,179
Special Schools	59,163	56,029	72,806	70,411	52,892	56,380	58,997			
Capital Outlay	119,853	91,430	597,302	213,345	62,591	1,296,005	836,380	315,594	406,094	820,589
Special Revenue Funds	1,034,344	764,091	639,308	837,903	802,768	615,914	634,499			
Capital Projects	259,437	153,082		638,412	906,897	215,464				
Debt Service:										
Principal	1,280,000	1,225,000	860,000	880,000	905,000	1,119,267	1,032,344	1,020,000	1,070,000	1,125,000
Interest and Other Charges	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	978,006
Total Expenditures	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	33,497,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	692,188	275,766	(117,366)	492,861	1,319,732	160,393	(2,058,017)	480,417	385,815	164,664
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				
Payent to refunding bond eschrow agent	(13,149,110)	(10,308,991)				(8,873,568)				
Discount on bond issue		(174,805)								
Other Item - Insurance Claims										
Transferred to Capital Reserve	(100,000)	(75,000)			(50,000)	(60,000)	(25,000)	200,000		(3,100)
Transfers Out			(45,000)							
Total Other Financing Sources (Uses)	61,556	71,204	(2,896)		(50,000)	227,369	(25,000)	200,000		(3,100)
Net Change in Fund Balances	\$ 753,744	\$ 346,970	\$ (120,262)	\$ 492,861	\$ 1,269,732	\$ 387,762	\$ (2,083,017)	\$ 680,417	\$ 385,815	\$ 161,564
Debt Service as a Percentage of Noncapital Expenditures	9.8%	7.5%	7.3%	7.3%	7.3%	7.6%	6.7%	6.6%	6.4%	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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Prior Year Refunds	Transportation Fees	Rentals - Use of Facilities	Other	Total
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
2020	610,046	75,640		\$ 27,953	\$ 15,863	84,394	813,896

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	Q/farm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
2019	12,045,000	1,724,647,200	52,150,400	2,463,000	182,066,300	155,223,300	19,347,900	2,147,941,100		2,147,941,100	315,431,503	1.192	2,264,097,865

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
	General Obligation		Total Direct	Regional School Rate	Clinton Township	Hunterdon County	
	Basic Rate ^a	Debt Service ^b					
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
2019	1.094	0.098	1.192	0.638	0.425	0.396	2.651

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 TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2020			2011		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Exxon Capital Corporation	\$ 112,100,000	1	5.21%	Exxon Capital Corporation	\$ 123,100,000	1	5.06%
111 Cokesbury LLC	22,586,800	2	1.05%	New York Life Insurance Company	36,133,200	2	1.49%
New York Life Insurance Company	21,603,500	3	1.00%	IR Clinton Funding Company LLC	22,500,000	3	0.93%
East Coast - The Mews at Annandale	17,600,000	4	0.82%	KBT NJ LLC - Wrightwood Capital	19,246,700	4	0.79%
ARCP OFC Annandale NJ LLC	16,075,400	5	0.75%	East Coast - The Mews at Annandale	16,368,200	5	0.67%
Transcontinental Gas Pipeline	11,973,000	6	0.56%	Hunterdon Medical Center	12,210,800	6	0.50%
Hunterdon Medical Center	6,808,600	7	0.32%	Meridian Property Group LLC	7,829,800	7	0.32%
Meridian Property Group LLC	6,350,000	8	0.30%	Annandale Falls LLC	5,938,200	8	0.24%
Annandale Falls LLC	5,638,200	9	0.26%	American Golf Corp	5,689,700	9	0.23%
Kullman Associates LLC	4,249,500	10	0.20%	Kullman Associates LLC	5,399,100	10	0.22%
Total	\$ 224,985,000		10.46%	Total	\$ 254,415,700		10.45%

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	
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-
2020	25,595,324	25,595,324	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)			
2011	\$ 31,790,000	\$ 5,789	\$ 540,000	\$ 32,335,789	3.35%	\$ 2,394
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	2.11%	1,890.19
2020	23,215,000			23,215,000	2.06%	1,847.59

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			
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
2020	23,215,000		23,215,000	1.081%	1,847.59

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, 2019
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	\$ 24,340,000	100.00%	\$ 24,340,000
North Hunterdon Regional High School	2,382,332	27.56%	656,571
Hunterdon County General Obligation Debt	85,870,477	10.85%	9,316,616
Subtotal, Overlapping Debt			34,313,187
Clinton Township School District Direct Debt			24,340,000
Total Direct and Overlapping Debt			\$ 58,653,187

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 2020

	Equalized valuation basis
2019	\$ 2,280,930,931
2018	2,272,502,820
2017	2,284,182,870
	<u>\$ 6,837,616,621</u>
Average Equalized Valuation of Taxable Property	\$ 2,279,205,540
Debt Limit (3% of average equalization value) ^a	68,376,166
Net Bonded School Debt as of June 30, 2020	<u>23,215,000</u>
Legal Debt Margin	<u>\$ 45,161,166</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 68,376,166
Total Net Debt Applicable to Limit	<u>32,330,000</u>	<u>31,655,000</u>	<u>30,795,000</u>	<u>29,915,000</u>	<u>28,470,000</u>	<u>27,405,000</u>	<u>26,430,000</u>	<u>25,410,000</u>	<u>24,340,000</u>	<u>23,215,000</u>
Legal Debt Margin	<u>\$ 44,212,565</u>	<u>\$ 41,876,161</u>	<u>\$ 39,524,904</u>	<u>\$ 25,272,883</u>	<u>\$ 38,073,114</u>	<u>\$ 39,140,021</u>	<u>\$ 40,943,771</u>	<u>\$ 42,511,823</u>	<u>\$ 43,927,007</u>	<u>\$ 45,161,166</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	42.24%	43.05%	43.79%	44.17%	42.78%	41.18%	39.23%	37.41%	35.65%	33.95%

a Limit set by NJSIA 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
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	1,153,907,970	89,610	3.60%
2019	12,565	1,125,949,650 ***	89,610 **	3.00%
2020	12,565 *	1,125,949,650 ***	89,610 **	N/A

* - Latest Hunterdon County population available (2019) was used for calculation purposes.

** - Latest Hunterdon County per capita personal income available (2018) was used for calculation purposes.

***- Latest available population data (2019) and latest Hunterdon County per capita personal income (2018) 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

INFORMATION IS NOT AVAILABLE

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

UNAUDITED

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	111.5	110.0	103.5	107.9	94.0	91.1	88.1	84.0	89.0	84.0
Special Education	71.5	92.6	100.6	85.2	59.5	58.2	53.5	52.0	53.0	41.0
Support Services:										
Student & Instruction Related Services	31.3	29.0	27.7	30.3	55.3	46.0	46.3	46.0	46.0	56.0
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	13.0	13.5	9.5	9.5	9.5	12.0
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	3.0	1.0	1.0	1.0	3.0	3.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	17.0	24.5	24.5	19.8	32.2	30.0	23.6	23.0	23.0	33.0
Total	252.3	275.1	275.3	262.2	264.0	248.8	230.0	223.5	229.5	235.0

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
2011	1,678	* \$ 25,846,305	\$ 15,403	0.29%	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%
2020	1,234	** 30,573,424	24,776	-1.14%	125.0	1:10	1,233.4	** 1,198.9	** 1.18%	97.20%

* - 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.

Source: School District records

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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	312	301	303	292	251
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	343	301	284	288	293
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	562	556	558	539	496
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	463	462	457	425	413
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</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	263	243	34	35	39
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	258	242	323	325	330
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	469	462	396	397	398
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	415	378	455	468	467

Number of Schools at June 30, 2020
Elementary = 3
Middle School = 1

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

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Spruce Run School	N/A	\$ 77,364	\$ 86,308	\$ 85,939	\$ 58,124	\$ 93,727
Patrick McGaheran School	N/A	71,681	80,195	100,474	93,727	124,614
Round Valley School	N/A	106,628	142,226	114,858	145,003	153,352
Clinton Township Middle School	N/A	87,917	90,873	101,240	158,257	169,418
Grand Total		<u>\$343,590</u>	<u>\$399,602</u>	<u>\$402,511</u>	<u>\$455,111</u>	<u>\$541,111</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Spruce Run School	N/A	\$137,266	\$134,745	\$128,950	\$148,348	\$ 89,468
Patrick McGaheran School	N/A	185,383	194,152	135,398	235,331	109,119
Round Valley School	N/A	246,232	255,526	212,769	200,304	168,522
Clinton Township Middle School	N/A	313,273	283,730	167,636	206,332	188,935
Grand Total		<u>\$882,154</u>	<u>\$868,153</u>	<u>\$644,753</u>	<u>\$790,315</u>	<u>\$556,044</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, 2020
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	\$ 500,000,000	\$ 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		
3rd Party Bodily Injury & 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	1,000,000	50,000
Workers Compensation-		
NJ Schools Insurance Group		
Insurance Group-employer's liability		
Bodily Injury by Accident- Each Accident	3,000,000	
Bodily Injury by Disease- Each Employee	3,000,000	
Bodily Injury by Disease- Policy Limit	3,000,000	
Supplemental Indemnity - Chubb Insurance Company		
Benefit period	52 weeks	
Student Accident Insurance		
Base Policy - United States Fire Insurance Company		
Per Injury	25,000	
Catastrophic Policy - National Union Fire Insurance Company		
Maximum for all Accident Medical Benefits	7,500,000	
Maximum Amount - Catastrophic Cash Benefit	500,000	
Public Employees' Faithful Performance-		
NJ Schools Insurance Group		
School Board Secretary/Business Administrator	232,500	1,000

Source: Clinton Township Board of Education Insurance Broker.

SINGLE AUDIT SECTION



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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
December 16, 2020

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb
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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, 2020. 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, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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
December 16, 2020

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb
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, 2020

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019 Budgetary Unearned Revenue/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustment	Prior Year Accounts Payable Canceled	Balance at June 30, 2020		Amount Provided to Subrecipients
			From	To								Budgetary (Accounts Receivable)	Due to Grantor	
U.S. Department of Education -														
Passed-through State Department of Education:														
Special Revenue Fund:														
Elementary and Secondary Education Act:														
Title I														
Title IA	84.010A	ESEA-0920-20	7/1/2019	9/30/2020	\$ 17,431	\$ 17,431	\$ (17,431)							
Title IIA	84.367A	ESEA-0920-19	7/1/2018	9/30/2019	16,972	15,638	(11,754)					\$ (5,754)		
Title IIA	84.367A	ESEA-0920-20	7/1/2019	9/30/2020	15,762	6,000	(1,060)							
Title III	84.365	ESEA-0920-20	7/1/2019	9/30/2020	1,840	1,060	(1,060)							
Title III	84.365	ESEA-0920-19	7/1/2018	9/30/2019	1,149				\$ 157					
Special Education Cluster:														
I.D.E.A. Basic	84.027	IDEA-0920-20	7/1/2019	9/30/2020	405,132	132,500	(347,237)					(214,737)		
I.D.E.A. Basic	84.027	IDEA-0920-19	7/1/2018	9/30/2019	452,619	419,797	(50,349)	\$ (50,349)					\$ 3,200	
I.D.E.A. Basic	84.027	IDEA-0920-18	7/1/2017	6/30/2018	419,639	3,200								
I.D.E.A. Preschool	84.173	IDEA-0920-20	7/1/2019	9/30/2020	20,155	20,155	(20,155)							210
I.D.E.A. Preschool	84.173	IDEA-0920-19	7/1/2018	9/30/2019	17,138	9,270				\$ 210				703
I.D.E.A. Preschool	84.173	IDEA-0920-18	7/1/2017	6/30/2018	13,361	703								
Total Special Education Cluster						\$ 581,722	\$ (367,392)	\$ (50,349)		210		\$ (214,737)		4,113
Total U.S. Department of Education						\$ 621,851	\$ (397,637)	\$ (50,349)	157	210		\$ (220,491)		4,113
Total Special Revenue Fund						\$ 621,851	\$ (397,637)	\$ (50,349)	157	210		\$ (220,491)		4,113
U.S. Department of Agriculture -														
Passed-through State Department of Agriculture:														
Enterprise Fund														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/2019	6/30/2020	34,159	34,159	(31,489)					\$ 2,670		
Food Distribution Program	10.555	N/A	7/1/2018	6/30/2019	19,426	2,483	(2,483)							
National School Lunch Program	10.555	N/A	7/1/2019	6/30/2020	33,584	33,584	(33,584)							
COVID-19 Seamless Summer Option	10.555	N/A	3/18/2020	6/30/2020	7,061	5,251	(7,061)					(1,810)		
National School Lunch Program	10.555	N/A	7/1/2018	6/30/2019	51,295	3,304								
Total U.S. Department of Agriculture/Child Nutrition Cluster						\$ 76,298	\$ (74,617)					\$ (1,810)		2,670
Total Enterprise Fund						\$ 76,298	\$ (74,617)					\$ (1,810)		2,670
TOTAL FEDERAL AWARDS						\$ 698,149	\$ (472,254)	\$ (50,349)	\$ 157	\$ 210		\$ (222,301)	\$ 2,670	\$ 4,113
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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
		From	To		Budgetary Unearned/Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	20-495-034-5120-089	7/1/2019	6/30/2020	\$ 1,012,993	\$ 916,480	\$ (1,012,993)	\$ (96,513)	\$ 1,012,993		\$ (96,513)	\$ 1,012,993		
Categorical Security Aid	20-495-034-5120-084	7/1/2019	6/30/2020	95,566	86,460	(95,566)	(9,106)	95,566		(9,106)	95,566		
School Choice Aid	20-495-034-5120-068	7/1/2019	6/30/2020	232,745	210,570	(232,745)	(22,175)	232,745		(22,175)	232,745		
Categorical Transportation Aid	20-495-034-5120-014	7/1/2019	6/30/2020	655,670	593,200	(655,670)	(62,470)	655,670		(62,470)	655,670		
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/2019	6/30/2020	721,996									
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/2019	6/30/2020	723,483	686,652	(723,483)	(36,831)	723,483		(36,831)	723,483		
On-Behalf TPAF Post Retirement Medical Contributions	20-495-034-5094-001	7/1/2019	6/30/2020	885,228	885,228	(885,228)		885,228			885,228		
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/2019	6/30/2020	2,344,160	2,344,160	(2,344,160)		2,344,160			2,344,160		
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/2019	6/30/2020	42,016	42,016	(42,016)		42,016			42,016		
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/2019	6/30/2020	1,944	1,944	(1,944)		1,944			1,944		
Categorical Special Education Aid	19-495-034-5120-089	7/1/2018	6/30/2019	1,008,514	96,408			1,008,514			1,008,514		
Categorical Security Aid	19-495-034-5120-084	7/1/2018	6/30/2019	95,566	9,136			95,566			95,566		
School Choice Aid	19-495-034-5120-068	7/1/2018	6/30/2019	260,897	24,940			260,897			260,897		
Categorical Transportation Aid	19-495-034-5120-014	7/1/2018	6/30/2019	655,670	62,679			655,670			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	37,675			765,107			765,107		
Total General Fund State Aid					6,627,193	(6,715,801)	(758,827)			(949,091)	10,131,200		
State Department of Education:													
Special Revenue Fund:													
Nonpublic Textbook Aid	20-100-034-5120-064	7/1/2019	6/30/2020	14,864	14,864	(13,335)		13,335			13,335		
Compensatory Education	20-100-034-5120-067	7/1/2019	6/30/2020	18,738	16,717	(18,494)	(2,021)	18,494		(2,021)	18,494		
Compensatory Education	19-100-034-5120-067	7/1/2018	6/30/2019	34,687				34,687			34,687		
Home Instruction	20-100-034-5120-067	7/1/2019	6/30/2020	1,952		(1,952)		1,952			1,952		
Nonpublic Transportation Aid	20-100-034-5120-067	7/1/2019	6/30/2020	28,041				28,041			28,041		
Examination and Classification	20-100-034-5120-066	7/1/2019	6/30/2020	38,828	25,237			38,828			38,828		
Examination and Classification	19-100-034-5120-066	7/1/2018	6/30/2019	32,572				32,572			32,572		
Corrective Speech	20-100-034-5120-066	7/1/2019	6/30/2020	14,582	13,124	(3,646)	(1,458)	13,124		(1,458)	13,124		

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor		Budgetary Receivable
State Department of Education:													
Special Revenue Fund:													
Nonpublic Technology Initiative	20-100-034-5120-373	7/1/2019	6/30/2020	\$ 10,152	\$	10,152	\$ (9,908)			\$	244	\$ 9,908	
Nonpublic Security Aid	20-100-034-5120-509	7/1/2019	6/30/2020	42,750		42,750	(42,756)				14	42,736	
Nonpublic Nursing Aid	20-100-034-5120-070	7/1/2019	6/30/2020	27,645		27,645	(27,645)					27,645	
Total Special Revenue Fund				\$ 11,055		185,317	(140,948)		\$ (11,055)	\$ (12,235)	\$ 56,604	\$ (12,235)	197,152
Total State Department of Education				\$ (860,483)		6,812,510	(6,856,749)		(11,055)	(771,062)	56,604	(961,326)	10,328,352
State Department of Agriculture:													
Enterprise Fund:													
State School Lunch Program	20-100-010-3350-023	7/1/2019	6/30/2020	2,447		2,447	(2,447)						2,447
Covid-19 Seamless Summer Option	20-100-010-3350-024	3/18/2020	6/30/2020	112		84	(112)			(28)		(28)	112
State School Lunch Program	19-100-010-3350-023	7/1/2018	6/30/2019	3,957		261							3,957
Total State Department of Agriculture				(261)		2,792	(2,559)			(28)		(28)	6,516
Total Enterprise Fund				(261)		2,792	(2,559)			(28)		(28)	6,516
Total State Awards Subject to Single Audit Determination				\$ (860,744)		\$ 6,815,302	(6,859,308)		\$ (11,055)	\$ (771,090)	\$ 56,604	\$ (961,354)	\$ 10,334,868
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/2019	6/30/2020	885,228			885,228						
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/2019	6/30/2020	2,344,160			2,344,160						
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/2019	6/30/2020	42,016			42,016						
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/2019	6/30/2020	1,944			1,944						
Subtotal - On-Behalf TPAF Pension System Contributions							3,273,348						
Total State Awards Subject to Single Audit Major Program Determination							\$ (3,585,960)						

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, 2020

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, 2020. 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 \$2,899 for the general fund and (\$8,937) 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, 2020

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,718,700	\$ 6,718,700
Special Revenue Fund	\$ 388,700	140,948	529,648
Food Service Enterprise Fund	<u>74,617</u>	<u>2,559</u>	<u>77,176</u>
Total Financial Assistance	<u>\$ 463,317</u>	<u>\$ 6,862,207</u>	<u>\$ 7,325,524</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, 2020.

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, 2020. 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, 2020

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, 2020 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>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Categorical Special Education Aid	20-495-034-5120-089	7/1/19 - 6/30/20	\$ 1,012,993	\$ 1,012,993
Categorical Security Aid	20-495-034-5120-084	7/1/19 - 6/30/20	95,566	95,566
School Choice Aid	20-495-034-5120-068	7/1/19 - 6/30/20	232,745	232,745

- 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, 2020

(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, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.