

**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, 2021**

**Comprehensive Annual
Financial Report**

of the

**Clinton Township School District
Board of Education**

Clinton Township, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Clinton Township School District
Board of Education**

Office of the Business Administrator

CLINTON TOWNSHIP SCHOOL DISTRICT
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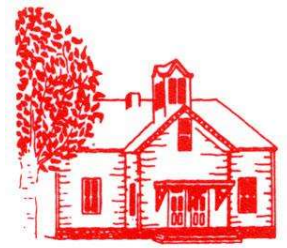
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INTRODUCTORY SECTION
(UNAUDITED)

Clinton Township Board of Education



“Where Children Come First”

Dr. Joanna Ruberto
Superintendent of Schools

Mr. Mark Kramer
School Business Administrator/Board Secretary

January 14, 2022

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, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 2020-2021 fiscal year with an average daily enrollment of 1,204 students.

- 2.) ECONOMIC CONDITIONS AND OUTLOOK:

From the Congressional Budget Office (CBO)

As the pandemic eases in the demand for customer services surges, real (inflation –adjusted) GDP is projected to increase by 7.4% and surpassed its potential (maximum sustainable) level by the end of 2021. The annual growth of real GDP averages 2.8% during the five-year period from 2021 to 2025, exceeding the 2% growth rate of real potential GDP. Over the 2026-2031., Real GDP growth averages 1.6%, which is less than its long-term historical average, primarily because the labor force is expected to grow more slowly than it has in the past.

In CBO’s projections, employment grows quickly in the second half of 2021, reflecting increased demand for goods and services and the waning of factors dampening the supply of labor, including health concerns and enhanced unemployment insurance benefits. Employment surpasses its pre-pandemic level in mid-2022. The unemployment rate declines through 2022 and then remains near or below 4% for several years.

Inflation rises sharply in 2021 and then moderates. The price index for personal consumption expenditures (PCE) rises by 2.8% this year, as increases in the supply of goods and services lagged behind increases in the demand for them, adding to inflationary pressures. By 2022, increases in supply keep up with the increases in demand, and PCE price inflation falls to 2% during the year. After 2022, PCE price inflation remains at 2.1% through 2025, above its rate for the pandemic. The interest rate on ten-year treasury notes remains low but rises as the economy continues to expand, reaching 2.7% by the end of 2025.

Compared with its estimates in February 2021, CBO now project stronger economic growth. Three main factors are responsible for that result. First, the agency expects recently enacted federal policies to boost output. Second, CBO projects that the effects of social distancing on economic activity in 2021 will be smaller than the effects it projected in February, reflecting a more rapid return to normal. Third, CBO has raised its estimate of the consumer spending that result from the additional savings that households accumulated during the pandemic. As a result, the agency’s projections of inflation are also higher than the projections made in February, as output now exceeds the potential level sooner and by a larger amount than previously anticipated. Interest rates are also projected to be higher than CBO expected in February, reflecting the more positive outlook for economic growth.

Under current law, the budget deficit will hit \$3.0 trillion (13.4 percent of Gross Domestic Product (GDP)) in Fiscal Year (FY) 2021 and total \$12.1 trillion (4.2 percent of GDP) over the subsequent decade. Deficits are projected to decline after FY 2021 to \$1.2 trillion (4.7 percent of GDP) in 2022 and to \$753 billion (2.9 percent of GDP) in 2024 before rising to \$1.9 trillion (5.5 percent of GDP) by 2031.

Meanwhile, the national debt will reach a new record by the end of the budget window. CBO estimates federal debt held by the public will rise from 100 percent of GDP at the end of FY 2020 to 103 percent of GDP in 2021. From there, debt will remain relatively stable as a share of GDP (between 99 and 102 percent of GDP) through the end of FY 2028 before ultimately rising to 106.4 percent of GDP by the end of FY 2031 – surpassing the prior record of 106.1 percent of GDP set in 1946.

In nominal dollars, debt will grow by \$13.6 trillion, from \$22.2 trillion today to \$35.8 trillion by the end of FY 2031.

In addition to its budget projections, CBO released a new ten-year economic forecast showing that the economy (as measured by real GDP on a fourth quarter to fourth quarter basis) will grow by 7.4 percent in calendar year (CY) 2021 and by 3.1 percent in 2022, enough to exceed its sustainable capacity under CBO's forecast. Between CY 2023 and 2025, CBO projects real GDP growth of 1.1-1.2 percent per year as the economy returns to its potential. Over the second half of the decade, real GDP will grow by roughly 1.6 percent per year.

CBO expects higher-than-normal inflation in CY 2021, with the Personal Consumption Expenditures (PCE) Price Index growing by 2.8 percent and the Consumer Price Index (CPI) growing by 3.4 percent. Beyond this year, CBO expects steady PCE inflation of about 2.1 percent per year.

CBO project the unemployment rate will fall from 6.8 percent at the end of CY 2020 to 4.6 percent in 2021 and 3.6 percent in 2022 before rising slightly to 3.8 percent by the end of 2023 and to an of 4.5 percent by the end of the decade.

Lastly, CBO estimates ten-year bond rates will raise from 0.9 percent in CY 2020 to 1.6 percent in 2021, to 1.9 percent in 2022, and to 2.0 percent in 2023. From there, the rate on ten-year bonds will average 2.4 percent between CY 2024 and 2025 and 3.2 percent between CY 2026 and 2031.

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.

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: The Clinton Township School District will focus upon the following primary areas for the 2021-2022 school year:

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 "The Road Forward Plan."

The Clinton Township School District will continue to focus upon all children within an equitable, individualized, and highly effective school experience by collaborating with administration, the faculty, and staff to refine all systems of support for continued relevant professional learning and the utilization of technology to extend and amplify learning, increase the capacity of the faculty, and support the management of the district, and expand communication.

The Clinton Township School District will continue to focus upon all children within an equitable, individualized, and highly effective school experience by collaborating with administration, the faculty, and staff to refine all systems of support for continued relevant professional learning and the utilization of technology to extend and amplify learning, increase the capacity of the faculty, and support the management of the district, and expand communication.

The Clinton Township School District, based upon ongoing assessment, will maintain all district facilities to the highest level of health, safety, repair and maintenance, while refining the infrastructure for the planning and upgrades of all facilities.

- 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, 2021.

- 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 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,

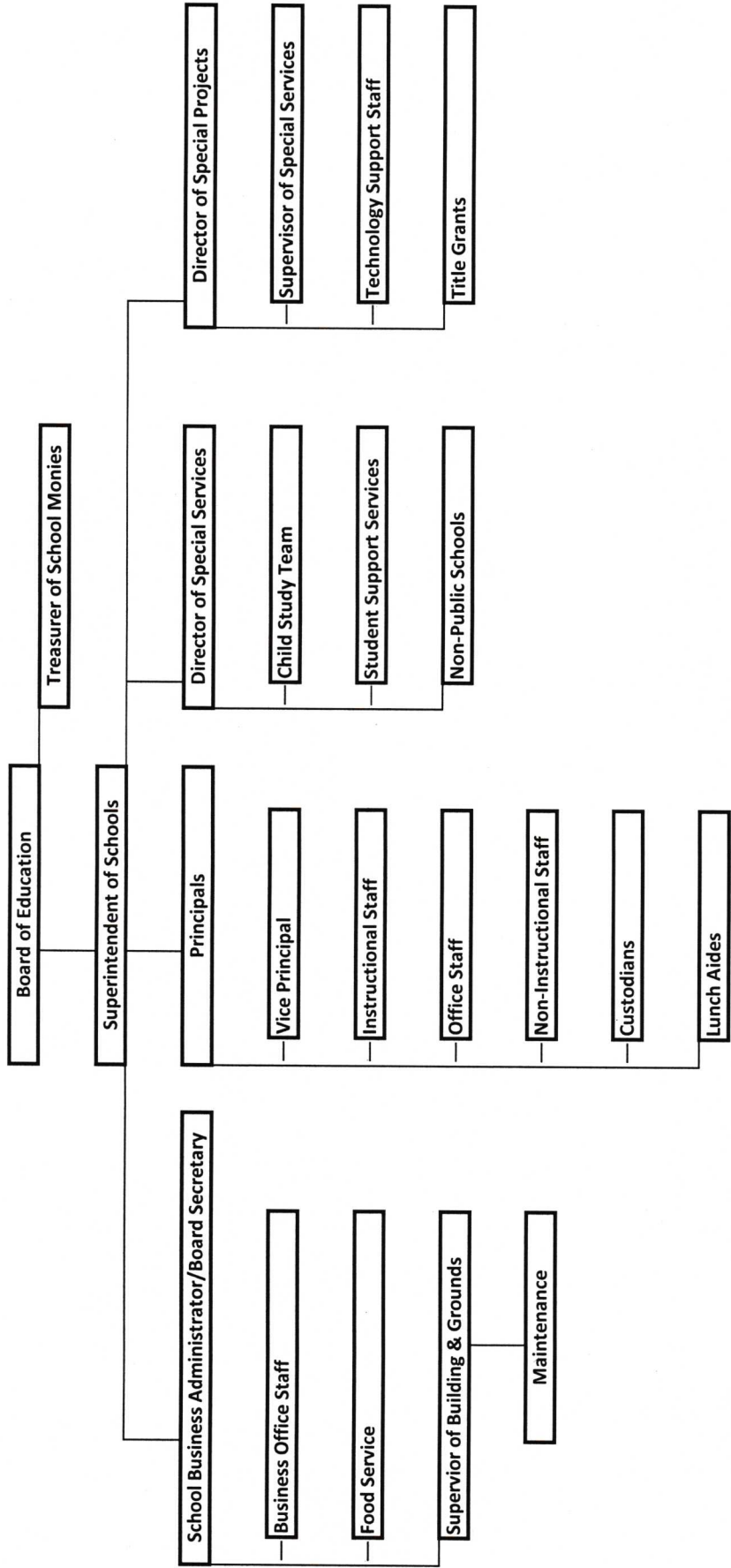


Dr. Johanna Ruberto
Interim Superintendent of Schools



Mark Kramer
Interim School Business Administrator/Board
Secretary

Clinton Township Board of Education Organization Chart



**CLINTON TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mrs. Lana Brennan	President	2023
Dr. Catherine Riihimaki	Vice President	2021
Dr. Laura Brasher		2021
Mrs. Stacie-Ann Creighton		2023
Ms. Catherine Mary Emery		2021
Dr. Alicia Grantham		2022
Mr. Scott Hornick		2022
Mrs. Jennifer Kaltenbach		2022
Mrs. Alyssa Oliver		2023

<u>Other Officials</u>	<u>Title</u>
Dr. Johanna Ruberto	Superintendent of Schools
Mr. Mark Kramer	Interim School Business Administrator/Board Secretary

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

DRG – Design Resources Group Architects, AIA, Inc.
Suite 402
200 Franklin Square Drive
Somerset, NJ 08873

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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, 2021, 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.

Emphasis of Matter

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

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 1, 2021 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 1, 2021

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, 2021**

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, 2021. 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.

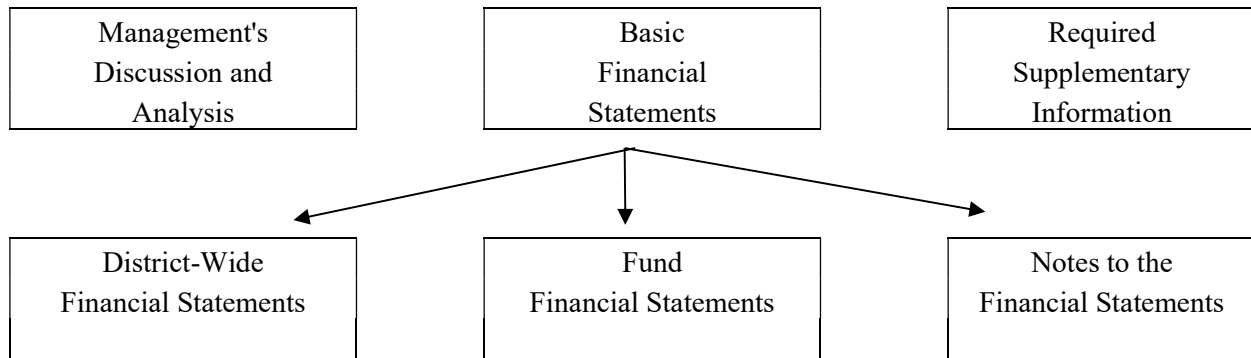
Overview of the Financial Statements

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.

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, 2021**

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
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
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
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
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
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

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 two 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, 2021**

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 \$1,872,703. Net position from governmental activities increased \$1,860,790 and net position from business-type activities increased by \$11,913. Net investment in capital assets decreased by \$51,508, restricted net position decreased by \$156,754, and unrestricted net position increased by \$2,080,965. Net investment in capital assets decreased primarily due to current year depreciation expense exceeding current year capital assets additions and the maturity of the serial bonds payable. Restricted net position decreased primarily due to the budgeted withdrawals from the capital and maintenance reserves offset by a year-end deposit to the capital reserve. Unrestricted net position increased primarily due to the decrease in net pension and pension related deferred inflows and outflows as well as the excess in budgeted revenue and unexpended budget balances as well as the decrease in compensated absences payable.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020/2021
	2020/2021	2019/2020*	2020/2021	2019/2020*	2020/2021	2019/2020*	
Current and Other Assets	\$ 6,017,955	\$ 6,791,072	\$ 19,319	\$ 34,702	\$ 6,037,274	\$ 6,825,774	
Capital Assets, Net	47,572,164	48,876,650	45,922	20,519	47,618,086	48,897,169	
Total Assets	<u>53,590,119</u>	<u>55,667,722</u>	<u>65,241</u>	<u>55,221</u>	<u>53,655,360</u>	<u>55,722,943</u>	-3.71%
Deferred Outflows of Resources	<u>1,244,988</u>	<u>1,384,784</u>			<u>1,244,988</u>	<u>1,384,784</u>	-10.10%
Other Liabilities	885,084	3,229,867	32,715	34,608	917,799	3,264,475	
Long-Term Liabilities	28,640,383	30,316,689			28,640,383	30,316,689	
Total Liabilities	<u>29,525,467</u>	<u>33,546,556</u>	<u>32,715</u>	<u>34,608</u>	<u>29,558,182</u>	<u>33,581,164</u>	-11.98%
Deferred Inflows of Resources	<u>2,393,842</u>	<u>2,450,942</u>			<u>2,393,842</u>	<u>2,450,942</u>	-2.33%
Net Position:							
Net Investment in Capital Assets	25,679,620	25,756,531	45,922	20,519	25,725,542	25,777,050	
Restricted	2,826,277	2,983,031			2,826,277	2,983,031	
Unrestricted/(Deficit)	<u>(5,590,099)</u>	<u>(7,684,554)</u>	<u>(13,396)</u>	<u>94</u>	<u>(5,603,495)</u>	<u>(7,684,460)</u>	
Total Net Position	<u>\$ 22,915,798</u>	<u>\$ 21,055,008</u>	<u>\$ 32,526</u>	<u>\$ 20,613</u>	<u>\$ 22,948,324</u>	<u>\$ 21,075,621</u>	8.89%

* - Restated

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
Revenue:							
Program Revenue:							
Charges for Services	\$ 554,270	\$ 637,999	\$ 3,211	\$ 265,980	\$ 557,481	\$ 903,979	
Grants and Contributions:							
Operating	10,425,876	8,968,154	410,469	77,176	10,836,345	9,045,330	
General Revenue:							
Property Taxes	26,346,984	25,595,324			26,346,984	25,595,324	
Federal/State Aid and Local Grants not Restricted	243,081	331,106			243,081	331,106	
Other	137,888	175,897	10	635	137,898	176,532	
Total Revenue	<u>37,708,099</u>	<u>35,708,480</u>	<u>413,690</u>	<u>343,791</u>	<u>38,121,789</u>	<u>36,052,271</u>	5.74%
Expenses:							
Instruction	20,314,039	19,248,498			20,314,039	19,248,498	
Pupil and Instruction Services	6,422,037	5,795,432			6,422,037	5,795,432	
Administrative Services	2,537,469	3,226,903			2,537,469	3,226,903	
Maintenance and Operations	2,900,714	2,758,378			2,900,714	2,758,378	
Transportation	1,525,990	1,437,625			1,525,990	1,437,625	
Other	2,252,087	2,492,058	402,749	366,872	2,654,836	2,858,930	
Total Expenses	<u>35,952,336</u>	<u>34,958,894</u>	<u>402,749</u>	<u>366,872</u>	<u>36,355,085</u>	<u>35,325,766</u>	2.91%
Transfers		(3,100)		3,100	-0-	-0-	
Other Items	<u>105,027</u>		<u>972</u>		<u>105,999</u>		100.00%
Change in Net Position	<u>\$1,860,790</u>	<u>\$ 746,486</u>	<u>\$ 11,913</u>	<u>\$ (19,981)</u>	<u>\$1,872,703</u>	<u>\$ 726,505</u>	157.77%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. 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.

While significant decreases in aid from the State in prior years have been partially offset by increases in more recent years, the burden of funding education in the District has continue to fall on local property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the School District budget will be funded entirely through property taxes.

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

**Figure A-5
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2020/2021	2019/2020	2020/2021	2019/2020
Instruction	\$ 20,314,039	\$ 19,248,498	\$ 11,472,874	\$12,385,601
Pupil and Instruction Services	6,422,037	5,795,432	5,470,723	4,293,607
Administrative and Business	2,537,469	3,226,903	2,049,769	2,669,304
Maintenance and Operations	2,900,714	2,758,378	2,900,714	2,758,378
Transportation	1,525,990	1,437,625	826,023	753,793
Other	2,252,087	2,492,058	2,252,087	2,492,058
	<u>\$ 35,952,336</u>	<u>\$ 34,958,894</u>	<u>\$ 24,972,190</u>	<u>\$ 25,352,741</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$11,913. The increase is primarily due to an increase in subsidy reimbursements offset by a decrease in daily sales and an increase in operating expenses due to the COVID-19 pandemic. (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, 2021**

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
	2020/2021	2019/2020*	2020/2021	2019/2020*	2020/2021	2019/2020*	Percentage
							2020/2021
Sites (Land)	\$ 4,996,634	\$ 4,996,634			\$ 4,996,634	\$ 4,996,634	
Construction in Progress		542,518				542,518	
Site Improvements	511,718	553,937			511,718	553,937	
Buildings and Building Improvements	41,657,575	42,462,128			41,657,575	42,462,128	
Machinery and Equipment	406,237	321,433	\$ 45,922	\$ 20,519	452,159	341,952	
Total Capital Assets (Net of Depreciation)	\$ 47,572,164	\$ 48,876,650	\$ 45,922	\$ 20,519	\$ 47,618,086	\$48,897,169	-2.62%

* - Restated

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
	2020/2021	2019/2020	Percentage
			Change
General Obligation Bonds (Financed with Property Taxes)	\$ 22,071,000	\$ 23,215,000	
Unamortized Bond Premiums	364,964	464,483	
Net Pension Liability	5,313,248	5,721,350	
Compensated Absences Payable	891,171	915,856	
	\$ 28,640,383	\$ 30,316,689	-5.53%

The current year maturities of the serial bonds payable was \$1,185,000. The District also defeased bonds in the amount of \$3,400,000 and issued refunding bonds in the amount of \$3,441,000. Also, the net pension liability decreased \$408,102 and compensated absences decreased primarily due to retirements in personnel.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,577,093	\$ 20,827	\$ 1,597,920
Receivables from Federal Government	55,041	37,507	92,548
Receivables from State Government	1,493,355	1,767	1,495,122
Receivables from Other Government	6,251		6,251
Other Receivables		98	98
Internal Balances	59,938	(59,938)	
Inventory		19,058	19,058
Restricted Cash and Cash Equivalents	2,826,277		2,826,277
Capital Assets, Net:			
Sites (Land)	4,996,634		4,996,634
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	42,575,530	45,922	42,621,452
Total Assets	<u>53,590,119</u>	<u>65,241</u>	<u>53,655,360</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	178,456		178,456
Deferred Outflows Related to Pensions	1,066,532		1,066,532
Total Deferred Outflows of Resources	<u>1,244,988</u>		<u>1,244,988</u>
LIABILITIES			
Accrued Interest Payable	334,534		334,534
Payable to Federal Government	392		392
Payable to State Government	59,178		59,178
Accounts Payable	432,695	2,976	435,671
Unearned Revenue	58,285	29,739	88,024
Noncurrent Liabilities:			
Due Within One Year	1,430,345		1,430,345
Due Beyond One Year	27,210,038		27,210,038
Total Liabilities	<u>29,525,467</u>	<u>32,715</u>	<u>29,558,182</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	\$ 2,393,842		\$ 2,393,842
Total Deferred Inflows of Resources	<u>2,393,842</u>		<u>2,393,842</u>
NET POSITION			
Net Investment in Capital Assets	25,679,620	\$ 45,922	25,725,542
Restricted for:			
Capital Projects	1,907,547		1,907,547
Maintenance Reserve	736,738		736,738
Unemployment Compensation	75,939		75,939
Student Activities	106,053		106,053
Unrestricted/(Deficit)	<u>(5,590,099)</u>	<u>(13,396)</u>	<u>(5,603,495)</u>
Total Net Position	<u>\$ 22,915,798</u>	<u>\$ 32,526</u>	<u>\$ 22,948,324</u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 14,589,607	\$ 43,634	\$ 4,208,084	\$ (10,337,889)		\$ (10,337,889)
Special Education	4,040,765	466,622	3,649,084	74,941		74,941
Other Special Instruction	1,617,261		473,741	(1,143,520)		(1,143,520)
School Sponsored Instruction	66,406			(66,406)		(66,406)
Support services:						
Tuition	313,378			(313,378)		(313,378)
Student & Instruction Related Services	6,108,659	17,271	934,043	(5,157,345)		(5,157,345)
General Administrative Services	579,207		94,649	(484,558)		(484,558)
School Administrative Services	1,026,774		155,063	(871,711)		(871,711)
Central Services	919,269		237,988	(681,281)		(681,281)
Administrative Information Technology	12,219			(12,219)		(12,219)
Plant Operations and Maintenance	2,900,714			(2,900,714)		(2,900,714)
Pupil Transportation	1,525,990	26,743	673,224	(826,023)		(826,023)
Unallocated Depreciation	1,480,147			(1,480,147)		(1,480,147)
Capital Outlay	79,499			(79,499)		(79,499)
Interest on Long-Term Debt	692,441			(692,441)		(692,441)
Total Governmental Activities	35,952,336	554,270	10,425,876	(24,972,190)		(24,972,190)
Business-Type Activities:						
Food Service	402,749	3,211	410,469		\$ 10,931	10,931
Total Business-Type Activities	402,749	3,211	410,469		10,931	10,931
Total Primary Government	\$ 36,355,085	\$ 557,481	\$ 10,836,345	(24,972,190)	10,931	(24,961,259)

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Other Items:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 24,238,903		\$ 24,238,903
Taxes Levied for Debt Service	2,108,081		2,108,081
Federal and State Aid Not Restricted	243,081		243,081
Investment Earnings	270	\$ 10	280
Miscellaneous Income	137,618		137,618
Other Item - Cancellation of Prior Year Interfund Receivable		(3,100)	(3,100)
Other Item - Cancellation of Prior Year Accounts Payable	105,027	4,072	109,099
	26,832,980	982	26,833,962
Total General Revenues and Other Items			
Change in Net Position	1,860,790	11,913	1,872,703
Net Position - Beginning as Restated	21,055,008	20,613	21,075,621
Net Position - Ending	\$ 22,915,798	\$ 32,526	\$ 22,948,324

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, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,465,844	\$ 111,249	\$ 1,577,093
Interfund Receivable	59,938		59,938
Receivables from Federal Government	40,044	14,997	55,041
Receivables from State Government	1,493,355		1,493,355
Receivables from Other Governments	3,105	3,146	6,251
Restricted Cash and Cash Equivalents	<u>2,720,224</u>	<u>106,053</u>	<u>2,826,277</u>
Total Assets	<u>\$ 5,782,510</u>	<u>\$ 235,445</u>	<u>\$ 6,017,955</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payable to Federal Government		\$ 392	\$ 392
Payable to State Government		59,178	59,178
Accounts Payable	\$ 93,818	15,303	109,121
Unearned Revenue	<u>3,766</u>	<u>54,519</u>	<u>58,285</u>
Total Liabilities	<u>97,584</u>	<u>129,392</u>	<u>226,976</u>
Fund Balances:			
Restricted:			
Capital Reserve Account	1,907,547		1,907,547
Maintenance Reserve	736,738		736,738
Unemployment Compensation	75,939		75,939
Student Activities		106,053	106,053
Assigned:			
Year End Encumbrances	402,799		402,799
For Subsequent Year's Expenditures	275,324		275,324
Unassigned	<u>2,286,579</u>		<u>2,286,579</u>
Total Fund Balances	<u>5,684,926</u>	<u>106,053</u>	<u>5,790,979</u>
Total Liabilities and Fund Balances	<u>\$ 5,782,510</u>	<u>\$ 235,445</u>	<u>\$ 6,017,955</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

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

Total Fund Balances from Prior Page	\$ 5,790,979
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	47,572,164
Interest on long term debt is not accrued in government funds, but rather is recognized as expenditure when due.	(334,534)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	178,456
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.	(23,327,135)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(5,313,248)
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	742,958
Deferred Inflows	<u>(2,393,842)</u>
Net Position of Governmental Activities	<u><u>\$ 22,915,798</u></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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 24,238,903		\$ 2,108,081	\$ 26,346,984
Tuition from Individuals	43,634			43,634
Tuition from Other LEAs	466,622			466,622
Transportation Fees from Other LEAs	26,743			26,743
Interest Earned on Capital and Maintenance Reserve Funds	270			270
Miscellaneous Revenue	137,618	\$ 53,409		191,027
Total - Local Sources	24,913,790	53,409	2,108,081	27,075,280
State Sources	8,131,667	135,268		8,266,935
Federal Sources	540,197			540,197
Total Revenues	33,045,457	728,874	2,108,081	35,882,412
EXPENDITURES				
Current:				
Regular Instruction	8,136,013	317,759		8,453,772
Special Education Instruction	2,101,092	393,844		2,494,936
Other Special Instruction	883,163			883,163
School Sponsored Instruction	48,820			48,820
Support Services and Undistributed Costs:				
Tuition	313,378			313,378
Student & Instruction Related Services	4,003,617	27,462		4,031,079
General Administrative Services	431,054			431,054
School Administrative Services	643,825			643,825
Central Services	546,753			546,753
Administrative Information Technology	12,219			12,219
Plant Operations and Maintenance	2,449,987			2,449,987

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 1,525,775			\$ 1,525,775
Unallocated Benefits	10,323,379			10,323,379
Capital Outlay	294,624			294,624
Debt Service:				
Principal			\$ 1,185,000	1,185,000
Interest and Other Charges			838,081	838,081
Total Expenditures	<u>31,713,699</u>	<u>\$ 739,065</u>	<u>2,023,081</u>	<u>34,475,845</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	1,331,758	(10,191)	85,000	1,406,567
OTHER FINANCING SOURCES/(USES):				
Bond Sale Proceeds			3,441,000	3,441,000
Serial Bonds Defeased			(3,400,000)	(3,400,000)
Bond Issuance Costs			(35,806)	(35,806)
Deferred Amount on Refunding			(90,194)	(90,194)
Cancellation of Prior Year Accounts Payable	105,027			105,027
Total Other Financing Sources/(Uses)	<u>105,027</u>		<u>(85,000)</u>	<u>20,027</u>
Net Change in Fund Balances	1,436,785	(10,191)		1,426,594
Fund Balance - July 1 (Restated)	4,248,141	116,244		4,364,385
Fund Balance - June 30	<u>\$ 5,684,926</u>	<u>\$ 106,053</u>	<u>\$ -0-</u>	<u>\$ 5,790,979</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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,426,594

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 and deletion of capital assets net of accumulated depreciation differ from capital outlays in the period.

Depreciation expense	\$ (1,519,611)
Deletion of capital assets, net of accumulated depreciation	(3,125)
Capital Outlays	218,250

(1,304,486)

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 (+).

24,685

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 (+).

88,546

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

99,519

CLINTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) \$ 1,185,000

Debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental funds.

	Refunding Bonds Issued	(3,441,000)
	School Bonds Defeased	3,400,000
	Deferred Amount on Refunding	90,194

49,194

The governmental funds report the effect of deferred amount on a bond refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-) (6,619)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	408,102
Change in Deferred Outflows	(166,845)
Change in Deferred Inflows	57,100

\$ 1,860,790

Change in Net Position of Governmental Activities (A-2)

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Fund Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 20,827
Intergovernmental Receivable:	
Federal	37,507
State	1,767
Accounts Receivable - Other	98
Inventory	<u>19,058</u>
 Total Current Assets	 <u>79,257</u>
 Non-Current Assets:	
Capital Assets	307,244
Less: Accumulated Depreciation	<u>(261,322)</u>
 Total Non-Current Assets	 <u>45,922</u>
 Total Assets	 <u>125,179</u>
 LIABILITIES:	
Current Liabilities:	
Interfund Payable - General Fund	59,938
Accounts Payable - Vendors	2,976
Unearned Revenue - Donated Commodities	5,512
Unearned Revenue - Prepaid Sales	<u>24,227</u>
 Total Current Liabilities	 <u>92,653</u>
 Total Liabilities	 <u>92,653</u>
 NET POSITION:	
Investment in Capital Assets	45,922
Unrestricted/(Deficit)	<u>(13,396)</u>
 Total Net Position	 <u>\$ 32,526</u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,211
Total Operating Revenue	3,211
Operating Expenses:	
Cost of Sales - Reimbursable Programs	163,996
Salaries, Benefits & Payroll Taxes	143,500
Supplies, Insurance & Other Costs	69,791
Management Fee	18,720
Depreciation Expense	6,742
Total Operating Expenses	402,749
Operating Loss	(399,538)
Non-Operating Revenue:	
Federal Sources:	
Equipment Assistance Grant	25,565
COVID 19 - Seamless Summer Option - Lunch	44,273
COVID-19 - Seamless Summer Option - Breakfast	301,092
COVID 19 - Seamless Summer Option - After School Snack	444
Food Distribution Program	25,107
State Sources:	
COVID 19 - Seamless Summer Option - Lunch	13,988
Local Sources:	
Interest Income	10
Total Non-Operating Revenue	410,479
Change in Net Position Before Other Items	10,941
Other Items:	
Cancellation of Prior Year Accounts Payable	4,072
Cancellation of Interfund Receivable - General Fund	(3,100)
Change in Net Position After Other Items	11,913
Net Position - Beginning of Year	20,613
Net Position - End of Year	\$ 32,526

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, 2021

	Business-Type Activities - Enterprise Fund Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 928
Refunds to Customers	(997)
Payments to Food Service Vendor	(333,876)
Payments to Suppliers for Goods and Services	(33,033)
	(366,978)
Net Cash (Used for) Operating Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(32,145)
	(32,145)
Net Cash (Used for) Capital and Related Financing Activities	
Cash Flows from Noncapital Financing Activities:	
Federal Equipment Grant	25,565
State Subsidy Reimbursements	12,249
Federal Subsidy Reimbursements	310,112
Operating Transfer In - General Fund	59,938
	407,864
Net Cash Provided by Noncapital Financing Activities	
Cash Flows from Investing Activities:	
Interest on Investments	10
	10
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	8,751
Cash and Cash Equivalents, July 1	12,076
Cash and Cash Equivalents, June 30	\$ 20,827
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (399,538)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	6,742
Food Distribution Program	25,107
Changes in Assets and Liabilities:	
(Increase) in Inventory	(1,829)
Decrease in Other Accounts Receivable	361
Increase in Accounts Payable	2,976
(Decrease) in Unearned Revenue - Prepaid Sales	(3,639)
Increase in Unearned Revenue - Donated Commodities	2,842
	(366,978)
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 \$27,949 and utilized U.S.D.A. Commodities valued at \$25,107.

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, 2021

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. 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, 2021

(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. Separate statements for each fund category – *governmental and proprietary* - 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, 2021

(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.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary 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, 2021

(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, 2021 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 except for student activities. 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, 2021
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 33,029,468	\$ 721,109
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.		
Prior Year Encumbrances		(2,289)
Current Year Encumbrances		10,054
Current Year State Aid Payments Recognized for Budgetary Purposes , not Recognized for GAAP Statements	(174,275)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	<u>190,264</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 33,045,457</u>	<u>\$ 728,874</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 31,713,699	\$ 731,300
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		
Prior Year Encumbrances		(2,289)
Current Year Encumbrances		10,054
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,713,699</u>	<u>\$ 739,065</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2021

(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, 2021.

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, 2021
(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, 2021.

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, 2021

(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 \$5,684,926 General Fund fund balance at June 30, 2021, \$402,799 is assigned for encumbrances; \$275,324 is assigned and has been anticipated as revenue for the fiscal year ended June 30, 2022; \$1,907,547 is restricted in the capital reserve account; \$736,738 has been restricted in the maintenance reserve account; \$75,939 is restricted for unemployment compensation; and \$2,286,579 is unassigned fund balance, which is \$174,275 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, 2022.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2021 is \$106,053 and is restricted for student activities.

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, 2021.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$174,275, 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 \$5,590,099 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.

The District also has a deficit in unrestricted net position of \$13,396 in its business-type activities and Food Service Enterprise Fund which will be funded with a General Fund budget appropriation in fiscal year 2021-22.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2021 related to pensions as well as for the deferred amount on the refunding of debt.

The District had deferred inflows of resources related to pensions.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, student activities, and for unemployment compensation.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2021.

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, 2021.

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, 2021

(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, 2021

(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, 2021

(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, 2021
(Continued)

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

During the period ended June 30, 2021, the District did not hold any investments.

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents				Total
		Capital Reserve	Maintenance Reserve	Unemployment Compensation	Student Activities	
Checking and Savings Accounts	\$ 1,597,920	\$ 1,907,547	\$ 736,738	\$ 75,939	\$106,053	\$4,424,197

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$4,424,197 and the bank balance was \$5,845,505.

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

Beginning Balance, July 1, 2020		\$ 1,894,892
Increased by:		
Interest Earned	\$ 270	
Transferred by Board Resolution June 2021	326,040	
		326,310
		2,221,202
Decreased by :		
Budgeted Withdrawal		(313,655)
Ending Balance, June 30, 2021		\$ 1,907,547

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeds the June 30, 2021 capital reserve account balance. The withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,996,634			\$ 4,996,634
Construction in Progress	542,518		\$ (542,518)	
Total Capital Assets Not Being Depreciated	<u>5,539,152</u>		<u>(542,518)</u>	<u>4,996,634</u>
Capital Assets Being Depreciated:				
Site Improvements	1,618,087			1,618,087
Buildings and Building Improvements	66,382,497	\$ 53,201	542,518	66,978,216
Machinery and Equipment	1,856,155	165,049	(75,223)	1,945,981
Total Capital Assets Being Depreciated	<u>69,856,739</u>	<u>218,250</u>	<u>467,295</u>	<u>70,542,284</u>
Governmental Activities Capital Assets	<u>75,395,891</u>	<u>218,250</u>	<u>(75,223)</u>	<u>75,538,918</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,064,150)	(42,219)		(1,106,369)
Buildings and Building Improvements	(23,920,369)	(1,400,272)		(25,320,641)
Machinery and Equipment	(1,534,722)	(77,120)	72,098	(1,539,744)
	<u>(26,519,241)</u>	<u>(1,519,611)</u>	<u>72,098</u>	<u>(27,966,754)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 48,876,650</u>	<u>\$ (1,301,361)</u>	<u>\$ (3,125)</u>	<u>\$ 47,572,164</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 284,306	\$ 32,145	\$ (9,207)	\$ 307,244
Less Accumulated Depreciation	<u>(263,787)</u>	<u>(6,742)</u>	<u>9,207</u>	<u>(261,322)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,519</u>	<u>\$ 25,403</u>	<u>\$ -0-</u>	<u>\$ 45,922</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Plant Operations and Maintenance	\$	38,447
Pupil Transportation		1,017
Unallocated		1,480,147
		1,480,147
	\$	1,519,611

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District had \$44,690 of transfers to the capital outlay accounts for equipment that does not require approval from the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Issued	Defeased	Retired	Balance 6/30/2021
Serial Bonds Payable	\$ 23,215,000	\$ 3,441,000	\$ 3,400,000	\$ 1,185,000	\$ 22,071,000
Unamortized Bond Premiums	464,483			99,519	364,964
Net Pension Liability	5,721,350			408,102	5,313,248
Compensated Absences Payable	915,856			24,685	891,171
	\$ 30,316,689	\$ 3,441,000	\$ 3,400,000	\$ 1,717,306	\$ 28,640,383

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, 2021 is \$1,312,000 and the long-term portion is \$20,759,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2021 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2012 Refunding Bonds	1/15/2030	2.750%-4.125%	\$10,190,000
2015 Refunding Bonds	1/15/2034	3.000%-4.000%	8,440,000
2020 Refunding Bonds	1/15/2024	0.897%	3,441,000
			\$ 22,071,000

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 over the life of the new refunding bonds will be \$223,734.11.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,312,000	\$ 727,920	\$ 2,039,920
2023	1,335,000	713,005	2,048,005
2024	1,349,000	699,663	2,048,663
2025	1,490,000	677,519	2,167,519
2026	1,550,000	625,519	2,175,519
Thereafter:			
2027-2031	8,830,000	2,195,882	11,025,882
2032-2034	6,205,000	489,068	6,694,068
	<u>\$22,071,000</u>	<u>\$6,128,576</u>	<u>\$28,199,576</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 \$265,445.

C. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had no bonds authorized but not issued.

D. Capital Leases Payable:

As of June 30, 2021, 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 \$872,345. The current portion of compensated absences payable is \$18,826.

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, 2021, 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, 2021
(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, 2021 is \$-0- and the long-term portion is \$5,313,248. 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 921,738
Decreased by:	
Budgeted Withdrawal	(185,000)
Ending Balance, June 30, 2021	\$ 736,738

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 annual financial statements 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, 2021
(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 \$356,429 for 2021.

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, 2021, the District reported a liability of \$5,313,248 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0326%, which was an increase of 0.0008% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$58,072.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2021, 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	2016	5.57	\$ 172,368	
	2017	5.48		\$ (502,943)
	2018	5.63		(493,421)
	2019	5.21		(391,847)
	2020	5.16		(836,496)
			<u>172,368</u>	<u>(2,224,707)</u>
Difference Between Expected and Actual Experience	2016	5.57	5,231	
	2017	5.48	14,957	
	2018	5.63		(18,790)
	2019	5.21	29,955	
	2020	5.16	46,603	
			<u>96,746</u>	<u>(18,790)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(65,018)	
	2018	5.00	(60,300)	
	2019	5.00	14,593	
	2020	5.00	292,336	
			<u>181,611</u>	
Changes in Proportion	2016	5.57		(84,842)
	2017	5.48	94,458	
	2018	5.63	47,256	
	2019	5.21		(65,503)
	2020	5.16	150,519	
			<u>292,233</u>	<u>(150,345)</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	323,574	
			<u>\$ 1,066,532</u>	<u>\$ (2,393,842)</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (666,715)
2022	(607,842)
2023	(347,366)
2024	(140,469)
2025	(30,380)
	\$ (1,792,772)

Actuarial Assumptions

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

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-2020.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term 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, 2020 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments determine the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 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, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,673,676	\$ 5,313,248	\$ 4,137,130

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 annual financial statements 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, 2021
(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 2021, the State of New Jersey contributed \$2,871,903 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,376,238.

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, 2021
(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, 2021, the State's proportionate share of the net pension liability associated with the District was \$70,375,328. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The 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, 2020, the District's proportion was 0.1069%, which was a decrease of 0.0047% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	70,375,328
Total	<u>\$ 70,375,328</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$4,376,238 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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	\$ 461,324,773	
	2015	8.3	1,638,696,238	
	2016	8.3	4,304,747,820	
	2017	8.3		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.5		4,393,807
	2015	8.3	101,207,836	
	2016	8.3		53,533,223
	2017	8.3	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5	(226,008,261)	
	2018	5	(192,060,744)	
	2019	5	108,662,078	
	2020	5	965,582,162	
			<u>656,175,235</u>	
		<u>\$9,458,881,999</u>	<u>\$ 14,424,322,612</u>	

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term 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, 2020 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 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, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 82,664,065	\$ 70,375,328	\$ 60,171,595

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 \$13,221 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$39,743 for the fiscal year ended June 30, 2021.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021 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, 2021
(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 Unemployment Compensation Restricted Fund Balance in the General 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>
2020-2021	\$ -0-	\$ 101	\$ 29,116	\$ 3,435	\$ 75,939
2019-2020	-0-	550	25,257	52,808	50,157
2018-2019	-0-	933	34,514	27,510	77,158

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, 2021 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 59,938	
Proprietary Fund - Food Service Fund		59,938
	<u>\$ 59,938</u>	<u>\$ 59,938</u>

The interfund receivable in the General Fund is due to an interfund advanced that was not remitted by the Food Service 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, 2021
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in claims or lawsuits arising in the normal course of business. There are a number of pending lawsuits regarding certain former employees of the District. The cases are in the very early stage of litigation and it cannot be determined at this point what the ultimate outcome of these lawsuits may be. However, there is a possible exposure to the District between \$400,000 and \$4,000,000. The District is in the process of investigating whether there is insurance coverage to offset that exposure.

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, 2021, 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
\$ 402,799	\$ 2,289	\$ 405,088
\$ 402,799	\$ 2,289	\$ 405,088

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,289 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, 2021
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Fund and Governmental Activities as of June 30, 2021 consisted of the following:

	<u>Governmental Funds</u>		<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>District</u> <u>Contribution</u> <u>Subsequent</u> <u>to</u> <u>Measurement</u> <u>Date</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u> <u>Proprietary</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>		<u>Measurement</u> <u>Date</u>	<u>Governmental</u> <u>Activities</u>	<u>Proprietary</u> <u>Funds</u>
Vendors	\$ 79,623	\$ 15,303	\$ 94,926		\$ 94,926	\$ 2,976
Payroll Deductions and Withholdings	14,195		14,195		14,195	
Due to:						
State of New Jersey				\$ 323,574	323,574	
	<u>\$ 93,818</u>	<u>\$ 15,303</u>	<u>\$ 109,121</u>	<u>\$ 323,574</u>	<u>\$ 432,695</u>	<u>\$ 2,976</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, 2021
(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.

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, 2021
(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, 2021
(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, 2021

(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 of Assumptions	2017	9.54		\$ 5,208,841
	2018	9.51		4,480,308
	2019	9.29	\$ 595,293	
			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, 2021
(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 continues to cause disruption of the District's 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

The District issued \$10,409,000 of refunding bonds on October 19, 2021 to refund \$10,155,000 of its 2012 refunding bonds which had been issued with interest rates of 3.00% - 4.125%. The 2021 refunding bonds were issued with an interest rate of 1.35%. The net present value savings over the life of the new refunding bonds will be \$1,245,173.96.

NOTE 19. PRIOR PERIOD ADJUSTMENT

Capital assets in the governmental activities, business-type activities and Food Service Enterprise Fund as of June 30, 2020 were restated due to an updated capital assets appraisal completed by the District.

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as detailed on the following page:

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

(Continued)

NOTE 19. PRIOR PERIOD ADJUSTMENT (Cont'd)

	<u>Balance</u> June 30, 2020 as Previously Reported	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> June 30, 2020 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Construction in Progress	\$ 1,644,093	\$ (1,101,575)	\$ 542,518
Depreciable Buildings and Building Improvements, Site Improvements and Machinery & Equipment	\$ 42,472,619	\$ 864,879	\$ 43,337,498
Net Position - Ending			
Net Investment in Capital Assets	\$ 25,993,227	\$ (236,696)	\$ 25,756,531
Total Net Position	\$ 21,125,303	\$ (70,295)	\$ 21,055,008
<u>Business-Type Activities/Proprietary Fund:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building Improvements, Site Improvements and Machinery & Equipment	\$ 6,036	\$ 14,483	\$ 20,519
Net Position - Ending			
Net Investment in Capital Assets	\$ 6,036	\$ 14,483	\$ 20,519
Total Net Position	\$ 6,130	\$ 14,483	\$ 20,613
<u>Statement of Revenues, Expenditures and Changes in</u> <u>Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 4,197,984	\$ 50,157	\$ 4,248,141
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 116,244	\$ 116,244
<u>Statement of Changes in Fiduciary Net Position -</u> <u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 50,157	\$ (50,157)	\$ -0-

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0355776482%	0.0343432683%	0.3016899020%	0.0317734413%	0.0322220204%	0.0317526731%	0.0325818495%
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	\$ 5,313,248
District's covered employee payroll	\$ 2,009,431	\$ 2,049,620	\$ 2,096,944	\$ 2,247,236	\$ 2,303,417	\$ 2,212,101	\$ 1,987,587
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%	267.32%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 260,969	\$ 293,297	\$ 295,260	\$ 310,309	\$ 327,307	\$ 310,860	\$ 356,429
Contributions in relation to the contractually required contribution	(260,969)	(293,297)	(295,260)	(310,309)	(327,307)	(310,860)	(356,429)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 2,414,596
Contributions as a percentage of covered employee payroll	12.73%	13.99%	13.14%	13.47%	14.80%	15.64%	14.76%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.1198850273%	0.1173919781%	0.1198666811%	0.1111367677%	0.1085637724%	0.1115444201%	0.1068741288%
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	\$ 70,375,328
District's covered employee payroll	\$ 11,141,989	\$ 11,364,829	\$ 11,001,425	\$ 12,978,597	\$ 11,130,435	\$ 10,893,711	\$ 10,266,658
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%	577.35%	620.51%	628.40%	685.47%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 3,447,817	\$ 4,530,379	\$ 7,084,939	\$ 5,190,938	\$ 4,026,303	\$ 4,037,710	\$ 4,376,238
Contributions in relation to the contractually required contributi	(934,664)	(959,700)	(1,250,070)	(1,598,761)	(2,193,809)	(2,344,160)	(2,871,903)
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>	<u>\$ 1,504,335</u>
District's covered employee payroll	\$ 11,364,829	\$ 11,001,425	\$ 12,978,597	\$ 11,130,435	\$ 10,893,711	\$ 10,266,658	\$ 11,799,631
Contributions as a percentage of covered employee payroll	8.22%	8.72%	9.63%	14.36%	20.14%	22.83%	24.34%

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 of 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	\$ 13,317,270
Total OPEB Liability as a Percentage of Covered Employee Payroll	421%	374%	336%

* - 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, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

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, 2021

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, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 24,238,903		\$ 24,238,903	\$ 24,238,903	
Tuition from Individuals	54,000		54,000	43,634	\$ (10,366)
Tuition from Other LEAs	263,239		263,239	466,622	203,383
Transportation Fees from Other LEAs	16,000		16,000	26,743	10,743
Interest Earned on Capital Reserve Funds				270	270
Restricted Miscellaneous Revenue				25,782	25,782
Miscellaneous				111,836	111,836
Total - Local Sources	24,572,142		24,572,142	24,913,790	341,648
State Sources:					
Categorical Special Education Aid	1,049,924	(25,195)	1,024,729	1,024,729	
Categorical Security Aid	95,566		95,566	95,566	
School Choice Aid	66,290		66,290	66,290	
Categorical Transportation Aid	655,670		655,670	655,670	
Extraordinary Special Education Costs Aid				1,368,114	1,368,114
Nonpublic School Transportation Costs				17,110	17,110
State Reimbursements from Securing Our Children's Future Bond Act	65,255		65,255	65,255	
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,871,903	2,871,903
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				917,123	917,123
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				1,595	1,595
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				54,641	54,641
Reimbursed TPAF Social Security (Non-Budgeted)				977,682	977,682
Total State Sources	1,932,705	(25,195)	1,907,510	8,115,678	6,208,168
TOTAL REVENUES	26,504,847	(25,195)	26,479,652	33,029,468	6,549,816

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 201,416	\$ (46,203)	\$ 155,213	\$ 155,213	
Kindergarten - Salaries of Teachers	503,381	45,193	548,574	548,574	
Grades 1-5 - Salaries of Teachers	3,259,049	631,206	3,890,255	3,890,255	
Grades 6-8 - Salaries of Teachers	2,275,308	373,688	2,648,996	2,648,996	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(10,000)			
Purchased Professional - Educational Services	12,859	(12,000)	859	859	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	119,000	40,509	40,509	40,509	
Purchased Professional - Educational Services	41,200	(15,204)	103,796	103,796	
Purchased Technical Services	324,708	39,316	80,516		\$ 80,516
Other Purchased Services (400-500 series)	385,948	(52,701)	272,007	268,235	3,772
General Supplies	23,700	90,677	476,625	470,699	5,926
Textbooks	17,592	(22,483)	1,217	500	717
Other Objects		(9,215)	8,377	8,377	
Total Regular Programs - Instruction	7,174,161	1,052,783	8,226,944	8,136,013	90,931
Special Education - Instruction					
Learning and/or Language Disabilities:					
Salaries of Teachers	61,483	4,167	65,650	65,650	
Other Salaries for Instruction	56,736	(13,576)	43,160	43,160	
Supplies	1,800	(1,800)			
Learning and/or Language Disabilities	120,019	(11,209)	108,810	108,810	
Multiple Disabilities:					
Salaries of Teachers	112,463	(11,087)	101,376	100,691	685
Other Salaries for Instruction	26,044	11,283	37,327	35,368	1,959
Other Purchased Services (400-500 series)		221	221	30	191
Multiple Disabilities	138,507	417	138,924	136,089	2,835
Resource Room/Resource Center:					
Salaries of Teachers	2,016,314	(804,171)	1,212,143	1,212,143	
Other Salaries for Instruction	530,199	(377,646)	152,553	152,553	
Purchased Professional - Educational Services	60,500	(45,500)	15,000	11,441	3,559
General Supplies	14,400	(11,742)	2,658	2,648	10
Total Resource Room/Resource Center	2,621,413	(1,239,059)	1,382,354	1,378,785	3,569

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Autism:					
Salaries of Teachers	\$ 191,089	\$ (13,205)	\$ 177,884	\$ 177,884	
Other Salaries for Instruction		163,367	163,367	160,474	\$ 2,893
Purchased Professional - Educational Services	20,000	(20,000)	600	33	567
Other Purchased Services (400-500 series)	4,573	1,919	6,492	2,065	4,427
General Supplies	215,662	132,681	348,343	340,456	7,887
Total Autism					
Preschool Disabilities - Full-time:					
Salaries of Teachers	50,040	50,040	50,040	50,040	
Other Salaries for Instruction	88,828	88,828	88,828	86,912	1,916
Total Preschool Disabilities - Full-time					
Total Special Education Instruction	3,095,601	(978,302)	2,117,299	2,101,092	16,207
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,034,991	(152,979)	882,012	882,012	
General Supplies	6,800	(5,556)	1,244	1,151	93
Total Basic Skills/Remedial - Instruction					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	1,041,791	(158,535)	883,256	883,163	93
Supplies and Materials	40,558	(11,408)	29,150	29,150	
Other Objects	1,200		1,200	5,728	1,200
	6,000		6,000		272
Total School-Sponsored Cocurricular Activities - Instruction					
	47,758	(11,408)	36,350	34,878	1,472
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	69,793	(51,851)	17,942	13,942	4,000
Total School-Sponsored Cocurricular Athletics - Instruction					
	69,793	(51,851)	17,942	13,942	4,000
Total Instruction	11,429,104	(147,313)	11,281,791	11,169,088	112,703

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	\$ 350,000	\$ 14,119	\$ 364,119	\$ 301,068	\$ 63,051
Tuition - Other	65,000	(51,145)	13,855	12,310	1,545
Total Undistributed Expenditures - Instruction:	415,000	(37,026)	377,974	313,378	64,596
Attendance and Social Work:					
Salaries	12,000	23,313	35,313	35,313	
Supplies and Materials	24,235	(3,000)	21,235	6,834	14,401
Total Attendance and Social Work	36,235	20,313	56,548	42,147	14,401
Health Services:					
Salaries	330,931	34,558	365,489	365,489	
Purchased Professional and Technical Services	6,176	1,105	7,281	3,189	4,092
Supplies and Materials	10,838	2,063	12,901	11,270	1,631
Total Health Services	347,945	37,726	385,671	379,948	5,723
Other Support Services - Students - Speech, OT, PT and Related Services:					
Salaries	393,454	(3,733)	389,721	389,095	626
Purchased Professional - Educational Services	534,556	56,743	591,299	576,980	14,319
Supplies and Materials	1,600	270	1,870	1,362	508
Total Other Support Services - Students - Speech, OT, PT and Related Services	929,610	53,280	982,890	967,437	15,453
Other Support Services - Students - Extraordinary Services:					
Salaries	289,493	29,047	318,540	310,931	7,609
Purchased Professional - Educational Services	44,360	3,028	47,388	46,718	670
Supplies and Materials		2,305	2,305	2,215	90
Total Other Support Services - Students - Extraordinary Services	333,853	34,380	368,233	359,864	8,369
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	407,860	(1,999)	405,861	404,300	1,561
Salaries of Secretarial and Clerical Assistants		3,028	3,028	2,567	461
Supplies and Materials	4,275	(3,197)	1,078		1,078
Total Other Support Services - Students - Guidance	412,135	(2,168)	409,967	406,867	3,100

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	\$ 913,023	\$ (92,980)	\$ 820,043	\$ 802,869	\$ 17,174
Salaries of Secretarial and Clerical Assistants	19,397	88,109	88,109	88,109	
Purchased Professional - Educational Services	56,650	(27,949)	28,701	11,287	8,110
Other Purchased Services (400-500)	23,725	(1)	23,724	17,924	10,777
Supplies and Materials	2,025		2,025	21,625	2,099
Other Objects				995	1,030
Total Other Support Services - Students - Child Study Teams	1,014,820	(32,821)	981,999	942,809	39,190
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	371,227	314,658	314,658	312,547	2,111
Salaries of Other Professional Staff		(237,316)	133,911	133,911	
Salaries of Secretarial and Clerical Assistants		12,925	12,925	12,925	
Other Purchased Prof. and Tech. Services	8,000	(427)	7,573	872	7,573
Other Purchased Services (400-500)	8,500	3,955	3,955	872	3,083
Supplies and Materials	4,700	(2,750)	5,750	1,450	4,300
Other Objects			4,700	3,592	1,108
Total Improvement of Instructional Services	392,427	91,045	483,472	465,297	18,175
Educational Media Services/School Library:					
Salaries	248,406	45,260	293,666	292,228	1,438
Salaries of Technology Coordinators		51,000	51,000	51,000	
Unused Vacation Payment to Terminated/Retired Staff		8,125	8,125	8,125	
Purchased Professional and Technical Services	136,000	(88,990)	47,010	63	47,010
Other Purchased Service (400-500 Series)	8,124		8,124	63	8,061
Supplies and Materials	36,203		36,203	5,108	31,095
Total Educational Media Services/School Library	428,733	15,395	444,128	356,524	87,604

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisor of Instruction	\$ 37,683	\$ (12,406)	\$ 25,277	\$ 25,277	\$ 12,598
Salaries of Other Professional Staff	11,000	9,472	20,472	7,874	
Salaries of Secretarial and Clerical Assistants		4,700	4,700	4,700	
Purchased Professional - Educational Services	2,920	39,883	39,883	31,461	8,422
Other Purchased Service (400-500 Series)		9,962	12,882	10,450	2,432
Supplies and Materials	4,236	1,414	5,650	2,962	2,688
Total Instructional Staff Training Services	55,839	53,025	108,864	82,724	26,140
Support Services - General Administration:					
Salaries	173,684	1,534	173,218	173,218	
Salaries - Governance Staff (BOE Direct Reports)		3,000	3,000	3,000	
Legal Services	100,000	(41,500)	58,500	44,779	13,721
Audit Fees	63,000		63,000	31,425	31,575
Architect/Engineering Services		625	625	625	
Other Purchased Professional Services		30,480	30,480	22,167	8,313
Purchased Professional and Technical Services		7,000	7,000	3,500	3,500
Communications/Telephone	50,000	18,000	68,000	62,110	5,890
BOE Other Purchased Services	255	3,844	4,099	1,248	2,851
Miscellaneous Purchased Services (400-500 series)	73,071	1,518	74,589	71,789	2,800
General Supplies	2,700	614	3,314	3,002	312
Miscellaneous Expenditures	15,800	(13,315)	2,485	2,048	437
BOE Membership Dues and Fees	12,000	143	12,143	12,143	
Total Support Services - General Administration	488,510	11,943	500,453	431,054	69,399
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	300,409	(6,760)	293,649	288,697	4,952
Salaries of Secretarial and Clerical Assistants	324,766	39,025	363,791	335,109	28,682
Other Purchased Services (400-500 series)	10,000	12,840	22,840	16,427	6,413
Supplies and Materials		61	61	61	
Other Objects	10,779	(61)	10,718	3,531	7,187
Total Support Services - School Administration	645,954	45,105	691,059	643,825	47,234

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 303,795	\$ 139,291	\$ 443,086	\$ 443,086	
Payment of Unused Vacation Time		6,000	6,000	6,000	
Purchased Professional Services	4,482	5,860	10,342	10,340	\$ 2
Purchased Technical Services	48,815	(2,093)	46,722	46,722	
Miscellaneous Purchased Services	7,500	26,220	33,720	33,720	
Supplies and Materials	8,300	(1,655)	6,645	6,645	
Miscellaneous Expenditures		240	240	240	
Total Central Services	372,892	173,863	546,755	546,753	2
Administration Information Technology:					
Salaries		14,036	14,036	12,219	1,817
Total Administration Information Technology		14,036	14,036	12,219	1,817
Required Maintenance of School Facilities:					
Salaries	298,925	(39,407)	259,518	259,518	
Cleaning, Repair and Maintenance Services	288,769	70,808	359,577	332,117	27,460
General Supplies	14,771	25,000	39,771	33,812	5,959
Other Objects	500		500	500	
Total Required Maintenance of School Facilities	602,965	56,401	659,366	625,447	33,919
Custodial Services:					
Salaries	598,175	214,017	812,192	804,030	8,162
Salaries of Non-Instructional Aides		56,349	56,349	56,349	
Purchased Professional and Technical Services	55,758	7,264	63,022	43,489	19,533
Cleaning, Repair and Maintenance Services	63,017	142,771	205,788	139,020	66,768
Other Purchased Property Services		16,000	16,000	11,527	4,473
Insurance	83,109	61,349	144,458	144,458	
Miscellaneous Purchased Services	1,100	1,961	3,061	2,221	840
General Supplies	52,080	(11,418)	40,662	40,662	
Energy (Electricity)	392,373	(55,000)	337,373	315,607	21,766
Energy (Natural Gas)	188,665	10,000	198,665	183,696	14,969

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services (Cont'd):					
Total Custodial Services	\$ 1,434,277	\$ 443,293	\$ 1,877,570	\$ 1,741,059	\$ 136,511
Care and Upkeep of Grounds:					
Salaries		11,907	11,907	11,711	196
Purchased Professional and Technical Services	17,000	(13,682)	3,318	3,318	
Cleaning, Repair and Maintenance Services	5,000	53,440	58,440	41,053	17,387
General Supplies		17,242	17,242	15,054	2,188
Total Care and Upkeep of Grounds	22,000	68,907	90,907	71,136	19,771
Security:					
Cleaning, Repair and Maintenance Services	4,000	20,475	24,475	9,975	14,500
General Supplies	26,000	(10,475)	15,525	2,370	13,155
Total Security	30,000	10,000	40,000	12,345	27,655
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	41,475	(40,950)	525	525	
Between Home and School - Regular		12,149	12,149	11,716	433
Between Home and School - Special		4,558	4,558	3,905	653
Management Fee - ESC and CTSA Transportation Program	10,886	10,886	10,886	887	9,999
Other Purchased Professional and Technical Services	27,000		27,000	26,495	505
Contracted Services:					
Other Than Between Home and School - Vendors	18,000	(16,684)	1,316		1,316
Special Education Students - Vendors	223,506	8,316	231,822	213,025	18,797
Regular Students - ESC's and CTSA's	1,200,000	15,267	1,215,267	1,205,267	10,000
Aid in Lieu - Nonpublic Schools	43,167	18,000	61,167	55,949	5,218
Aid in Lieu - Choice Schools	4,000	835	4,835	4,722	113
Miscellaneous Purchased Services - Transportation		3,041	3,041	3,041	
General Supplies		725	725	243	482
Total Student Transportation Services	1,568,034	5,257	1,573,291	1,525,775	47,516

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 237,000	\$ 80,378	\$ 317,378	\$ 317,378	
Other Retirement Contributions - PERS	380,100	(23,671)	356,429	356,429	
Other Retirement Contributions - Regular	12,200	1,021	13,221	13,221	
Workmen's Compensation	182,817	(28,228)	154,589	154,354	\$ 235
Health Benefits	5,006,701	(471,701)	4,535,000	4,534,483	517
Tuition Reimbursement	82,217	(3,567)	78,650	78,251	399
Other Employee Benefits	50,673	(24,277)	26,396	26,289	107
Unused Sick Payment to Terminated/Retired Staff		20,030	20,030	20,030	
Total Unallocated Benefits	5,951,708	(450,015)	5,501,693	5,500,435	1,258
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,871,903	(2,871,903)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				917,123	(917,123)
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				1,595	(1,595)
On-Behalf TPAF Non Contributory Insurance (Non-Budgeted)				54,641	(54,641)
Reimbursed TPAF Social Security (Non-Budgeted)				977,682	(977,682)
Total On-Behalf Contributions				4,822,944	(4,822,944)
Total Personal Services - Employee Benefits	5,951,708	(450,015)	5,501,693	10,323,379	(4,821,686)
Total Undistributed Expenses	15,482,937	611,939	16,094,876	20,249,987	(4,155,111)
TOTAL GENERAL CURRENT EXPENSE	26,912,041	464,626	27,376,667	31,419,075	(4,042,408)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Support Services - Students - Related and Extraordinary Services		8,005	8,005	7,980	25
General Administration		7,385	7,385	7,385	
Required Maintenance of School Facilities		29,300	29,300	29,300	
Total Equipment		44,690	44,690	44,665	25

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 427,396		\$ 427,396	\$ 160,950	\$ 266,446
Other Objects - Debt Service Assessment	89,009		89,009	89,009	
Total Facilities Acquisition and Construction Services	<u>516,405</u>		<u>516,405</u>	<u>249,959</u>	<u>266,446</u>
TOTAL CAPITAL OUTLAY	516,405	44,690	561,095	294,624	266,471
SPECIAL SCHOOLS:					
Summer School:					
Salaries of Teachers	38,110	(38,110)			
Other Salaries for Instruction	36,000	(36,000)			
Purchased Professional and Technical Services	5,000	(5,000)			
General Supplies	1,500	(1,500)			
Total Summer School - Instruction	<u>80,610</u>	<u>(80,610)</u>			
Summer School - Support Services:					
Salaries of Teachers	6,800	(6,800)			
Total Summer School - Support Services	<u>6,800</u>	<u>(6,800)</u>			
TOTAL SUMMER SCHOOL	87,410	(87,410)			
TOTAL EXPENDITURES	<u>27,515,856</u>	<u>421,906</u>	<u>27,937,762</u>	<u>31,713,699</u>	<u>(3,775,937)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,011,009)</u>	<u>(447,101)</u>	<u>(1,458,110)</u>	<u>1,315,769</u>	<u>2,773,879</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources:					
Cancellation of Prior Year Accounts Payable				\$ 105,027	\$ 105,027
Total Other Financing Sources				<u>105,027</u>	<u>105,027</u>
Excess/(Deficiency) of Revenues and Other Financing Source Over/(Under) Expenditures	\$ (1,011,009)	\$ (447,101)	\$ (1,458,110)	1,420,796	2,878,906
Fund Balance, July 1 as Restated	4,438,405		4,438,405	4,438,405	
Fund Balance, June 30	<u>\$ 3,427,396</u>	<u>\$ (447,101)</u>	<u>\$ 2,980,295</u>	<u>\$ 5,859,201</u>	<u>\$ 2,878,906</u>
Recapitulation:					
Restricted:				\$ 1,907,547	
Capital Reserve				736,738	
Maintenance Reserve				75,939	
Unemployment Compensation				402,799	
Assigned:				275,324	
Year End Encumbrances				2,460,854	
Designated for Subsequent Year's Expenditures				<u>5,859,201</u>	
Unassigned					
Reconciliation to Governmental Funds Statement (GAAP):				(174,275)	
Last Two State Aid Payments not Recognized on GAAP Basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,684,926</u>	

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 60,715	\$ 60,715	\$ 53,409	\$ (7,306)
State Sources	\$ 228,000	(14,617)	213,383	134,151	(79,232)
Federal Sources	340,654	243,680	584,334	533,549	(50,785)
Total Revenues	\$ 568,654	\$ 289,778	\$ 858,432	\$ 721,109	\$ (137,323)
EXPENDITURES:					
Instruction					
Purchased Services - Instruction	\$ 45,513	\$ 140,182	\$ 185,695	\$ 81,334	\$ 104,361
Tuition	328,434		328,434	328,434	
General Supplies	65,027	80,729	145,756	134,468	11,288
Textbooks		14,478	14,478	13,891	587
Total Instruction	438,974	235,389	674,363	558,127	116,236
Support Services:					
Purchased Professional/Technical Services	92,817	37,118	129,935	108,848	21,087
General Supplies	36,863		36,863	36,863	
Student Activities		27,462	27,462	27,462	
Total Support Services	129,680	64,580	194,260	173,173	21,087
Total Expenditures	\$ 568,654	\$ 299,969	\$ 868,623	\$ 731,300	\$ 137,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ (10,191)	\$ (10,191)	\$ (10,191)	\$ -0-

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 33,029,468	\$ 721,109
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		
Prior Year Encumbrances		(2,289)
Current Year Encumbrances		10,054
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(174,275)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	<u>190,264</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 33,045,457</u>	<u>\$ 728,874</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 31,713,699	\$ 731,300
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		
Prior Year Encumbrances		(2,289)
Current Year Encumbrances		<u>10,054</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,713,699</u>	<u>\$ 739,065</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 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 except for student activities. 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, 2021

	Nonpublic				
	Vaious Local Grants	Textbooks	Nursing	Security Aid	Chapter 192 Compensatory Education
REVENUE:					
Local Sources	\$ 36,138				
State Sources	\$ 13,891	\$ 13,891	\$ 22,569	\$ 40,520	\$ 28,216
Federal Sources					
Total Revenue	36,138	13,891	22,569	40,520	28,216
EXPENDITURES:					
Instruction:					
Purchased Services - Instruction					28,216
Tuition					
General Supplies	36,138			40,520	
Textbooks		13,891			
Total Instruction	36,138	13,891		40,520	28,216
Support Services:					
Purchased Professional/Technical Services			22,569		
General Supplies					
Student Activities					
Total Support Services			22,569		
Total Expenditures	\$ 36,138	\$ 13,891	\$ 22,569	\$ 40,520	\$ 28,216

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic	Elementary and Secondary Education Act			
REVENUE:	Chapter 193	Title I		Title II	Title IV
Local Sources	Examination and	Corrective	Part A		
State Sources	Classification	Speech			
Federal Sources			Title I	Part A	Title IV
	\$ 27,132	\$ 1,823	\$ 23,914	\$ 7,410	\$ 10,000
Total Revenue	<u>27,132</u>	<u>1,823</u>	<u>23,914</u>	<u>7,410</u>	<u>10,000</u>
EXPENDITURES:					
Instruction:					
Purchased Services - Instruction	27,132	1,823			
Tuition					
General Supplies			2,914		
Textbooks					
Total Instruction	<u>27,132</u>	<u>1,823</u>	<u>2,914</u>		
Support Services:					
Purchased Professional/Technical Services			21,000	7,410	10,000
General Supplies					
Student Activities					
Total Support Services			<u>21,000</u>	<u>7,410</u>	<u>10,000</u>
Total Expenditures	<u>\$ 27,132</u>	<u>\$ 1,823</u>	<u>\$ 23,914</u>	<u>\$ 7,410</u>	<u>\$ 10,000</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Student Activities	CARES Emergency Relief	CARES Nonpublic Technology	CARES Digital Divide	Coronavirus Relief Fund
REVENUE:					
Local Sources	\$ 17,271				
State Sources		\$ 17,658	\$ 10,128	\$ 24,916	\$ 36,718
Federal Sources					
Total Revenue	17,271	17,658	10,128	24,916	36,718
EXPENDITURES:					
Instruction:					
Purchased Services - Instruction					
Tuition					
General Supplies		17,513	10,128	24,916	
Textbooks					
Total Instruction		17,513	10,128	24,916	
Support Services:					
Purchased Professional/Technical Services					36,718
General Supplies		145			
Student Activities	27,462				
Total Support Services	27,462	145			36,718
Total Expenditures	\$ 27,462	\$ 17,658	\$ 10,128	\$ 24,916	\$ 36,718

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA Part B		
	Basic	Preschool	Totals
REVENUE:			
Local Sources			\$ 53,409
State Sources			134,151
Federal Sources	\$ 393,856	\$ 8,949	533,549
Total Revenue	393,856	8,949	721,109
EXPENDITURES:			
Instruction:			
Purchased Services - Instruction	17,553	6,610	81,334
Tuition	328,434		328,434
General Supplies		2,339	134,468
Textbooks			13,891
Total Instruction	345,987	8,949	558,127
Support Services:			
Purchased Professional/Technical Services	47,869		108,848
General Supplies			36,863
Student Activities			27,462
Total Support Services	47,869		173,173
Total Expenditures	\$ 393,856	\$ 8,949	\$ 731,300

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

**CAPITAL PROJECTS FUND
(NOT APPLICABLE)**

PROPRIETARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 20,827
Intergovernmental Receivable:	
Federal	37,507
State	1,767
Accounts Receivable - Other	98
Inventory	19,058

Total Current Assets	<u>79,257</u>
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Non-Current Assets:

Capital Assets	307,244
Less: Accumulated Depreciation	<u>(261,322)</u>

Total Non-Current Assets	<u>45,922</u>
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Total Assets	<u>125,179</u>
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LIABILITIES:

Current Liabilities:

Interfund Payable - General Fund	59,938
Accounts Payable - Vendors	2,976
Unearned Revenue - Donated Commodities	5,512
Unearned Revenue - Prepaid Sales	<u>24,227</u>

Total Current Liabilities	<u>92,653</u>
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Total Liabilities	<u>92,653</u>
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NET POSITION:

Investment in Capital Assets	45,922
Unrestricted/(Deficit)	<u>(13,396)</u>

Total Net Position	<u>\$ 32,526</u>
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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, 2021

APPLICABLE

Operating Revenue:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 3,211
Total Operating Revenue	<u>3,211</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	163,996
Salaries, Benefits & Payroll Taxes	143,500
Supplies, Insurance & Other Costs	69,791
Management Fee	18,720
Depreciation Expense	6,742
Total Operating Expenses	<u>402,749</u>
Operating Loss	<u>(399,538)</u>
Non-Operating Revenue:	
Federal Sources:	
Equipment Assistance Grant	25,565
COVID 19 - Seamless Summer Option - Lunch	44,273
COVID-19 - Seamless Summer Option - Breakfast	301,092
COVID 19 - Seamless Summer Option - After School Snack	444
Food Distribution Program	25,107
State Sources:	
COVID 19 - Seamless Summer Option - Lunch	13,988
Local Sources:	
Interest Income	10
Total Non-Operating Revenue	<u>410,479</u>
Change in Net Position Before Other Items	10,941
Other Items:	
Cancellation of Prior Year Accounts Payable	4,072
Cancellation of Interfund Receivable - General Fund	(3,100)
Change in Net Position After Other Items	11,913
Net Position - Beginning of Year	<u>20,613</u>
Net Position - End of Year	<u>\$ 32,526</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 928
Refunds to Customers	(997)
Payments to Food Service Vendor	(333,876)
Payments to Suppliers	(33,033)
	<hr/>
Net Cash (Used for) Operating Activities	(366,978)
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(32,145)
	<hr/>
Net Cash (Used for) Capital and Related Financing Activities	(32,145)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Federal Equipment Grant	25,565
State Subsidy Reimbursements	12,249
Federal Subsidy Reimbursements	310,112
Interfund - General Fund	59,938
	<hr/>
Net Cash Provided by Noncapital Financing Activities	407,864
	<hr/>
Cash Flows from Investing Activities:	
Interest on Investments	10
	<hr/>
Net Cash Provided by Investing Activities	10
	<hr/>
Net Increase in Cash and Cash Equivalents	8,751
Cash and Cash Equivalents, July 1	12,076
	<hr/>
Cash and Cash Equivalents, June 30	\$ 20,827
	<hr/> <hr/>
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (399,538)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	6,742
Food Distribution Program	25,107
Changes in Assets and Liabilities:	
(Increase) in Inventory	(1,829)
Decrease in Other Accounts Receivable	361
Increase in Accounts Payable	2,976
(Decrease) in Unearned Revenue - Prepaid Sales	(3,639)
Increase in Unearned Revenue - Donated Commodities	2,842
	<hr/>
Net Cash (Used for) Operating Activities	\$ (366,978)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$27,949 and utilized U.S.D.A. Commodities valued at \$25,107.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Balance June 30, 2020	Issued	Defeased	Matured	Balance June 30, 2021
			Date	Amount	Interest Rate	Balance June 30, 2021					
2011 Refunding Bonds	06/30/11	\$ 12,100,000	1/15/2022	\$ 35,000	2.750%	\$ 4,530,000		\$ 3,400,000	\$ 1,130,000		
2012 Refunding Bonds	12/22/11	10,630,000	1/15/2023	35,000	3.000%						
			1/15/2024	400,000	3.250%						
			1/15/2025	1,460,000	3.500%						
			1/15/2026	1,520,000	3.625%						
			1/15/2027	1,580,000	3.750%						
			1/15/2028	1,650,000	3.875%						
			1/15/2029	1,720,000	4.000%						
			1/15/2030	1,790,000	4.125%	10,220,000			30,000	\$ 10,190,000	
2015 Refunding Bonds	10/28/15	8,680,000	1/15/2022	25,000	3.000%						
			1/15/2023	30,000	3.000%						
			1/15/2024	30,000	3.000%						
			1/15/2025	30,000	3.000%						
			1/15/2026	30,000	3.188%						
			1/15/2027	35,000	3.161%						
			1/15/2028	35,000	3.214%						
			1/15/2029	35,000	3.214%						
			1/15/2030	35,000	3.214%						
			1/15/2031	1,950,000	3.256%						
			1/15/2032	2,005,000	3.375%						
			1/15/2033	2,065,000	4.000%						
			1/15/2034	2,135,000	4.000%	8,465,000			25,000	8,440,000	

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, 2020	Issued	Defeased	Matured	Balance June 30, 2021
			Date	Amount	June 30, 2021						
2020 Refunding Bonds	12/03/20	\$ 3,441,000	1/15/2022	\$ 1,252,000	0.897%						
			1/15/2023	1,270,000	0.897%						
			1/15/2024	919,000	0.897%		\$ 3,441,000			\$ 3,441,000	
						\$ 23,215,000	\$ 3,441,000	\$ 3,400,000	\$ 1,185,000	\$ 22,071,000	

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, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,108,081		\$ 2,108,081	\$ 2,108,081	
Total Revenues	2,108,081		2,108,081	2,108,081	
EXPENDITURES:					
Regular Debt Service:					
Interest	923,081		923,081	838,081	\$ 85,000
Redemption of Principal	1,185,000		1,185,000	1,185,000	
Total Regular Debt Service	2,108,081		2,108,081	2,023,081	85,000
Total Expenditures	2,108,081		2,108,081	2,023,081	85,000
Excess of Revenues Over Expenditures				85,000	85,000
Other Financing Sources/(Uses):					
Refunding Bond Issued				3,441,000	3,441,000
Serial Bonds Defeased				(3,400,000)	(3,400,000)
Bond Issuance Cost				(35,806)	(35,806)
Deferred Amount on Refunding				(90,194)	(90,194)
Total Other Financing Sources/(Uses)				(85,000)	(85,000)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
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,									
	2012	2013	2014	2015	2016	2017	2018	2019*	2020*	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 24,086,810	\$ 24,136,109	\$ 24,467,555	\$ 24,995,409	\$ 25,463,192	\$ 25,862,605	\$ 25,757,830	\$ 25,645,074	\$ 25,756,531	\$ 25,679,620
Restricted	687,759	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170	2,983,031	2,826,277
Unrestricted/(Deficit)	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)	(5,590,099)
Total governmental activities net position	\$ 24,919,118	\$ 24,663,451	\$ 19,150,536	\$ 20,896,394	\$ 22,006,019	\$ 19,978,029	\$ 20,158,505	\$ 20,378,817	\$ 21,055,008	\$ 22,915,798
Business-type Activities:										
Investment in Capital Assets	\$ 19,873	\$ 15,177	\$ 10,481	\$ 13,481	\$ 11,992	\$ 10,503	\$ 9,014	\$ 7,525	\$ 20,519	\$ 45,922
Unrestricted	4,894	720	15,525	13,453	10,658	13,581	1,721	18,586	94	(13,396)
Total business-type activities net position	\$ 24,767	\$ 15,897	\$ 26,006	\$ 26,934	\$ 22,650	\$ 24,084	\$ 10,735	\$ 26,111	\$ 20,613	\$ 32,526
District-wide:										
Net Investment in Capital Assets	\$ 24,106,683	\$ 24,151,286	\$ 24,478,036	\$ 25,008,890	\$ 25,475,184	\$ 25,873,108	\$ 25,766,844	\$ 25,652,599	\$ 25,777,050	\$ 25,725,542
Restricted	687,759	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170	2,983,031	2,826,277
Unrestricted/(Deficit)	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)	(5,603,495)
Total District Net Position	\$ 24,943,885	\$ 24,679,348	\$ 19,176,542	\$ 20,923,328	\$ 22,028,669	\$ 20,002,113	\$ 20,169,240	\$ 20,404,928	\$ 21,075,621	\$ 22,948,324

* - 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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 14,589,607
Special Education	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	4,040,765
Other Special Instruction	454,506	825,701	907,843	1,215,570	1,237,448	1,722,812	1,367,327	1,058,798	770,762	1,617,261
School Sponsored Instruction	30,593	82,329	87,515	92,121	116,205	151,874	119,031	169,584	166,141	66,406
Support Services:										
Tuition	687,219	851,271	873,557	664,972	467,098	557,171	465,117	527,794	418,376	313,378
Student & Instruction Related Services	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	6,108,659
General Administrative Services	1,682,380	1,265,380	1,162,128	1,282,779	1,579,339	1,580,503	752,745	884,629	784,628	579,207
School Administrative Services	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	1,026,774
Central Services							686,211	700,558	904,991	919,269
Administrative Information Technology							14,504	42		12,219
Plant Operations and Maintenance	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	2,900,714
Pupil Transportation	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	1,525,990
Capital Outlay							122,345	89,009	94,020	79,499
Special Schools	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	1,480,147
Interest on Long-Term Debt	1,193,844	1,357,230	1,358,695	1,325,265	1,146,055	1,198,120	964,061	913,326	859,934	692,441
Total Governmental Activities Expenses	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	35,952,336
Business-type Activities:										
Food Service	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872	402,749
Total Business-type Activities Expenses	481,361	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872	402,749
Total District Expenses	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	36,355,085
Governmental Activities:										
Charges for Services:										
Regular instruction	426,078	377,789	344,801	384,771	422,951	500,399				43,634
Special education instruction	156,779	67,775	89,808	70,279	257,962	169,779				466,622
Other instruction		63,806				8,850				
Tuition			2,787				731,797	497,205	610,046	
Student & instruction related services	46,292	43,275	47,144	26,097	3,357	30,451				17,271
General & business administrative services	40,817	38,000	5,312							
Plant operations & maintenance	58,944	67,447	67,589	61,154	46,502	49,444				
Pupil transportation	29,569	38,812	34,054	32,687	59,619	41,360			27,953	26,743
Special schools			7,340		1,582					
Operating Grants and Contributions	764,091	644,603	837,903	802,768	615,914	634,499	11,475,969	10,102,595	8,968,154	10,425,876
Capital Grants and Contributions			59,895	444,426	(81,648)					
Total Governmental Activities Program Revenues	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	10,980,146

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
Business-type Activities:										
Charges for Services:										
Food Service	\$ 401,046	\$ 375,792	\$ 353,767	\$ 348,680	\$ 373,016	\$ 389,772	\$ 367,536	\$ 398,729	\$ 265,980	\$ 3,211
Operating Grants and Contributions	78,106	82,351	82,423	73,937	84,583	93,234	96,276	74,143	77,176	410,469
Total Business-type Activities Revenues	479,152	458,143	436,190	422,617	457,599	483,006	463,812	472,872	343,156	413,680
Total District Program Revenues	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	11,393,826
Net (Expense)/Revenue	(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)	(24,972,190)
Governmental Activities	(2,209)	(10,383)	7,694	721	(4,530)	(23,872)	(13,929)	14,457	(23,716)	10,931
Business-type Activities	(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)	(24,961,259)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	24,238,903
Taxes Levied for Debt Service	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	2,108,081
Unrestricted Grants and Contributions	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	243,081
Net Changes Due to Defeasance of Bonds	(228,991)									
Investment Earnings	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258	270
Miscellaneous Income	275,186	142,860	92,067	143,365	120,629	120,629	138,705	147,314	170,639	137,618
Other Item							200,000			105,027
Transfers	(75,000)	(45,000)	(50,000)	(50,000)	(60,000)	(25,000)			(3,100)	
Total Governmental Activities	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	26,832,980
Business-type Activities:										
Investment Earnings	435	188	183	207	246	306	580	919	635	10
Miscellaneous Income	308	1,325								972
Other Item										
Transfers						25,000			3,100	
Total Business-type Activities	743	1,513	183	207	246	25,306	580	919	3,735	982
Total District-wide	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	26,833,962
Change in Net Position	(159,599)	145,751	845,587	1,745,858	1,109,625	(2,027,990)	448,493	428,371	746,486	1,860,790
Governmental Activities	(1,466)	(8,870)	7,877	928	(4,284)	1,434	(13,349)	15,376	(19,981)	11,913
Business-type Activities	\$ (161,065)	\$ 136,881	\$ 853,464	\$ 1,746,786	\$ 1,105,341	\$ (2,026,556)	\$ 435,144	\$ 443,747	\$ 726,505	\$ 1,872,703

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,										Restated
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
General Fund:											
Restricted	\$ 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	\$ 2,720,224	
Committed	569,816	101,456	366,647	988,770	2,865,632	336,121					
Assigned	646,498	153,426	200,000	240,000	91,023	241,023	541,517	57,974	562,511	678,123	
Unassigned	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000	2,286,579	
Total General Fund	\$ 2,542,694	\$ 2,412,517	\$ 2,010,896	\$ 3,726,773	\$ 4,585,887	\$ 2,578,464	\$ 3,650,603	\$ 4,036,418	\$ 4,248,141	\$ 5,684,926	
All Other Governmental Funds:											
Restricted, Reported in :											
Special Revenue Fund											
Capital Projects Fund	\$ 418,561	\$ 418,561	\$ 1,384,815	\$ 938,670	\$ 74,155				\$ 116,244	\$ 106,053	
Debt Service Fund							\$ 2	\$ 2			
Assigned, Reported in:											
Debt Service Fund	61,857	71,772			393,163	\$ 391,724					
Total All Other Governmental Funds	\$ 480,418	\$ 490,333	\$ 1,384,815	\$ 938,670	\$ 467,318	\$ 391,724	\$ 2	\$ 2	\$ 116,244	\$ 106,053	
Total All Governmental Funds:											
Restricted	\$ 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	\$ 2,720,224	
Committed	569,816	101,456	366,647	988,770	2,865,632	336,121					
Assigned	708,355	225,198	200,000	240,000	484,186	632,747	541,517	57,974	678,755	784,176	
Unassigned	719,270	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000	2,286,579	
Total All Governmental Funds	\$ 3,023,112	\$ 2,902,850	\$ 3,395,711	\$ 4,665,443	\$ 5,053,205	\$ 2,970,188	\$ 3,650,605	\$ 4,036,420	\$ 4,364,385	\$ 5,790,979	

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 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	\$26,346,984
Tuition	582,857	444,124	434,609	455,050	598,030	670,178	731,797	497,205	610,046	510,256
Transportation Fees									27,953	26,743
Interest Earnings	44,481	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258	270
Miscellaneous	156,996	137,568	110,388	164,644	200,724	105,312	158,275	164,867	174,754	191,027
Other Sources	26,317				23,904					
State Sources	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	8,266,935
Federal Sources	609,711	414,257	584,847	520,420	450,501	424,486	377,054	428,221	388,700	540,197
Total Revenues	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	35,882,412
Expenditures										
Instruction:										
Regular Instruction	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	8,453,772
Special Education Instruction	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	2,494,936
Other Special Instruction	284,442	521,774	580,738	641,572	608,461	806,624	679,873	573,039	428,332	883,163
School Sponsored Instruction	19,729	12,559	61,655	62,836	73,169	87,088	85,937	133,906	121,705	48,820
Support Services:										
Tuition	680,719	817,218	388,568	309,736	467,098	232,942	465,117	527,794	131,321	313,378
Student & Instruction Related Services	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	4,031,079
General Administrative Services	558,990	489,321	450,982	436,175	500,190	550,585	554,154	688,006	622,620	431,054
School Administrative Services	853,486	895,970	865,515	964,085	837,796	892,689	892,941	768,757	873,712	643,825
Central Services	369,223	366,229	381,322	387,377	394,432	423,227	423,343	415,639	538,612	546,753
Administrative Information Technology	132,882	31,644	22,610	19,668	19,637	33,787	9,533	42		12,219
Plant Operations and Maintenance	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	2,449,987
Pupil Transportation	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	1,525,775
Unallocated Benefits	4,716,982	4,580,270	4,560,740	4,579,954	4,807,583	4,873,120	8,810,096	9,734,904	9,602,735	10,323,379

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
On-behalf TPAF pension & Social Security contribution	\$ 1,877,027	\$ 2,395,022	\$ 2,191,134	\$ 2,457,829	\$ 2,882,586	\$ 3,249,153				
Special Schools	56,029	72,806	70,411	52,892	56,380	58,997	\$ 50,301	\$ 81,401	\$ 80,179	
Capital Outlay	91,430	597,302	213,345	62,591	1,296,005	836,380	315,594	406,094	820,589	\$ 294,624
Special Revenue Funds	764,091	639,308	837,903	802,768	615,914	634,499				
Capital Projects	153,082		638,412	906,897	215,464					
Debt Service:										
Principal	1,225,000	860,000	880,000	905,000	1,119,267	1,032,344	1,020,000	1,070,000	1,125,000	1,185,000
Interest and Other Charges	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	838,081
Total Expenditures	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	34,475,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	275,766	(117,366)	492,861	1,319,732	160,393	(2,058,017)	480,417	385,815	164,664	1,406,567
Other Financing Sources (Uses)					175,000					
Capital leases (non budgeted)										3,441,000
Insurance claims proceeds for storm damage		42,104								(3,400,000)
Premium on bonds and notes					305,937					(35,806)
Proceeds from refunding bond issue	10,630,000				8,680,000					(90,194)
Payment to refunding bond escrow agent	(10,308,991)				(8,873,568)					
Bond Issuance Costs										
Deferred Amount on Refunding										
Discount on bond issue	(174,805)									
Cancellation of Prior Year Accounts Payable Transferred to Capital Reserve	(75,000)	(45,000)		(50,000)	(60,000)	(25,000)	200,000		(3,100)	105,027
Transfers Out										
Total Other Financing Sources (Uses)	71,204	(2,896)		(50,000)	227,369	(25,000)	200,000		(3,100)	20,027
Net Change in Fund Balances	\$ 346,970	\$ (120,262)	\$ 492,861	\$ 1,269,732	\$ 387,762	\$ (2,083,017)	\$ 680,417	\$ 385,815	\$ 161,564	\$ 1,426,594
Debt Service as a Percentage of Noncapital Expenditures	7.5%	7.3%	7.3%	7.3%	7.6%	6.7%	6.6%	6.4%	6.4%	5.9%

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
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
2021	510,256	16,839	27,024	26,743		94,025	674,887

Source: School District Financial Reports

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	12,043,000	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
2020	12,220,500	1,719,687,800	51,959,400	2,280,400	181,697,000	162,716,400	19,347,900	2,149,909,400		2,149,909,400	317,726,903	1.226	2,301,380,924

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		Regional School Rate	Clinton Township	Hunterdon County		
	Basic Rate ^a	Obligation Debt Service ^b				Total Direct	
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
2020	1.128	0.098	1.226	0.633	0.435	0.401	2.695

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	\$ 123,100,100	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%
Transcontinentel 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	\$ 254,415,800		10.46%

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	
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	25,595,326	25,595,326	100.00%	-0-
2021	26,346,984	26,346,984	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)			
2012	\$ 31,115,000		\$ 540,000	\$ 31,655,000	3.25%	\$ 2,366.55
2013	30,255,000		540,000	30,795,000	3.08%	2,319.60
2014	29,375,000		540,000	29,915,000	3.00%	2,252.13
2015	28,470,000			28,470,000	2.76%	2,165.68
2016	27,405,000	\$ 115,733		27,520,733	2.60%	2,108.38
2017	26,430,000	58,389		26,488,389	2.46%	2,057.99
2018	25,410,000			25,410,000	2.32%	1,969.00
2019	24,340,000			24,340,000	2.13%	1,885.80
2020	23,215,000			23,215,000	1.94%	1,793.91
2021	22,071,000			22,071,000	1.86%	1,713.45

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			
2012	\$ 31,115,000		\$ 31,115,000	1.279%	\$ 2,326.18
2013	30,255,000		30,255,000	1.367%	2,278.92
2014	29,375,000		29,375,000	1.368%	2,211.47
2015	28,470,000		28,470,000	1.333%	2,165.68
2016	27,405,000		27,405,000	1.275%	2,099.52
2017	26,430,000		26,430,000	1.229%	2,053.45
2018	25,410,000		25,410,000	1.181%	1,969.00
2019	24,340,000		24,340,000	1.132%	1,885.80
2020	23,215,000		23,215,000	1.081%	1,793.91
2021	22,071,000		22,071,000	1.027%	1,713.45

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, 2020
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	\$ 18,245,532	100.00%	\$ 18,245,532
North Hunterdon Regional High School	8,110,000	27.49%	2,229,682
Hunterdon County General Obligation Debt	90,647,955	10.47%	<u>9,489,940</u>
Subtotal, Overlapping Debt			29,965,154
Clinton Township School District Direct Debt			<u>23,126,000</u>
Total Direct and Overlapping Debt			<u>\$ 53,091,154</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

	2020	2019	2018
Equalized valuation basis	\$ 2,287,142,111	2,280,930,931	2,272,502,820
	\$ 6,840,575,861		
Average Equalized Valuation of Taxable Property	\$ 2,280,191,954		
Debt Limit (3% of average equalization value) ^a	68,405,759		
Net Bonded School Debt as of June 30, 2021	22,071,000		
Legal Debt Margin	\$ 46,334,759		

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 68,405,759
Total Net Debt Applicable to Limit	31,655,000	30,795,000	29,915,000	28,470,000	27,405,000	26,430,000	25,410,000	24,340,000	23,215,000	22,071,000
Legal Debt Margin	\$ 41,876,161	\$ 39,524,904	\$ 25,272,883	\$ 38,073,114	\$ 39,140,021	\$ 40,943,771	\$ 42,511,823	\$ 43,927,007	\$ 45,161,166	\$ 46,334,759
Total Net Debt Applicable to the Limit										
As a Percentage of Debt Limit	43.05%	43.79%	44.17%	42.78%	41.18%	39.23%	37.41%	35.65%	33.95%	32.26%

a Limit set by N.J.S.A. 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
2012	13,276	\$ 998,872,964	\$ 75,239	9.60%
2013	13,283	996,955,565	75,055	5.00%
2014	13,146	1,032,946,950	78,575	4.90%
2015	13,053	1,057,580,166	81,022	4.30%
2016	12,871	1,077,830,411	83,741	4.10%
2017	12,905	1,097,337,960	85,032	3.80%
2018	12,907	1,143,108,455	88,565	3.60%
2019	12,941	1,194,337,831	92,291	3.00%
2020	12,881	1,188,800,371 ***	92,291 **	7.60%
2021	12,881 *	1,188,800,371 ***	92,291 **	N/A

* - Latest Hunterdon County population available (2020) was used for calculation purposes.

** - Latest Hunterdon County per capita personal income available (2019) was used for calculation purposes.

***- Latest available population data (2020) and latest Hunterdon County per capita personal income (2019) 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>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	110.0	103.5	107.9	94.0	91.1	88.1	84.0	89.0	84.0	101.5
Special Education	92.6	100.6	85.2	59.5	58.2	53.5	52.0	53.0	41.0	39.9
Support Services:										
Student & Instruction Related Services	29.0	27.7	30.3	55.3	46.0	46.3	46.0	46.0	56.0	49.4
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
School Administrative Services	11.0	11.0	11.0	13.0	13.5	9.5	9.5	9.5	12.0	10.7
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	1.0	1.0	1.0	3.0	3.0	2.0	2.0	2.0	2.0	3.0
Plant Operations and Maintenance	24.5	24.5	19.8	32.2	30.0	23.6	23.0	23.0	33.0	24.4
Total	275.1	275.3	262.2	264.0	248.8	230.0	223.5	229.5	235.0	236.9

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
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%
2021	1,208	** 32,158,140	26,621	7.45%	141.4	1:09	1,203.8	1,175.0	** -2.40%	97.61%

* - 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</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	301	303	292	251	263
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	301	284	288	293	258
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	556	558	539	496	469
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	462	457	425	413	415
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	243	34	35	39	41
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	242	323	325	330	331
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	462	396	397	398	378
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	378	455	468	467	452
Number of Schools at June 30, 2021					
Elementary = 3					
Middle School = 1					1,202

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>Fiscal Year Ended June 30,</u>				
		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Spruce Run School	N/A	\$ 86,308	\$ 85,939	\$ 58,124	\$ 93,727	\$137,266
Patrick McGaheran School	N/A	80,195	100,474	93,727	124,614	185,383
Round Valley School	N/A	142,226	114,858	145,003	153,352	246,232
Clinton Township Middle School	N/A	90,873	101,240	158,257	169,418	313,273
Grand Total		<u>\$399,602</u>	<u>\$402,511</u>	<u>\$455,111</u>	<u>\$541,111</u>	<u>\$882,154</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Spruce Run School	N/A	\$134,745	\$128,950	\$148,348	\$ 89,468	\$ 97,921
Patrick McGaheran School	N/A	194,152	135,398	235,331	109,119	119,429
Round Valley School	N/A	255,526	212,769	200,304	168,522	190,395
Clinton Township Middle School	N/A	283,730	167,636	206,332	188,935	217,702
Grand Total		<u>\$868,153</u>	<u>\$644,753</u>	<u>\$790,315</u>	<u>\$556,044</u>	<u>\$625,447</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, 2021
UNAUDITED

	Coverage	Deductible
<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	25,000
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	30,000,000	
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	250,000	1,000

Source: Clinton Township Board of Education Insurance Broker.

SINGLE AUDIT SECTION



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Independent Member
BKR International

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of 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
January 14, 2022

Nisivoccia LLP
NISIVOCCIA LLP

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Independent Member
BKR International

Report on Compliance For Each Major Federal and 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 Federal and State Program

We have audited the Clinton Township School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements 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 federal or 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 federal and 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 Federal and 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 federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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
January 14, 2022

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, 2021

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	From	To	Grant Period	Program or Award Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustment	Balance at June 30, 2021		Amount Provided to Subrecipients
											Budgetary Unearned Revenue/ (Accounts Receivable)	Budgetary Unearned Revenue	
U.S. Department of Treasury Passed-through State Department of Education													
Special Revenue Fund:													
COVID-19 - Coronavirus Relief Fund	21.019	N/A	3/1/2010	12/31/2020		\$ 36,718	\$ (36,718)						
Total U.S. Department of Treasury						36,718	(36,718)						
U.S. Department of Education -													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Title I													
Title IIA	84.010A	ESEA-0920-21	7/1/2020	9/30/2021		23,914	12,364	(23,914)			\$ (11,550)		
Title IIA	84.367A	ESEA-0920-20	7/1/2019	9/30/2020		15,762	5,754	(5,754)					
Title IIA	84.367A	ESEA-0920-21	7/1/2020	9/30/2021		19,743	6,908	(7,410)			(502)		
Title IV	84.424	ESEA-0920-21	7/1/2020	9/30/2021		10,000	8,213	(10,000)			(1,787)		
							33,239	(41,324)			(13,839)		
Special Education Cluster:													
ID.E.A. Basic	84.027	IDEA-0920-21	7/1/2020	9/30/2021		438,678	438,678	(393,856)				\$ 44,822	
ID.E.A. Basic	84.027	IDEA-0920-20	7/1/2019	9/30/2020		405,132	210,257	(214,737)			\$ 4,480		
ID.E.A. Basic	84.027	IDEA-0920-18	7/1/2017	6/30/2018		419,639			\$ (3,200)				
ID.E.A. Preschool	84.173	IDEA-0920-21	7/1/2020	9/30/2021		12,373	11,340	(8,949)				2,391	
ID.E.A. Preschool	84.173	IDEA-0920-19	7/1/2018	9/30/2019		17,138			(703)				\$ 210
ID.E.A. Preschool	84.173	IDEA-0920-18	7/1/2017	6/30/2018		13,361							
Total Special Education Cluster						4113	660,275	(402,805)	(3,903)	4,480		47,213	210
Education Stabilization Fund:													
COVID 19 - CARES Emergency Relief Grant	84.425D	N/A	3/13/2020	9/30/2023		17,682	14,211	(17,658)			(3,447)		
COVID 19 - Nonpublic Technology	84.425D	N/A	7/16/2020	10/31/2020		10,310	10,310	(10,128)					182
COVID 19 - Digital Divide	84.425D	N/A	7/16/2020	10/31/2020		24,916	24,916	(24,916)					
Total Education Stabilization Fund						49,437	49,437	(52,702)			(3,447)		182
Total U.S. Department of Education						4,113	779,669	(533,549)	(3,903)	4,480	(17,286)	47,213	392
Total Special Revenue Fund						4,113	779,669	(533,549)	(3,903)	4,480	(17,286)	47,213	392

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustment	Balance at June 30, 2021		Amount Provided to Subrecipients
			From	To		Budgetary Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor					Budgetary (Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture - Passed-through State Department of Agriculture:														
Enterprise Fund														
Child Nutrition Cluster:														
Equipment Assistance Grant	10.579	N/A	7/1/2020	6/30/2021	25,565		\$ 25,565	\$ (25,565)						
Food Distribution Program	10.555	N/A	7/1/2020	6/30/2021	27,949		27,949	(22,437)				\$ 5,512		
Food Distribution Program	10.555	N/A	7/1/2019	6/30/2020	34,159			(2,670)						
COVID-19 Seamless Summer Option:														
After School Snack	10.555	N/A	7/1/2020	6/30/2021	444		269	(444)						
School Breakfast Program	10.555	N/A	7/1/2020	6/30/2021	44,273		31,754	(44,273)				(12,519)		
Lunch	10.555	N/A	7/1/2020	6/30/2021	301,092		276,279	(301,092)				(24,813)		
COVID-19 Seamless Summer Option	10.555	N/A	3/18/2020	6/30/2020	7,061		1,810							
Total U.S. Department of Agriculture/Child Nutrition Cluster							363,626	(396,481)				(37,507)	5,512	
Total Enterprise Fund														
							363,626	(396,481)				(37,507)	5,512	
TOTAL FEDERAL AWARDS														
							\$ 1,143,295	\$ (930,030)		\$ (3,903)	\$ 4,480	\$ (54,793)	\$ 52,725	\$ 392
							\$ 4,113							\$ -0-

N/A - Not Available/Applicable

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

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period		Balance at June 30, 2020				Balance at June 30, 2021				MEMO	
		From	To	Program or Award Amount	Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	21-495-034-5120-089	7/1/2020	6/30/2021	\$ 1,024,729			\$ 927,791	\$ (1,024,729)		\$ (96,938)		\$ 1,024,729	
Categorical Security Aid	21-495-034-5120-084	7/1/2020	6/30/2021	95,566			86,525	(95,566)		(9,041)		95,566	
School Choice Aid	21-495-034-5120-068	7/1/2020	6/30/2021	66,290			60,020	(66,290)		(6,270)		66,290	
Categorical Transportation Aid	21-495-034-5120-014	7/1/2020	6/30/2021	655,670			593,644	(655,670)		(62,026)		655,670	
Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/2020	6/30/2021	17,110					\$ (17,110)			17,110	
Securing Our Children's Future Bond Act	N/A	7/1/2020	6/30/2021	65,255				(65,255)		(65,255)		65,255	
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/2020	6/30/2021	1,368,114				(1,368,114)		(1,368,114)		1,368,114	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/2020	6/30/2021	977,682			934,806	(977,682)		(42,876)		977,682	
On-Behalf TPAF Post Retirement Medical Contributions	21-495-034-5094-001	7/1/2020	6/30/2021	917,123			2,871,903	(917,123)				917,123	
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/2020	6/30/2021	2,871,903			54,641	(2,871,903)				2,871,903	
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/2020	6/30/2021	54,641			1,595	(54,641)				54,641	
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/2020	6/30/2021	1,595			96,513	(1,595)				1,595	
Categorical Special Education Aid	20-495-034-5120-089	7/1/2019	6/30/2020	1,012,993			95,566					1,012,993	
Categorical Security Aid	20-495-034-5120-084	7/1/2019	6/30/2020	95,566			9,106	(9,106)				95,566	
School Choice Aid	20-495-034-5120-068	7/1/2019	6/30/2020	232,745			22,175	(22,175)				232,745	
Categorical Transportation Aid	20-495-034-5120-014	7/1/2019	6/30/2020	655,670			62,470	(62,470)				655,670	
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/2019	6/30/2020	721,996				(721,996)				721,996	
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/2019	6/30/2020	723,483			36,831					723,483	
							7,397,139	(8,115,678)		(1,493,355)		11,558,131	
							(949,091)						
State Department of Education:													
Special Revenue Fund:													
Nonpublic Textbook Aid	21-100-034-5120-064	7/1/2020	6/30/2021	14,478			14,478	(13,891)			\$ 587	13,891	
Nonpublic Textbook Aid	20-100-034-5120-064	7/1/2019	6/30/2020	14,864					\$ (1,529)			13,335	
Compensatory Education	21-100-034-5120-067	7/1/2020	6/30/2021	28,216			28,216	(28,216)				28,216	
Compensatory Education	20-100-034-5120-067	7/1/2019	6/30/2020	18,738			2,021		(244)			18,494	
Home Instruction	20-100-034-5120-067	7/1/2019	6/30/2020	1,952			1,952	(1,952)				1,952	
Nonpublic Transportation Aid	20-100-034-5120-066	7/1/2019	6/30/2020	28,041			2,804		(28,041)			27,132	
Examination and Classification	21-100-034-5120-066	7/1/2020	6/30/2021	38,829			38,829	(27,132)				23,232	
Examination and Classification	20-100-034-5120-066	7/1/2019	6/30/2020	38,828			4,000		(15,596)			27,132	
Supplementary Instruction	21-100-034-5120-066	7/1/2020	6/30/2021	24,284			24,284					24,284	
Corrective Speech	21-100-034-5120-066	7/1/2020	6/30/2021	21,874			21,874	(1,823)				1,823	
Corrective Speech	20-100-034-5120-066	7/1/2019	6/30/2020	14,582			1,458		(10,936)			3,646	

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	
State Department of Education:												
Special Revenue Fund:												
Nonpublic Technology Initiative	20-100-034-5120-373	7/1/2019	6/30/2020	\$ 10,152	\$ 244	\$	\$ 41,474	\$ (40,520)	\$ (244)	\$	\$ 954	\$ 9,908
Nonpublic Security Aid	21-100-034-5120-509	7/1/2020	6/30/2021	41,474								40,520
Nonpublic Security Aid	20-100-034-5120-509	7/1/2019	6/30/2020	42,750	14				(14)			42,736
Nonpublic Nursing Aid	21-100-034-5120-070	7/1/2020	6/30/2021	24,174			24,174	(22,569)			1,605	22,569
Total Special Revenue Fund				\$ (12,235)	56,604	205,564		(134,151)	(56,604)		59,178	247,454
Total State Department of Education				(961,326)	56,604	7,602,703		(8,249,829)	(56,604)	\$ (1,493,355)	59,178	11,805,585
State Department of Agriculture:												
Enterprise Fund:												
Covid-19 Seamless Summer Option	21-100-010-3350-024	7/1/2020	6/30/2021	13,988			12,221	(13,988)		(1,767)		13,988
Covid-19 Seamless Summer Option	20-100-010-3350-024	3/18/2020	6/30/2020	112			28					112
Total State Department of Agriculture				(28)		12,249		(13,988)		(1,767)		14,100
Total Enterprise Fund				(28)		12,249		(13,988)		(1,767)		14,100
Total State Awards Subject to Single Audit Determination				\$ (961,354)	56,604	7,614,952		(8,263,817)	(56,604)	\$ (1,495,122)	59,178	11,819,685

Less: State Awards Not Subject to Single Audit Major Program Determination

On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Pension Contributions	21-495-034-5094-001	7/1/2020	6/30/2021	917,123				917,123				
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/2020	6/30/2021	2,871,903				2,871,903				
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/2020	6/30/2021	54,641				54,641				
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/2020	6/30/2021	1,595				1,595				
Subtotal - On-Behalf TPAF Pension System Contributions								3,845,262				
Total State Awards Subject to Single Audit Major Program Determination								\$ (4,418,555)				

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, 2021

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, 2021. 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 (\$15,989) for the general fund and \$7,765 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, 2021

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,131,667	\$ 8,131,667
Special Revenue Fund	\$ 540,197	135,268	675,465
Food Service Enterprise Fund	396,481	13,988	410,469
Total Financial Assistance	<u>\$ 936,678</u>	<u>\$ 8,280,923</u>	<u>\$ 9,217,601</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, 2021.

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, 2021. 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, 2021

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 federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance..*
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- 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 federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A./</u> <u>State Grant Numbers</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>State:</u>				
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20 - 6/30/21	\$ 1,368,114	\$ 1,368,114
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/20 - 6/30/21	977,682	977,682
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Basic	IDEA-0920-21	7/1/20 - 9/30/21	438,678	393,856
I.D.E.A. Preschool	IDEA-0920-21	7/1/20 - 9/30/21	12,373	8,949

- The threshold used for distinguishing between Type A and Type B Federal and State programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs. The District was not determined to be a "low-risk" auditee for federal 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, 2021

(Continued)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

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, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.