

**SCHOOL DISTRICT
OF
TOWNSHIP OF COMMERCIAL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Commercial Township Board of Education

Finance Department

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OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



COMMERCIAL TOWNSHIP SCHOOL DISTRICT

Kristin Schell

Superintendent/Principal

John Lavell

Supervisor of CTS/Special Services

Darren Harris

Business Administrator

Alysia Thomson

Assistant Principal

February 2, 2022

Honorable President and
Members of the Board of Education
Commercial Township School District
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Commercial Township Public School District (District) or 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Commercial Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Commercial Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2020-21 fiscal year with a June enrollment of 456 students, which is 51 less than the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	456	(9.47)%
2019-20	507	(6.28)%
2018-19	541	2.00%
2017-18	530	(5.00)%
2016-17	558	(2.45)%
2015-16	572	.88%
2014-15	567	(2.07)%
2013-14	579	(3.82)%
2012-13	602	(5.35)%
2011-12	636	(4.36)%

2. ECONOMIC CONDITION AND OUTLOOK:

Commercial Township continues to be an economically depressed area, which continues to experience limited growth residentially and industrially. It is safe to say that this pattern shall continue.

3. MAJOR INITIATIVES:

The Commercial Township School District aims to raise the achievement level of all its students particularly in the critical areas of language arts literacy, mathematics, and social/emotional learning. The District is in Comprehensive Status and has developed an Annual School Plan to ameliorate its programs, curriculum, and instruction accordingly. In response to the return to in-person instruction for all students, the District has had to adjust to incorporate programs that accelerate learning based on the Start Strong data from Fall 2021 in math, language arts, and science.

Curriculum - The District enters year three of the Connected Action Roadmap grant work. CAR is facilitated through NJPSA/FEA. As a grant recipient, the District has access to an exemplar framework for curricular development, a coach, various workshops, and a network of educators. The Professional Learning Community (PLC) group is the vehicle for this work to:

- create curricular units aligned to the NJSLS;
- create consistent grade-level curricular documents that include gold standard resources, specific student strategies, high quality assessments, and meaningful learning tasks;
- and to apply concepts and research surrounding the teaching and learning component of assessment.

3. MAJOR INITIATIVES (CONTINUED):

Instruction

- facilitate instruction that promotes student engagement and involves meaningful learning tasks
- facilitate high-quality tier one instruction for all students
- provide student-centered, differentiated instruction around grade-level standards
- adapt instruction for live stream for students who are quarantined
- provide instruction in the least restrictive environment
- leverage technology for instruction and for preparing students for life, career, and college
- design instruction according to the tenets of balanced literacy including provided tailored instruction through small guided reading groups
- implement Fountas & Pinnell (F&P) Leveled Literacy Intervention as a tier two intervention for supplemental instruction
- design instruction according to the tenets of balanced math
- view and utilize various data (Start Strong, Freckle, F&P, OnCourse, pre-assessments) to tailor instruction
- align Student Growth Objectives (SGO) to the NJSL and require all teachers to incorporate a literacy-based SGO
- incorporate components of the Marzano Focused Model for effective instruction

Programs/Resources/Other Related Initiatives

- attend to wellness needs (i.e. focused attention practices, brain intervals, calming techniques, belonging)
- leverage positive behavior support, relationships, and traits of a resilient school to establish a supportive environment
- utilize programs purchased (Seeing Stars, OnCourse Benchmarking and PBSIS) to help close the achievement gap
- leverage collaboration among counselors and Child Study Team members to create a positive, supportive school environment and to decrease bullying, violence, and general behavioral noncompliance
- utilize OnCourse Benchmark Assessments and other district data to measure individual student growth as well as efficacy of programs
- continue to utilize all the components in Tools of the Mind curriculum for Preschool
- use the Early Childhood Environment Rating Scale (ECERS) to guide the Preschool program
- utilize Wilson-Fundations materials and strategies in grades PK-2

Child Study Team and Related Services - The District is expanding its inclusion programs in order to achieve the ideal least restrictive environment. Three support teachers provide tier two instruction in language arts and math. The District continues to accept tuition students into its programs.

3. MAJOR INITIATIVES (CONTINUED):

Technology - Schoology is an all-in-one platform for students, parents, and staff to interact in a virtual environment. Through Schoology, teachers deliver class materials, assessments, feedback, grades, and other supports in one location. Students access learning materials/resources, submit assignments digitally, review feedback, monitor grades, participate in synchronous discussions, and receive other information and announcements. This list summarizes the status of instructional technology:

- deliver asynchronous instruction through Schoology, a learning management system
- utilize district technology and platforms (Zoom) for live stream instruction
- utilize GoGuardian classroom management software
- hone students' skills in digital literacy classes for grades K-8
- standards-aligned online educational programs (i.e. Reflex, Freckle, iXL) for practice at individual level of readiness

Technology Device Upgrades - All students have access to their own dedicated Chromebook device and hotspots to ensure reliable connectivity for use at home through two funding sources - Emergency Connectivity Funds and ESSER. Students have to qualify based on financial hardship.

Marzano Focused Teacher Evaluation - Commercial Township School District uses the Marzano Focused Teacher Evaluation model. This revised model supports standards-based learning, research-based practices, effective strategies, common language, and taxonomy levels to drive instruction. District goals and professional development are linked to the evaluation model. Goals for the 2021-22 school year include closing the achievement gaps in language arts and math, infusing social and emotional learning that result in a resilient school community, and integrating technology meaningfully.

The Marzano Focused Teacher Evaluation Model is used to guide observers to identify areas of effective teaching as they observe individual staff in the classroom setting. Each teacher's practice is evaluated in the same manner and the teacher is provided feedback to enhance further teaching and learning.

Staff not subject to mSGP receive a summative score weighted as follows:

- 15% - Student Growth Objectives
- 85% - Teacher Practice

Staff subject to mSGP receive a summative score weighed as follows:

- 5 % - mSGP
- 70% - Teacher Practice
- 25 % - Student Growth Objectives

Transportation - Commercial Township ceased contracting out its own transportation department in the 18-19 school year. The district continues to provide its own transportation through its transportation department and leased buses in the 2021-22 school year. The District leases buses to save on the cost for contracted routes and transportation for both field trips and all after school activities.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

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

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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

At June 30, 2020 the District's outstanding debt issues were \$230,000 in general obligation bonds. The unvoted amount of allowable debt is \$6,939,251.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the 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.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Commercial Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

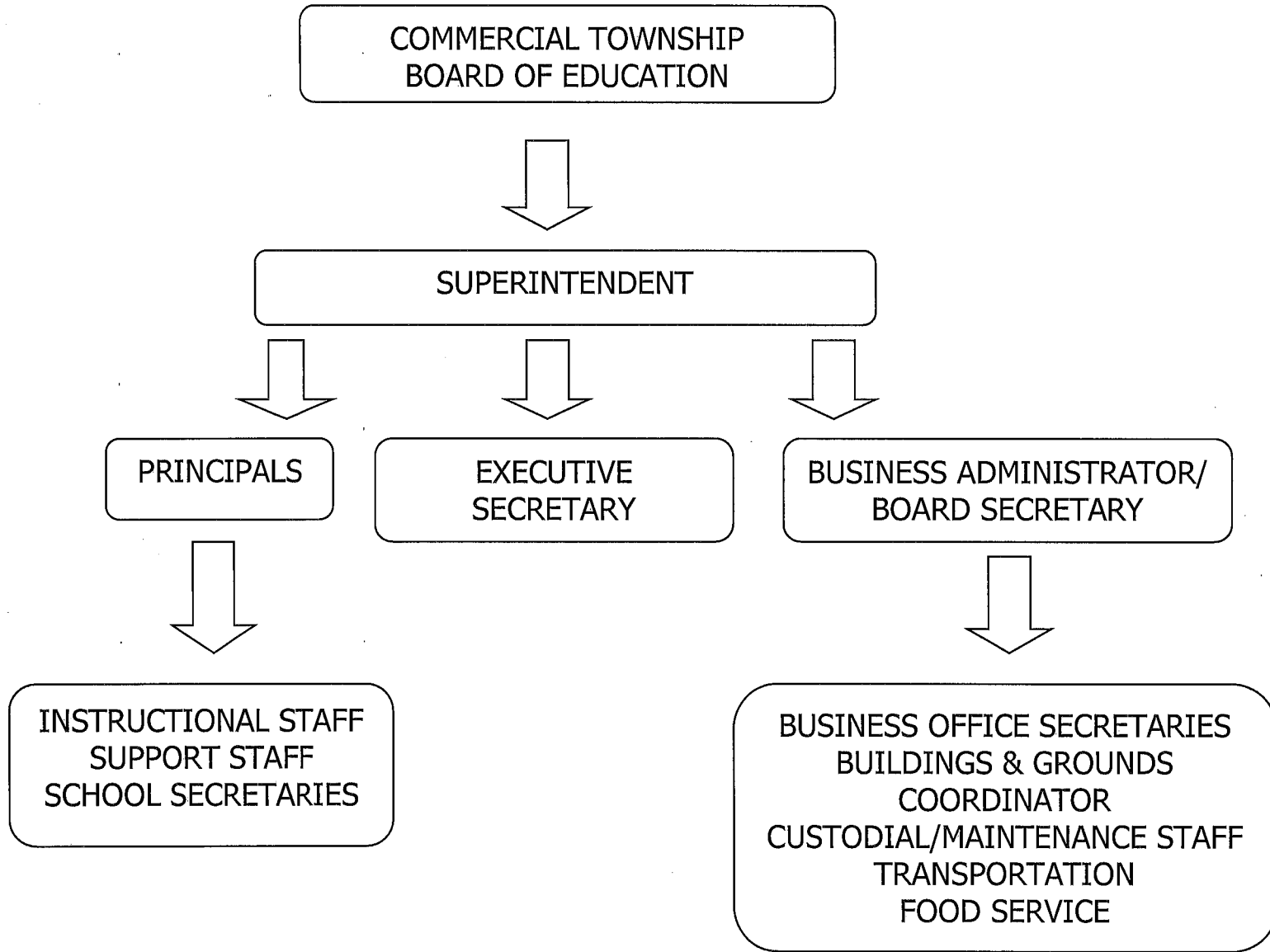
Kristin Schell

Kristin Schell, Superintendent/Principal

Darren Harris

Darren Harris, School Business Administrator/Board Secretary

COMMERCIAL TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



COMMERCIAL TOWNSHIP BOARD OF EDUCATION
PORT NORRIS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Carol Perrelli, President	2021
Ronald Sutton, Jr.	2021
Tracy Richardson	2022
Sharon Porter	2022
Beverly Dragotta	2022
Karen Stormes-Rivera	2023
Jessica Driver	2021
Michelle Ronan	2023
Stacy Wilson-Smith	2023
<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Kristin Schell, Superintendent/Principal	
Darren Harris, Board Secretary	\$ 100,000
Jonathan M. Busch, Solicitor	

**TOWNSHIP OF COMMERCIAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Manders & Merighi Associates
1138 East Chestnut Avenue
Vineland, New Jersey 08360

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
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Williamstown, NJ 08094

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INSURANCE AGENCY

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

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 Commercial Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commercial Township School 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.

Auditor's 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 and 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 Division of Administration and 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 of 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 entity'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 entity'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 financial statement presentation.

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, business-type activities, each major fund, and the aggregate remaining fund information of the Commercial Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 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, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Commercial Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by 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 OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance 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 combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

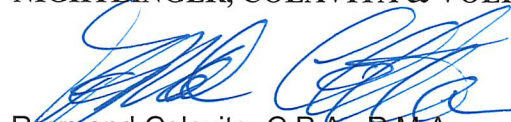
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 2, 2022, on our consideration of the Commercial Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Commercial Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Commercial Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
February 2, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
COMMERCIAL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

UNAUDITED

The discussion and analysis of Commercial Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- ❖ General revenues accounted for \$14,747,526 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,242,892 or 13% of total revenues of \$16,990,418.
- ❖ Total Net Position of governmental activities was \$3,290,296.
- ❖ The School District had \$15,440,149 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$2,242,892 mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$12,247,167, property taxes of \$2,236,617 and other miscellaneous revenues and adjustments of \$277,526, excluding transfers to charter schools, were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$13,539,088 in revenues, \$12,023,832 in expenditures and other financing use reductions of \$19,782. The General Fund's balance increased \$1,495,564 over 2020. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Commercial Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Commercial Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2021?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position and how they have changed. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are two school buildings maintained by the District, which are the Port Norris Middle School and the Haleyville Elementary School.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities. Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2020 and 2021.

Table 1
Net Position

	2021	2020
Assets		
Current and Other Assets	\$ 4,396,959	\$ 2,178,340
Capital Assets, Net	3,529,941	3,583,420
Total Assets	<u>7,926,900</u>	<u>5,761,760</u>
Deferred Outflows of Resources		
Deferred Pension Outflows	865,560	1,206,315
Liabilities		
Long-term Liabilities	3,192,794	3,755,809
Other Liabilities	1,091,937	565,712
Total Liabilities	<u>4,284,731</u>	<u>4,321,521</u>
Deferred Inflows of Resources		
Deferred Pension Inflows	1,104,151	1,028,278
Net Position		
Invested in Capital Assets, Net of Debt	4,300,253	3,368,717
Restricted	2,542,568	1,908,376
Unrestricted (Deficit)	(3,439,243)	(3,658,817)
Total Net Position	<u>\$ 3,403,578</u>	<u>\$ 1,618,276</u>

Table 2 shows the changes in Net Position from fiscal year's 2021 and 2020.

Table 2
Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues		
Programs Revenues		
Charges for Services	\$ 57,632	\$ 65,665
Operating Grants and Contributions	2,185,260	2,167,916
General Revenues		
Property Taxes	2,236,617	2,125,970
Grants and Entitlements	12,247,167	11,826,648
Other	277,562	327,372
	<u>17,004,238</u>	<u>16,513,571</u>
Program Expenses		
Instruction	3,788,003	3,785,166
Support Services		
Tuition	3,186,067	3,616,766
Pupils and Instructional Staff	1,022,609	1,293,201
General Administration, School		
Administration, Business	838,929	769,734
Operations and Maintenance of Facilities	885,630	993,991
Pupil Transportation	481,413	644,136
Employee Benefits	4,660,179	3,850,292
Interest on Debt	20,503	30,818
Enterprise Funds	309,291	410,077
Other	261,345	273,021
	<u>15,453,969</u>	<u>15,667,202</u>
Increase/(Decrease) in Net Position	<u>\$ 1,550,269</u>	<u>\$ 846,369</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$14,747,490 in total governmental revenues for the fiscal year ended June 30, 2021, property taxes made up 15% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 83% and other revenues made up 2.0%. The total cost of all program and services was \$15,130,858, of which the amount spent on governmental activities was \$13,191,560 and of this amount, Instruction comprised 22%.

Governmental Activities (Continued)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 3,788,003	\$ 2,901,616	\$ 3,785,166	\$ 3,066,350
Support Services				
Tuition	3,186,067	3,186,067	3,616,766	3,616,766
Pupils and Instructional Staff	1,022,609	714,879	1,293,201	964,704
General Administration, School				
Administration, Business	838,929	838,929	769,734	769,734
Operation and Maintenance of Facilities	885,630	885,630	993,991	993,991
Pupil Transportation	481,413	481,413	644,136	644,136
Employee Benefits	4,660,179	3,914,998	3,850,292	3,084,089
Interest and Fiscal Charges	20,503	20,503	30,818	30,818
Other	247,525	247,525	273,021	273,021
Total Expenses	<u>\$ 15,130,858</u>	<u>\$ 13,191,560</u>	<u>\$ 15,257,125</u>	<u>\$ 13,443,609</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District. Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District's business-type activities (food service program and extended day program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$5,697 and Extended Day revenue was limited to \$36 in interest income, as the operations were maintained outside of the district.
- ❖ The General Fund did not subsidize the food service operation in 2020-2021.
- ❖ Charges for services in the food service fund were \$5,214 of revenue. This represents amount paid by patrons for daily food services or 1.7% of the revenue in the food service fund. There were no service charges in the Extended Day program for the year.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$298,380, which represents 98.3% of the revenue.

The School District's Funds

Information about the School District's major funds starts on page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$15,096,450 and expenditures of \$13,587,344. The net positive change in fund balance for the year was \$1,455,732, excluding the prior period adjustment of \$235,033 relating to GASB #84. The School District was able to meet current operating costs during the current fiscal year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (including capital projects fund expenditures) for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,553,697	17.0%	\$ 60,725	2.2%
State Sources	11,510,577	76.2%	(611,461)	-5.0%
Federal Sources	1,032,176	6.8%	194,690	19.9%
Total	<u>\$ 15,096,450</u>	<u>100.0%</u>	<u>\$ (860,322)</u>	<u>-5.4%</u>

The School District's Funds (Continued)

The increase in Local Sources is attributed to increases in local tax levy of \$110,647 and miscellaneous revenue of \$76,461, offset by decreases in interest earnings and tuition of \$98,083 and child study team of \$28,300.

The decrease in State Sources is attributed to decreases in general fund state aid of \$618,477, debt service aid of \$2,365, offset by increase in state and federal grants for special projects of \$9,381.

The increase in Federal Sources is attributed to net increases in various grant awards totaling \$194,690.

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2021.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,788,003	27.9%	\$ 2,837	0.1%
Undistributed Expenditures	9,342,502	68.8%	(954,226)	-8.6%
Capital Outlay	206,201	1.5%	23,561	47.1%
Debt Service:				
Principal	235,000	1.7%	5,000	2.1%
Interest	15,638	0.1%	(9,025)	-28.1%
Total	\$ 13,587,344	100.0%	\$ (931,853)	-6.1%

The increase in Current – Instruction is attributed to increases in regular instruction of \$39,983 and other special education instruction of \$80,109, offset by decreases in special education tuition of \$115,182 and other instruction of \$2,073.

The decrease in Current – Undistributed Expenditures is attributed to decreases in various line items totaling \$954,226.

The increase in capital outlay is attributed to increases in capital projects and construction service costs of \$23,561.

The decrease in debt service is attributed to increased outstanding debt obligations of \$5,000 offset by decrease of \$9,025 in interest.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2021, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$1,483,802.

- ❖ Actual revenues were \$287,020 more than expected, excluding On-Behalf pension and social security state aid of \$1,581,719, due primarily to miscellaneous revenue.
- ❖ The actual expenditures were \$1,687,014 less than expected, which excluded the effects of state On-Behalf pension and social security aid of \$1,581,719, partially offset by favorable variances in various budget appropriations.

Capital Assets

At the end of the fiscal year 2021, the School District had \$3,529,941 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2020 balances compared to 2021.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2021</u>	<u>2020</u>
Land	\$ 14,877	\$ 14,877
Land Improvements	419,832	392,723
Building and Improvements	2,802,528	2,923,593
Equipment	292,704	252,227
Totals	<u>\$ 3,529,941</u>	<u>\$ 3,583,420</u>

Overall capital assets decreased \$53,479 from fiscal year 2020 to fiscal year 2021. Increases in capital assets of \$196,931 were offset by depreciation expense of \$250,410.

Debt Administration

At June 30, 2021, the School District had \$3,192,794 as outstanding debt. Of this amount, \$733,528 is for compensated absences and the balance of \$230,000 is for refunding bonds dated November 17, 2009. The District also reported a Net Pension Liability of \$2,229,266, in accordance with GASB #68.

At June 30, 2021, the School District's overall legal debt margin was \$7,169,251 and the unvoted debt margin was \$6,939,251, or 96.8% of the total amount permitted by statute.

For the Future

Commercial Township School District's future is positive and bright. Over the past three years, the Commercial Township School District has identified multiple students out of district in special education programs that may benefit from the provision of programming within their resident schools. With the cost savings from decreased tuition expenditures and special transportation services, we are able to meet the needs of our most exceptional children in a less restrictive environment. These programs not only meet the needs of our students, but offer a cost effective option for special education placements to other local school districts, while serving as a revenue source for Commercial Township Schools.

During the budget process, it was a concern to the Administration and Board of Education how future budgets would be financed. Therefore, the Board of Education and Administration are constantly looking at ways to decrease spending while continuing to provide the best possible education for our students. With a declining enrollment the District closed the Port Norris Middle School and opened the Commercial Township School (formerly Haleyville-Mauricetown Elementary School) as a Pre-k through 8 facility. The consolidation of the schools has led to some significant financial savings and these savings were used to address some facilities projects at the Commercial Township School.

Commercial Township is primarily a residential community, with very few ratables and the burden is, therefore, focused on homeowners to absorb the cost through higher taxes. With a free and reduced population of 75%, our students need to be afforded the same opportunities as their peers throughout the state.

In conclusion, the Commercial Township School District has committed itself to responsible fiscal management and plans to continue to meet the challenges of the future. In addition, the School District's system for financial planning, budgeting, and internal financial controls are maintained in accordance with state statutes.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Kristin Schell, Superintendent at Commercial Township Board of Education, Port Norris, N.J. or email at kristin.schell@commercialschools.org.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,732,084	\$ 54,472	\$ 1,786,556
Receivables, Net	682,403	24,296	706,699
Inventory		19,721	19,721
Restricted Cash and Cash Equivalents	1,883,983		1,883,983
Capital Assets, Net (Note 5):	3,506,764	23,177	3,529,941
Total Assets	<u>7,805,234</u>	<u>121,666</u>	<u>7,926,900</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>865,560</u>		<u>865,560</u>
LIABILITIES			
Accounts Payable	871,067		871,067
Accrued Interest	4,313		4,313
Unearned Revenue	208,173	8,384	216,557
Non-current Liabilities (Note 6):			
Due Within One Year	28,388		28,388
Due Beyond One Year	3,164,406		3,164,406
Total Liabilities	<u>4,276,347</u>	<u>8,384</u>	<u>4,284,731</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>1,104,151</u>		<u>1,104,151</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	4,277,076	23,177	4,300,253
Restricted for:			
Unemployment Compensation	167,973		167,973
Scholarships	27,736		27,736
Student Activities	46,071		46,071
Capital Projects	9,000		9,000
Other Purposes	2,291,550		2,291,550
Unrestricted (Deficit)	(3,529,110)	90,105	(3,439,005)
Total Net Position	<u>\$ 3,290,296</u>	<u>\$ 113,282</u>	<u>\$ 3,403,578</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 2,927,998	\$	\$ 886,387	\$ (2,041,611)	\$ (2,041,611)	
Special Education	682,440			(682,440)	(682,440)	
Other Special Instruction	173,553			(173,553)	(173,553)	
Other Instruction	4,012			(4,012)	(4,012)	
Support Services:						
Tuition	3,186,067			(3,186,067)	(3,186,067)	
Student & Instruction Related Services	1,022,609	52,418	255,312	(714,879)	(714,879)	
General and Business Administrative Services	356,692			(356,692)	(356,692)	
School Administrative Services	251,992			(251,992)	(251,992)	
Central Services	137,385			(137,385)	(137,385)	
Admin Info Tech	92,860			(92,860)	(92,860)	
Plant Operations and Maintenance	885,630			(885,630)	(885,630)	
Pupil Transportation	481,413			(481,413)	(481,413)	
Employee Benefits	4,660,179		745,181	(3,914,998)	(3,914,998)	
Interest on Long-term Debt	20,503			(20,503)	(20,503)	
Unallocated Depreciation	247,525			(247,525)	(247,525)	
Total Governmental Activities	15,130,858	52,418	1,886,880	(13,191,560)	(13,191,560)	
Business-type Activities:						
Food Service	309,291	5,214	298,380		(5,697)	
Extended Day						
Total Business-type Activities	309,291	5,214	298,380		(5,697)	
Total Primary Government	\$15,440,149	\$ 57,632	\$ 2,185,260	\$ (13,191,560)	\$ (5,697)	\$ (13,197,257)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,133,285	\$	\$ 2,133,285
Taxes Levied for Debt Service				103,332		103,332
Federal, State and Local Aid not Restricted				12,247,167		12,247,167
Tuition from Other LEA'S Within the State and Individuals				80,401		80,401
Investment Earnings				1,529	36	1,565
Transfer to Charter Schools				(13,820)		(13,820)
Cancellation of Receivable				(39,554)		(39,554)
Miscellaneous Income				235,150		235,150
Total General Revenues, Special Items, Extraordinary Items and Transfers				14,747,490	36	14,747,526
Change in Net Position				1,555,930	(5,661)	1,550,269
Net Position—Beginning				1,499,333	118,943	1,618,276
Prior Period Adjustment				235,033		235,033
Net Position—Beginning Restated				1,734,366	118,943	1,853,309
Net Position—Ending				\$ 3,290,296	\$ 113,282	\$ 3,403,578

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,257,358	\$ 237,634	\$ 57,498		\$ 3,552,490
Due from Other Funds	392,605				392,605
State Aid Receivable	124,473	14,521			138,994
Federal Aid Receivable	913	394,703			395,616
Other Accounts Receivable	147,793				147,793
Total Assets	\$ 3,923,142	\$ 646,858	\$ 57,498		\$ 4,627,498
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 513,647	\$ 114,160	\$		\$ 627,807
Payroll Deductions Payable	243,260				243,260
Due to Other Funds		291,896	48,498		340,394
Unearned Revenue		196,807			196,807
Total Liabilities	756,907	602,863	48,498		1,408,268
Fund Balances:					
Restricted For:					
Excess Surplus	929,477				929,477
Excess Surplus - Designated for Subsequent					
Year's Expenditures	646,375				646,375
Unemployment Compensation	167,973				167,973
Scholarships		27,736			27,736
Student Activity		46,071			46,071
Capital Reserve	1,000,312				1,000,312
Maintenance Reserve	674,299				674,299
Emergency Reserve	41,399				41,399
Assigned:					
Year-end Encumbrances	60,816				60,816
Designated for Subsequent Year's Expenditures	76,075				76,075
Unassigned, Reported in:					
General Fund (Deficit)	(430,491)				(430,491)
Special Revenue Fund (Deficit)		(29,812)			(29,812)
Capital Projects Fund			9,000		9,000
Total Fund Balances (Deficit)	3,166,235	43,995	9,000		3,219,230
Total Liabilities and Fund Balances	\$ 3,923,142	\$ 646,858	\$ 57,498		

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,103,323 and the accumulated depreciation is \$7,596,559 (See Note 5)	3,506,764
Long Term Net Pension Liability	(2,229,266)
Deferred Pension Outflows	865,560
Deferred Pension Inflows	(1,104,151)
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,313)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(963,528)
Net Position of Governmental Activities	\$ 3,290,296

The accompanying Notes to Financial Statements are an integral part of this statement.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,133,285	\$	\$	\$ 103,332	\$ 2,236,617
Tuition from Other LEA'S Within the State	80,401				80,401
Interest Earned on Investments	1,439		90		1,529
Miscellaneous Local Sources	226,558	8,592			235,150
Total - Local Sources	2,441,683	8,592	90	103,332	2,553,697
State Sources	11,078,089	285,182		147,306	11,510,577
Federal Sources	19,316	1,012,860			1,032,176
Total Revenues	13,539,088	1,306,634	90	250,638	15,096,450
EXPENDITURES					
Current:					
Regular Instruction	2,041,611	886,387			2,927,998
Special Education Instruction	682,440				682,440
Other Special Instruction	173,553				173,553
Other Instruction	4,012				4,012
Support Services:					
Tuition	3,186,067				3,186,067
Student & Instruction Related Services	714,879	255,312			970,191
General Administrative Services	356,692				356,692
School Administrative Services	251,992				251,992
Central Services	137,385				137,385
Admin Info Tech	92,860				92,860
Plant Operations and Maintenance	885,630				885,630
Pupil Transportation	481,413				481,413
Employee Benefits	2,809,097	171,175			2,980,272
Debt Service:					
Interest and Other Charges				15,638	15,638
Principal				235,000	235,000
Capital Outlay	206,201				206,201
Total Expenditures	12,023,832	1,312,874		250,638	13,587,344
Excess (Deficiency) of Revenues over Expenditures	1,515,256	(6,240)	90		1,509,106
OTHER FINANCING SOURCES (USES)					
Transfers of Capital Project Interest	90		(90)		
Transfer to Preschool Program	(5,962)	5,962			
Canellation			(39,554)		(39,554)
Transfer to Charter Schools	(13,820)				(13,820)
Total Other Financing Sources and Uses	(19,692)	5,962	(39,644)		(53,374)
Net Change in Fund Balances	1,495,564	(278)	(39,554)		1,455,732
Fund Balance - July 1 (Deficit)	1,510,727	(30,816)	48,554	-	1,528,465
Prior Period Adjustment	159,944	75,089			235,033
Fund Balance - July 1 (Deficit) (Restated)	1,670,671	44,273	48,554		1,763,498
Fund Balance - June 30	\$ 3,166,235	\$ 43,995	\$ 9,000	\$ -	\$ 3,219,230

The accompanying Notes to Financial Statements are an integral part of this statement.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 1,455,732**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

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

Depreciation expense	\$	(247,525)	
Capital outlays		196,931	
			(50,594)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 235,000

In the statement of activities, interest on long-term debt is accrued regardless of when it is due. 4,405
 In the governmental funds, interest is reported when due.

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (56,763)

In the statement of activities, certain operating expenses, e.g. compensated absences 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). (31,850)

Change in Net Position of Governmental Activities (A-2) **\$ 1,555,930**

PROPRIETARY FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities - Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Totals	
ASSETS				
Current Assets:				
Cash	\$ 40,876	\$ 65,807	\$ 106,683	\$ 11,366
Accounts Receivable	24,296		24,296	
Inventories	19,721		19,721	
Total Current Assets	<u>84,893</u>	<u>65,807</u>	<u>150,700</u>	<u>11,366</u>
Fixed Assets:				
Equipment	193,795		193,795	
Accumulated Depreciation	(170,618)		(170,618)	
Total Fixed Assets	<u>23,177</u>		<u>23,177</u>	
Total Assets	<u>108,070</u>	<u>65,807</u>	<u>173,877</u>	<u>11,366</u>
LIABILITIES:				
Current Liabilities:				
Due to General	52,211		52,211	
Unearned Revenue	8,384		8,384	11,366
Total Current Liabilities	<u>60,595</u>		<u>60,595</u>	<u>11,366</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	23,177		23,177	
Unrestricted	24,298	65,807	90,105	
Total Net Position	<u>\$ 47,475</u>	<u>\$ 65,807</u>	<u>\$ 113,282</u>	<u>\$</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Fund			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$	\$	\$	\$
Daily Sales - Non-reimbursable Programs	5,214		5,214	
Child Study Fees				51,166
Total Operating Revenue:	5,214		5,214	51,166
Operating Expenses:				
Salaries	107,186		107,186	30,932
Employee Benefits	32,943		32,943	2,362
Supplies and Materials	11,015		11,015	19,124
Depreciation	2,885		2,885	
Cost of Sales - Reimbursable Programs	123,261		123,261	
Cost of Sales - Non-Reimbursable Programs	-		-	
Management Fee	23,389		23,389	
Repairs and Other Expenses	8,612		8,612	
Total Operating Expenses	309,291		309,291	52,418
Operating Income (Loss)	(304,077)		(304,077)	(1,252)
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	8,013		8,013	
Federal Sources:				
National School Breakfast Program	93,267		93,267	
National School Lunch Program	152,833		152,833	
National Snack Program	26		26	
Food Distribution Program	25,601		25,601	
Fruit and Vegetable Grant	18,640		18,640	
Interest		36	36	
Total Non-operating Revenues (Expenses)	298,380	36	298,416	
Income (Loss) before Contributions & Transfers	(5,697)	36	(5,661)	(1,252)
Transfer to Unearned Revenue				1,252
Change in Net Position	(5,697)	36	(5,661)	-
Total Net Position—Beginning	53,172	65,771	118,943	
Total Net Position—Ending	\$ 47,475	\$ 65,807	\$ 113,282	\$ -

The accompanying Notes to Financial Statements are an integral part of this statement.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities			Shared Services Fund
	Enterprise Funds			
	Food Service	Extended Day	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,214		\$ 5,214	\$ 49,914
Payments to Employees	(107,186)		(107,186)	(30,932)
Payments for Employee Benefits	(32,943)		(32,943)	(2,362)
Payments to Suppliers	(158,093)		(158,093)	(19,124)
Net Cash Provided by (used for) Operating Activities	(293,008)	-	(293,008)	(2,504)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	8,013		8,013	
Federal Sources	290,367		290,367	
Operating Subsidies and Transfers to Other Funds				1,252
Net Cash Provided by (used for) Non-capital Financing Activities	298,380		298,380	1,252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends		36	36	
Net Cash Provided by (used for) Investing Activities		36	36	
Net Increase (Decrease) in Cash and Cash Equivalents	5,372	36	5,408	(1,252)
Balances—Beginning of Year	35,504	65,771	101,275	12,618
Balances—End of Year	\$ 40,876	\$ 65,807	\$ 106,683	\$ 11,366
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	\$ (304,077)		\$ (304,077)	\$ (1,252)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Depreciation and Net Amortization	2,885		2,885	
(Increase) Decrease in Accounts Receivable, Net	2,434		2,434	
(Increase) Decrease in Inventories	7,021		7,021	
Increase (Decrease) in Accounts Payable	0		0	
Increase (Decrease) in Due to General				
Increase (Decrease) in Unearned Revenue	(1,271)		(1,271)	(1,252)
Total Adjustments	11,069		11,069	(1,252)
Net Cash Provided by (used for) Operating Activities	\$ (293,008)		\$ (293,008)	\$ (2,504)

Noncash Noncapital Financing Activities:

During the year, the District received \$33,289 of food commodities from the U. S. Department of Agriculture.

The accompanying Notes to Financial Statements are an integral part of this statement.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Commercial Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of thirty-four square miles. It is located in Cumberland County and provides education for all of Commercial Township's grades K through 8. The District currently operates two instructional buildings and an administrative building. The Commercial Township School District had an approximate enrollment at June 30, 2021 of 456 students.

A. Reporting Entity:

The Commercial Township School District is a Type II district as provided by statute of the State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of GASB 90 did not impact the financial statements of the School District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards: (CONT'D)

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards: (CONT'D)

- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (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. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Continued):

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting. The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 capital 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 the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Continued):

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund and Extended Day Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	7 – 20 Years
-----------------------------	--------------

Internal Service Fund - The Commercial Township School District does not maintain an Internal Service Fund whereby services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Continued):

FIDUCIARY FUND TYPE (CONT'D)

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual, as under the New Jersey State Statute a municipality is required to remit to its School District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Continued):

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal 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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting:

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 reservations of fund balances at fiscal yearend 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 revenues 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.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2020-2021, 2019-2020 and 2018-2019 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

On District-wide financial statements and in the 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.

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. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2021.

K. Assets, Liabilities and Equity:

Transactions

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Assets, Liabilities and Equity: (Continued):

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. This includes \$8,248 in federal commodities on hand at June 30, 2021. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$	16,896
Supplies		2,825

Total	\$	19,721

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets – The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Building	40-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L. Compensated Absences (Continued):

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

M. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

N. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

O. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities.

Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

V. Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

W. Revenues – Exchange and Non-exchange 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions (Continued):

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income 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 income taxes is recognized in the period in which the income is earned.

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 for 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 non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. 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 Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits:

New Jersey statutes require that School Districts deposit 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

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 (N.J.S.A.18A:20-37) permits the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2021, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 3,655,551
Certificates of Deposit	<u>14,988</u>
Total	<u>\$ 3,670,539</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC.

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2021, the District's bank balance of \$4,043,015 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>3,793,415</u>
	<u>\$ 4,043,415</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer. At June 30, 2021, investments are limited to Certificate of Deposit, in the amount of \$14,988.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2021, the District had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Commercial Township Board of Education by inclusion of \$21,520 in the original 1998-99 annual capital outlay budget, which was certified for taxes, 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity in the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 250,297
Interest Earnings	15
Deposits	750,000
Withdrawals	<u> </u>
Ending Balance, June 30, 2021	<u>\$1,000,312</u>

Of this amount, \$0 has been appropriated as revenue to fund the 2021-2022 operating budget.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)

The LRFPP balance of local support costs of uncompleted capital projects at June 30, 2021. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance 7/1/2020	Additions	Adjustments/ Retirements	Ending Balance 6/30/2021
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 14,877	\$	\$ -	\$ 14,877
Total capital assets not being depreciated	14,877			14,877
Land Improvements	909,433	67,235		976,668
Building and building improvements	8,709,387	48,778		8,758,165
Machinery and equipment	1,272,695	80,918		1,353,613
Totals at historical cost	10,891,515	196,931	-	11,088,446
Less accumulated depreciation for:				
Land Improvements	(516,710)	(40,126)		(556,836)
Building and improvements	(5,785,794)	(169,843)		(5,955,637)
Equipment	(1,046,530)	(37,556)		(1,084,086)
Total accumulated depreciation	(7,349,034)	(247,525)	-	(7,596,559)
Total capital assets being depreciated, net of accumulated depreciation	3,542,481	(50,594)		3,491,887
Government activities capital assets, net	\$ 3,557,358	\$ (50,594)	\$ -	\$ 3,506,764
				To A-1
Business-type activities - Equipment	\$ 193,795			\$ 193,795
Less accumulated depreciation	(167,733)	(2,885)		(170,618)
Business-type activities capital assets, net	\$ 26,062	\$ (2,885)	\$ -	\$ 23,177

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 247,525

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations:

	<u>Beginning Balance 7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 6/30/2021</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 465,000	\$	\$ 235,000	\$ 230,000	\$ 230,000	\$ -
Total bonds payable	<u>465,000</u>		<u>235,000</u>	<u>230,000</u>	<u>230,000</u>	
Other Liabilities:						
Compensated absences payable	701,678	31,850		733,528		733,528
Net Pension Liability	2,589,131		359,865	2,229,266		2,229,266
Total Long-term Obligations	<u>\$ 3,755,809</u>	<u>\$ 31,850</u>	<u>\$ 594,865</u>	<u>\$ 3,192,794</u>	<u>\$ 230,000</u>	<u>\$ 2,962,794</u>

To A-1

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding at June 30, 2021 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 230,000	\$ 5,175	\$ 235,175
	<u>\$ 230,000</u>	<u>\$ 5,175</u>	<u>\$ 235,175</u>

B. Bonds Authorized But Not Issued - As of June 30, 2021 None.

C. Capital Leases

The District had no capital leases as of June 30, 2021.

NOTE 7. OPERATING LEASES

The District has commitments to lease copiers and a postage machine under operating leases that expire in 2020, 2022 and 2023. The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	23,556
2023	23,232
Total	<u>\$ 46,788</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are 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.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 66,223. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 15.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2021, and 2020, were \$149,546 and \$141,244 respectively.

The total payroll for the year ended June 30, 2021 was \$4,678,428. Payroll covered by PERS was \$882,970 for fiscal year 2021.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$2,229,266. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.013670% which was a decrease of 0.00070% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2021 PERS pension expense, with respect to GASB 68, was \$214,610. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,591	\$ 7,884
Changes of assumptions	72,320	933,415
Net difference between projected and actual earnings on pension plan investments	76,198	
Changes in proportion	526,905	162,852
Contributions subsequent to the measurement date	149,546	
Total	\$ 865,560	\$ 1,104,151

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

<u>Year</u>		<u>PERS</u>
2021	\$	(184,069)
2022		(108,148)
2023		(5,916)
2024		(71,472)
2025		(18,532)
Thereafter		
Total	\$	(388,137)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2021 and 2020 are as follows:

Year	2021	2020
Collective deferred outflows of resources	\$ 865,560	\$ 1,206,315
Collective deferred inflows of resources	\$ 1,104,151	\$ 1,028,278
Collective Net Pension Liability	\$ 2,229,266	\$ 2,589,131
District's Proportion	0.013670%	0.014369%

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:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	PERS	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets 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 Mitigation Strategies	3.00%	3.40%
Total	100.00%	

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 on 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 to determine the total pension liability.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective 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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>2,828,340</u>	\$ <u>2,229,266</u>	\$ <u>1,753,338</u>

Teachers' Pension and Annuity Fund

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 that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are 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.

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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$1,006,995 to the TPAF for pension contributions, \$315,576 for post-retirement benefits on behalf of the School, and \$718 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$258,430 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2021, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2021, the District recognized pension expense of \$1,618,857 and revenue of \$1,618,857 for support provided by the State.

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:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - 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:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets 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 Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount Rate - 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 based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective 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:

	1% Decrease (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 30,646,279	\$ 26,033,233	\$ 22,307,583
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$1,515 and the District's employer contribution, recognized in pension expense, was \$1,115. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees 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 paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit 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). 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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The 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 are the responsibility of the individual local education employers.

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$23,789,246. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03508%. The total OPEB liability for the School District measured as of June 30, 2020 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2020 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

Preretirement 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-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. 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.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	\$ <u><u>67,809,962,608</u></u>

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	81,748,410,002	67,809,962,608	56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$1,295,008. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,611,827	\$ 3,217,287
Changes of Assumptions	4,046,472	2,714,488
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	21,194	987,844
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 7,679,493</u>	<u>\$ 6,919,619</u>

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

<u>Measurement Period Ending June 30,</u>		<u>OPEB</u>
2021	\$	(114,247)
2022		(114,247)
2023		(114,247)
2024		(114,247)
2025		(114,247)
Thereafter		<u>1,331,109</u>
Total	\$	<u>759,874</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, 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 School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated 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 agreement with the various employee unions.

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the governmental activities in the amount of \$733,528.

NOTE 11. DEFERRED COMPENSATION

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

Travelers
Franklin

Aflac
Midland National

Lincoln Investment Planning, Inc.
American Express Financial

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12. RISK MANAGEMENT (CONT'D)

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 75	\$ 21,953	\$ 13,999	\$ 167,973
2019-2020	0	30,520	47,381	159,944
2018-2019	12,972	6,017	17,253	176,805

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 392,605	\$
Special Revenue fund		291,896
Capital Projects		48,498
Food Service Fund		52,211
Total	\$ 392,605	\$ 392,605

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,166,235 General Fund balance at June 30, 2021, \$1,000,312 has been restricted in the Capital Reserve Account, of which \$0 has been withdrawn and appropriated and included as anticipated revenue for the year ended June 30, 2022; \$674,299 has been restricted in a Maintenance Account, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$41,399 has been restricted in an Emergency Reserve; ; \$167,973 has been restricted for Unemployment Compensation \$1,575,852 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$646,375 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$60,816 has been assigned for encumbrances; \$76,075 of unassigned fund balance has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2022; and there is a deficit in unassigned fund balance of \$(430,491).

Debt Service Fund –The fund balance in the Debt Service Fund at June 30, 2021 is \$0.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey School Districts are required to reserve General 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 years' budget. The excess fund balance at June 30, 2021 is \$1,575,852 of which \$646,375 was budgeted in the 2021-2022 budget and \$929,477 must be budgeted in the 2022-2023 budget.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 16. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of \$674,299 at June 30, 2021, none of which was anticipated as revenue in the 2021-2022 budget. There were interest earnings of \$25.

NOTE 18. EMERGENCY RESERVE

The District also has an emergency reserve in the amount of \$41,399 at June 30, 2021, of which none was anticipated as revenue in the 2021-2022 budget.

NOTE 19. CAPITAL PROJECT

On June 5, 2001, the voters of the School District approved by referendum acquisitions, improvements and additions in the amount of \$4,450,000 of which \$3,395,000 represents bonds issued on August 1, 2001, \$5,000 was realized in bond premium, \$1,000,742 was funded by the Early Childhood Program Capital Reserve Fund in fiscal year 2000-2001 and the remaining \$49,258 was funded in the 2001-2002 budget out of Fund Balance. The future interest and principal payments on this bond issue have been included in Note 5 to the financial statements (Long-Term Debt) contained herein. On July 9, 2002, the Commissioner of the New Jersey State Department of Education approved a transfer out in the amount of \$405,000 from Unrestricted General Fund Surplus to the Capital Projects Fund in accordance with N.J.S.A. 18A:22-8.2 and N.J.A.C. 6A:26-4.4 to supplement the proceeds from the District's bond authorization of \$4,450,000 which was approved by the voters on June 5, 2001.

As of June 30, 2021, there was an unspent balance of \$5,504 which relates to a 2001 project for additions to the two elementary schools.

In addition, there were two new capital projects initiated in the 2014-15 School Year, for installation of a telecommunications system at the Haleyville-Mauricetown and Port Norris Elementary Schools. Both projects were completed during the 2014-15 School Year and had a combined \$3,496 of unspent funds remaining, as of June 30, 2021.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of (\$430,491) in the General Fund and (\$29,812) in the Special Revenue Fund. P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted 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 Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 20. DEFICIT FUND BALANCES (CONT'D)

Pursuant to *N.J.S.A.* 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$922,337. The special revenue fund deficit of \$29,812 is equal to the last state aid payments.

NOTE 21. RECEIVABLES

Receivables at June 30, 2021 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 125,386	\$ 409,224	\$ 24,258	\$ 558,868
Other	147,793		38	147,831
Totals	<u>\$ 273,179</u>	<u>\$ 409,224</u>	<u>\$ 24,296</u>	<u>\$ 706,699</u>

NOTE 22. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

NOTE 23. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year 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 and Scholarship Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 23. PRIOR YEAR ADJUSTMENT (CONT'D)

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities Net Position	\$ 1,499,333	\$ 235,033	\$ 1,734,366
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	1,510,727	159,944	1,670,671
Special Revenue	(30,816)	75,089	44,273
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Unemployment Compensation Trust	159,944	(159,944)	
Student Activities	46,388	(46,388)	
Scholarship Fund	28,701	(28,701)	

NOTE 24. SUBSEQUENT EVENTS

There were no events between year-end and the date of the audit that require additional disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,133,285	\$	\$ 2,133,285	\$ 2,133,285	\$
Tuition from Other LEA's Within the State	67,462		67,462	80,401	12,939
Interest on Investments				1,374	1,374
Interest on Investments - Emergency Reserve	25		25	25	
Interest on Investments - Maintenance Reserve	25		25	25	
Interest on Investments - Capital Reserve	15		15	15	
Miscellaneous	24,000		24,000	226,558	202,558
Total - Local Sources	2,224,812		2,224,812	2,441,683	216,871
State Sources:					
Equalization Aid	9,221,065		9,221,065	9,221,065	
Categorical Special Education	189,620		189,620	189,620	
Extraordinary Aid				72,863	72,863
Non-Public Transportation Aid				1,060	1,060
Emergency Aid					
On-behalf TPAF Pension Contribution				1,006,995	1,006,995
On-behalf TPAF Post Retirement Medical Contribution				315,576	315,576
On-behalf TPAF Long-term Disability Contribution				718	718
Reimbursement TPAF Social Security				258,430	258,430
Total - State Sources	9,410,685		9,410,685	11,066,327	1,655,642
Federal Sources:					
Medicaid Assistance (SEMI)	23,090		23,090	19,316	(3,774)
Total - Federal Sources	23,090		23,090	19,316	(3,774)
TOTAL REVENUES	\$ 11,658,587	\$	\$ 11,658,587	\$ 13,527,326	\$ 1,868,739
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 26,410	\$ (5,400)	\$ 21,010	\$ 20,953	\$ 57
Kindergarten	210,667	18,181	228,848	228,848	
Grades 1-5	955,455	30,055	985,510	985,502	8
Grades 6-8	553,396	(159,654)	393,742	389,658	4,084
Home Instruction:					
Salaries of Teachers	3,000	(3,000)			
Purchased Professional Educational Services	2,000	6,520	8,520	8,520	
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	27,314	69,786	97,100	95,500	1,600
Purchased Technical Services	12,000	1,501	13,501	13,501	
Other Purchased Services	61,187	(22,448)	38,739	38,739	
General Supplies	63,000	213,428	276,428	259,391	17,037
Textbooks	13,000	(11,915)	1,085	999	86
Other Objects	5,000	(5,000)			
Total Regular Programs	\$ 1,932,429	\$ 132,054	\$ 2,064,483	\$ 2,041,611	\$ 22,872

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers	\$ 86,460	\$ 61,322	\$ 147,782	\$ 147,782	\$
Other Salaries for Instructions	81,942	25,286	107,228	102,178	5,050
General Supplies	500	(500)			
Total Learning/Language Disabled	168,902	86,108	255,010	249,960	5,050
Multiple Disabilities:					
Salaries of Teachers	208,466	(58,202)	150,264	137,014	13,250
Other Salaries for Instruction	96,302		96,302	94,983	1,319
General Supplies	500		500		500
Total Multiple Disabilities	305,268	(58,202)	247,066	231,997	15,069
Resource Room:					
Salaries of Teachers	256,042	(2,760)	253,282	200,483	52,799
Total Resource Room	256,042	(2,760)	253,282	200,483	52,799
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	730,212	25,146	755,358	682,440	72,918
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	152,180	2,000	154,180	154,180	
General Supplies	2,500	(1,604)	896	896	
Total Basic Skills/Remedial Instruction	154,680	396	155,076	155,076	
Bilingual Education - Instruction:					
Salaries of Teachers	54,577	(35,256)	19,321	18,477	844
General Supplies	500		500		500
Total Bilingual Instruction	55,077	(35,256)	19,821	18,477	1,344
School Sponsored Co-curricular Activities:					
Salaries	4,400		4,400		4,400
General Supplies		4,012	4,012	4,012	
Total School Sponsored Co-curricular Activities	4,400	4,012	8,412	4,012	4,400
School Sponsored Athletics:					
Salaries	7,500	(4,012)	3,488		3,488
Purchased Services	500		500		500
Supplies and Materials	500		500		500
Total School Sponsored Athletics	8,500	(4,012)	4,488		4,488
Total Instruction	2,885,298	122,340	3,007,638	2,901,616	106,022
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	2,125,033		2,125,033	2,113,327	11,706
Tuition - Other LEAs Within the State - Special	466,117	(58,237)	407,880	360,504	47,376
Tuition - County Voc Sch Dist Regular	225,303		225,303	154,153	71,150
Tuition - County Voc Sch Dist Special	60,000	9,459	69,459	69,459	
Tuition - Co Spec Serv and Regional Day Schools	660,592	(112,157)	548,435	254,795	293,640
Tuition to Private Schools for the Disabled Within State	259,460		259,460	229,329	30,131
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction	\$ 3,801,005	\$ (160,935)	\$ 3,640,070	\$ 3,186,067	\$ 454,003

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	\$ 27,208		\$ 27,208	\$ 22,476	\$ 4,732
Total Attendance and Social Work Services	27,208		27,208	22,476	4,732
Health Services:					
Salaries	87,460	421	87,881	87,556	325
Purch Prof/ Tech Services	50,000	(15,121)	34,879	445	34,434
Other Purchased Services	200		200		200
Supplies and Materials	5,000		5,000	3,410	1,590
Total Health Services	142,660	(14,700)	127,960	91,411	36,549
Speech, OT, PT & Related Services:					
Salaries	127,069		127,069	119,154	7,915
Purchased Prof - Education Services	15,000	17,000	32,000	13,223	18,777
Supplies and Materials	10,000	(1,827)	8,173	7,411	762
Total Speech, OT, PT & Related Services	152,069	15,173	167,242	139,788	27,454
Other Support Services - Extraordinary Services:					
Salaries	202,038	(27,314)	174,724	38,953	135,771
Purchased Prof - Education Services	84,000	(19,300)	64,700	24,130	40,570
Total Other Support Services - Extraordinary Services	286,038	(46,614)	239,424	63,083	176,341
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	119,994		119,994	118,494	1,500
Salaries of Secretarial and Clerical Assistants	17,061		17,061	13,286	3,775
Total Other Support Services - Students-Regular Guidance	137,055		137,055	131,780	5,275
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	178,096	67,787	245,883	226,803	19,080
Purchased Professional - Educational Services	14,000	22,810	36,810	36,738	72
Supplies and Materials	5,000	(4,000)	1,000		1,000
Total Other Support Services - Students- Child Study Teams	197,096	86,597	283,693	263,541	20,152
Improvement of Instructional Services:					
Salaries of Other Professional Staff	2,000		2,000		2,000
Other Purchased Services	5,000	5,412	10,412		10,412
Supplies and Materials	1,000		1,000		1,000
Total Improvement of Instructional Services	8,000	5,412	13,412		13,412
Educational Media Services/School Library:					
Other Purchased Services	20,000	(20,000)			
Total Educational Media Services/School Library	20,000	(20,000)			

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Purchased Professional and Educational Services	\$ 3,500	\$ (3,500)			\$
Other Purchased Services	6,200	(2,931)	3,269	2,800	469
Supplies and Materials	500		500		500
Other Objects	500	(500)			
Total Inst. Staff Training Services	10,700	(6,931)	3,769	2,800	969
Support Services General Administration:					
Salaries	159,236	3,166	162,402	162,402	
Legal Services	30,000	(20,783)	9,217	9,217	
Audit Fees	25,000	(3,148)	21,852	21,852	
Architectural/Engineering Services	30,000	43,247	73,247	73,247	
Other Purchased Professional Services	8,000	(450)	7,550	7,550	
Purchased Technical Services	1,400	(200)	1,200	1,200	
Communication/Telephone	70,000	(18,061)	51,939	51,938	1
BOE Other Purchased Services	9,500	(7,226)	2,274	2,273	1
Miscellaneous Purchased Services	23,764	(3,871)	19,893	19,893	
General Supplies	2,000	(833)	1,167	1,123	44
Miscellaneous Expenditures	200	(109)	91	91	
BOE Membership Dues and Fees	8,500	(2,594)	5,906	5,906	
Total Support Services General Administration	367,600	(10,862)	356,738	356,692	46
Support Services School Administration:					
Salaries of Principals/Assistant Principals	188,601	(8,684)	179,917	166,442	13,475
Salaries of Secretarial and Clerical Assistants	85,307	(9,434)	75,873	75,873	
Other Salaries	4,000	(4,000)			
Purchased Professional and Technical Services	2,500	(2,499)	1		1
Other Purchased Services	6,000	(4,595)	1,405	1,405	
Supplies and Materials	2,500	(832)	1,668	1,609	59
Other Objects	5,820	843	6,663	6,663	
Total Support Services School Administration	294,728	(29,201)	265,527	251,992	13,535
Central Services:					
Salaries	43,858		43,858	43,858	
Purchased Professional Services	87,000	9,066	96,066	85,787	10,279
Purchased Technical Services	6,000	(1,288)	4,712	4,712	
Miscellaneous Purchased Services	2,000	(335)	1,665	1,665	
Supplies and Materials	6,250	(4,887)	1,363	1,363	
Miscellaneous Expenditures	1,600	(1,600)			
Total Central Services	146,708	956	147,664	137,385	10,279
Admin. Info. Technology:					
Purchased Technical Services	120,000	(29,597)	90,403	90,402	1
General Supplies		2,458	2,458	2,458	
Total Admin. Info. Technology	120,000	(27,139)	92,861	92,860	1
Required Maintenance for School Facilities:					
Salaries	88,210	(3,137)	85,073	84,190	883
Cleaning, Repair and Maintenance Services	366,496	(160,363)	206,133	175,926	30,207
General Supplies	20,000	11,430	31,430	31,403	27
Required Maintenance for School Facilities:	\$ 474,706	\$ (152,070)	\$ 322,636	\$ 291,519	\$ 31,117

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Purchased Professional and Technical Services	\$ 260,769	\$ (1)	\$ 260,768	\$ 256,438	\$ 4,330
Cleaning, Repair, and Maintenance Services	60,000	51,539	111,539	48,949	62,590
Rental of Land & Building Other than Lease Pur Agrmt	25,000	(25,000)			
Insurance	60,484		60,484	55,791	4,693
Miscellaneous Purchased Services	4,000	5,860	9,860	7,600	2,260
General Supplies	15,000	(7,867)	7,133	7,133	
Energy (Natural Gas)	15,000	5,100	20,100	14,087	6,013
Energy (Electricity)	150,000	40,000	190,000	161,176	28,824
Total Custodial Services	590,253	69,631	659,884	551,174	108,710
Security:					
Purchased Professional and Technical Services	54,628	(14,627)	40,001	25,143	14,858
General Supplies	15,550	5,021	20,571	17,794	2,777
Total Security	70,178	(9,606)	60,572	42,937	17,635
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	20,000	(20,000)			
Total Care and Upkeep of Grounds	20,000	(20,000)			
Total Operation and Maintenance of Plant Services	1,155,137	(112,045)	1,043,092	885,630	157,462
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Current Expense Emergency Reserve	25		25		25
Undistributed Expenditures - Student Transportation Services:					
Salaries - Between Home & School - Regular	261,077		261,077	176,021	85,056
Management Fee - ESC & CTSA Trans. Program	9,416		9,416		9,416
Cleaning, Repair and Maintenance Services	2,500		2,500	350	2,150
Lease Purchase Payments	170,000		170,000	140,000	30,000
Contracted Services - Aid in Lieu of Payments - Nonpublic	45,000	(3,000)	42,000	16,115	25,885
Contracted Services (Home/School) - Vendor	11,000	3,000	14,000	14,000	
Contracted Services (Other Than Bet Home & Sch)	10,000		10,000		10,000
Contracted Services (Reg. Students) - ESCs	37,884		37,884	9,800	28,084
Contracted Services (Special Ed. Students) - ECS	206,920		206,920	104,747	102,173
General Supplies	2,725		2,725	1,247	1,478
Transportation Supplies	62,000		62,000	19,133	42,867
Total Student Transportation Services	818,522		818,522	481,413	337,109
Allocated Benefits:					
Student Transportation Services					
Social Security Contributions	19,131		19,131	13,190	5,941
Unallocated Benefits:					
Social Security Contributions	49,445		49,445	22,095	27,350
Other Retirement Contributions - PERS	145,000	4,546	149,546	149,546	
Unemployment Compensation	60,000		60,000	-	60,000
Workers Compensation	101,477		101,477	62,505	38,972
Health Benefits	1,043,592	(35,207)	1,008,385	901,680	106,705
Tuition Reimbursement	10,000		10,000	8,532	1,468
Other Employee Benefits	108,000	(1,444)	106,556	69,829	36,727
Unused Sick Pay - Terminated/Retired Staff	1,561		1,561		1,561
Total Unallocated Benefits	1,519,075	(32,105)	1,486,970	1,214,187	272,783
On-behalf TPAF Pension Contributions				1,006,995	(1,006,995)
On-behalf TPAF Post Retirement Medical Contribution				315,576	(315,576)
On-behalf TPAF Long-term Disability Contribution				718	(718)
Reimbursement TPAF Social Security				258,430	(258,430)
Total Personal Services - Employee Benefits	1,538,206	(32,105)	1,506,101	2,809,097	(1,302,996)
Total Undistributed Expenditures	9,222,782	(352,394)	8,870,388	8,916,015	(45,627)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 12,108,080	\$ (230,054)	\$ 11,878,026	\$ 11,817,631	\$ 60,395

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 15		\$ 15		\$ 15
Equipment:					
Instruction		103,949	103,949	103,749	200
Required Maintenance for Schools		137,867	137,867	93,182	44,685
Total Equipment		241,816	241,816	196,931	44,885
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	9,270		9,270	9,270	
Total Facilities Acquisition and Construction Services	9,270		9,270	9,270	
TOTAL CAPITAL OUTLAY	9,285	241,816	251,101	206,201	44,900
TOTAL EXPENDITURES	\$ 12,117,365	\$ 11,762	\$ 12,129,127	\$ 12,023,832	\$ 105,295
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (458,778)	\$ (11,762)	\$ (470,540)	\$ 1,503,494	\$ 1,974,034
Other financing sources (uses):					
Operating Transfer out - Charter Schools	(33,059)	3,130	(29,929)	(13,820)	16,109
Transfer to Preschool Program	(5,962)		(5,962)	(5,962)	
Operating Transfer - Interest on Capital Projects				90	90
Total Other Financing Sources	(39,021)	3,130	(35,891)	(19,692)	16,199
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(497,799)	(8,632)	(506,431)	1,483,802	1,990,233
Fund Balances, July 1	2,444,826		2,444,826	2,444,826	
Prior Period Adjustment				159,944	159,944
Fund Balances, July 1 (Restated)	2,444,826		2,444,826	2,604,770	
Fund Balances, June 30	\$ 1,947,027	\$ (8,632)	\$ 1,938,395	\$ 4,088,572	\$ 2,150,177
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 929,477	
Excess Surplus - Designated for Subsequent Year's Expenditures				646,375	
Unemployment Compensation				167,973	
Capital Reserve				1,000,312	
Maintenance Reserve				674,299	
Emergency Reserve				41,399	
Assigned:					
Encumbrances				60,816	
Designated for Subsequent Year's Expenditures				76,075	
Unassigned Fund Balance				491,846	
				<u>4,088,572</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(922,337)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,166,235</u>	

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE 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>
REVENUES:					
Federal Sources	\$ 604,471	\$ 998,209	\$ 1,602,680	\$ 1,012,860	\$ 589,820
State Sources	304,618	14,521	319,139	284,178	34,961
Local Sources		79,084	79,084	8,592	70,492
Total Revenues	<u>909,089</u>	<u>1,091,814</u>	<u>2,000,903</u>	<u>1,305,630</u>	<u>695,273</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	614,584	(126,649)	487,935	409,432	78,503
Salaries - Other Instruction	81,242	18,869	100,111	90,283	9,828
Purchased Professional Ed Services		700	700	700	
Other Purchased Services		23,788	23,788	23,788	
Tuition	164,434	48,456	212,890	192,006	20,884
General Supplies		434,302	434,302	170,178	264,124
Total Instruction	<u>860,260</u>	<u>399,466</u>	<u>1,259,726</u>	<u>886,387</u>	<u>373,339</u>
Support Services					
Salaries		57,220	57,220	45,431	11,789
Other Salaries for Instruction		96,723	96,723	95,535	1,188
Personal Services-Employee Benefits	48,829	146,587	195,416	171,175	24,241
Cleaning, Repair & Maint		57,131	57,131	2,600	54,531
Other Purchased Services		87,255	87,255	40,525	46,730
Scholarships Awarded			28,736	1,000	27,736
Student Activity			46,072	4,597	41,475
Supplies and Materials		172,624	172,624	65,624	107,000
Total Support Services	<u>48,829</u>	<u>617,540</u>	<u>741,177</u>	<u>426,487</u>	<u>314,690</u>
Facilities Acquisition and Construction Services:					
Construction Services					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>909,089</u>	<u>1,091,814</u>	<u>2,000,903</u>	<u>1,312,874</u>	<u>688,029</u>
Other Financing Sources (Uses)					
Total Outflows	<u>909,089</u>	<u>1,091,814</u>	<u>2,000,903</u>	<u>1,312,874</u>	<u>688,029</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ (7,244)	\$ (7,244)
Transfer from General Fund				5,962	5,962
Prior Period Adjustment				75,089	75,089
Fund Balance, July 1 (Restated)				75,089	75,089
Fund Balance, June 30				<u>73,807</u>	<u>73,807</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 13,527,326	[C-2] \$ 1,305,630
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	934,099	30,816
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(922,337)	(29,812)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>[B-2] \$ 13,539,088</u>	<u>[B-2] \$ 1,306,634</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 12,023,832	[C-2] \$ 1,312,874
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>[B-2] \$ 12,023,832</u>	<u>[B-2] \$ 1,312,874</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%	0.008918%	0.010221%
District's Proportionate Share of the Net Pension Liability	\$ 2,229,266	\$ 2,589,130	\$ 2,260,673	\$ 2,463,800	\$ 3,315,645	\$ 2,189,127	\$ 1,669,768	\$ 1,953,483
District's Covered-Employee Payroll	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%	228.72%	333.68%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 149,546	\$ 141,244	\$ 115,521	\$ 100,051	\$ 99,993	\$ 83,841	\$ 73,522	\$ 77,015
Contributions in relation to the Contractually Required Contribution	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)	(73,522)	(77,015)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
Contributions as a Percentage of Covered-Employee Payroll	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%	10.07%	13.16%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%	0.038948%	0.041561%
District's Proportionate Share of the Net Pension Liability	\$ 26,033,233	\$ 22,441,303	\$ 21,991,636	\$ 24,531,414	\$ 26,043,054	\$ 21,388,041	\$ 20,816,478	\$ 21,004,378
District's Covered-Employee Payroll	\$ 3,450,001	\$ 3,562,595	\$ 3,618,513	\$ 4,153,556	\$ 3,751,844	\$ 3,436,632	\$ 3,392,779	\$ 3,147,850
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%	613.55%	667.26%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 871,681	\$ 789,988	\$ 739,005	\$ 893,343
Interest Cost	561,000	677,692	725,198	628,014
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions	12,553	13,973	15,663	16,832
Gross Benefit Payments	(414,151)	(471,382)	(453,183)	(457,099)
Net Change in Total OPEB Liability	<u>8,433,281</u>	<u>(1,592,007)</u>	<u>(2,786,795)</u>	<u>(1,626,073)</u>
Total OPEB Liability - Beginning	<u>15,355,965</u>	<u>16,947,972</u>	<u>19,734,767</u>	<u>21,360,840</u>
Total OPEB Liability - Ending	\$ <u>23,789,246</u>	\$ <u>15,355,965</u>	\$ <u>16,947,972</u>	\$ <u>19,734,767</u>
Covered-Employee Payroll	\$ 4,332,971	\$ 4,491,088	\$ 4,581,791	\$ 5,051,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll	549.03%	341.92%	369.90%	390.64%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	ESEA					I.D.E.A. - Part B			CRF Grant	Cares Act	ESSER II	Sub-Total Per E-1 (2)	Totals	
	CAR Grant	Title I Part A		Title II Part A		Title V	Basic	Pre-School					2021	2020
		2020-2021	2020-2021	Reallocation	2020-2021									
REVENUES:														
Federal Sources		\$ 439,370	\$ 41,549	\$ 14,948	\$ 51,869	\$ 4,721	\$ 192,006	\$ 9,001	\$ 77,599	\$ 92,939	\$ 38,032	\$ 50,826	\$ 1,012,860	\$ 831,796
State Sources	\$ 14,521											269,657	284,178	276,240
Local Sources												8,592	8,592	41,437
Total Revenues	14,521	439,370	41,549	14,948	51,869	4,721	192,006	9,001	77,599	92,939	38,032	329,075	1,305,630	1,149,473
EXPENDITURES:														
Instruction:														
Salaries of Teachers		199,744			13,021							196,667	409,432	414,112
Salaries - Other Instruction												90,283	90,283	88,791
Purchased Professional Ed Services			700										700	
Other Purchased Services										5,400	18,388		23,788	
Tuition							192,006						192,006	176,691
Supplies and Materials			14,740	13,411		4,721			58,049	58,352	19,044	1,861	170,178	39,222
General Supplies														
Total Instruction		199,744	15,440	13,411	13,021	4,721	192,006		58,049	63,752	37,432	288,811	886,387	718,816
Support Services:														
Salaries				1,537	26,400						600	16,894	45,431	26,886
Other Salaries		95,535											95,535	137,073
Personal Services-Employee Benefits		141,023			7,912							22,240	171,175	160,952
Cleaning/Repair & Maint										2,600			2,600	25,115
Other Purchased Services	14,521		12,660		4,343			9,001					40,525	47,348
Scholarships Awarded												1,000	1,000	
Student Activity												4,597	4,597	
Supplies and Materials		3,068	13,449		193				19,550	26,587		2,777	65,624	43,283
Total Support Services	14,521	239,626	26,109	1,537	38,848			9,001	19,550	29,187	600	47,508	426,487	430,657
Facilities Acquisition/Construction:														
Instructional Equipment														
Total Facilities Acquisition/Construction														
Total Expenditures	\$ 14,521	\$ 439,370	\$ 41,549	\$ 14,948	\$ 51,869	\$ 4,721	\$ 192,006	\$ 9,001	\$ 77,599	\$ 92,939	\$ 38,032	\$ 336,319	\$ 1,312,874	\$ 1,149,473
Excess (Deficiency) of Revenues Over (Under) Expenditures												(7,244)	(7,244)	
Transfer from General Fund												5,962	5,962	
Prior Period Adjustment												75,089	75,089	
Fund Balance, July 1 (Restated)												75,089	75,089	
Fund Balance, June 30												\$ 73,807	\$ 73,807	

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	2020-2021		21ST CENTURY	Scholarship Fund	Student Activity Fund	Unified Sports Grant	Preschool Education 2020-21	Totals 2021
	PN	HMS	Safety Grant 20-21					
	REVENUES:							
Federal Sources	\$ 17,843	\$ 32,983						\$ 50,826
State Sources							\$ 269,657	269,657
Local Sources			\$ 2,777	\$ 35	\$ 4,280	\$ 1,500		8,592
Total Revenues	17,843	32,983	2,777	35	4,280	1,500	269,657	329,075
EXPENDITURES:								
Instruction:								
Salaries of Teachers	10,980	16,938					168,749	196,667
Salaries - Other Instructional		2,598					87,685	90,283
Supplies & Materials		1,861						1,861
Total Instruction	10,980	21,397					256,434	288,811
Support Services:								
Salaries	6,020	9,374				1,500		16,894
Other Salaries								
Personal Services-Employee Benefits	843	2,212					19,185	22,240
Other Purchased Services								
Scholarships Awarded				1,000				1,000
Student Activity					4,597			4,597
Materials and Supplies			2,777					2,777
Total Support Services	6,863	11,586	2,777	1,000	4,597	1,500	19,185	47,508
Facilities Acquisition/Construction:								
Instructional Equipment								
Total Facilities Acquisition/Construction								
Total Expenditures	\$ 17,843	\$ 32,983	\$ 2,777	\$ 1,000	\$ 4,597	\$ 1,500	\$ 275,619	\$ 336,319
Excess (Deficiency) of Revenues Over (Under) Expenditures				(965)	(317)		(5,962)	(7,244)
Transfer from General Fund							5,962	5,962
Prior Period Adjustment				28,701	46,388			75,089
Fund Balance, July 1 (Restated)				28,701	46,388			75,089
Fund Balance, June 30				\$ 27,736	\$ 46,071			\$ 73,807

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 177,721	\$ 168,749	\$ 8,972
Other Salaries of Instruction	87,822	87,685	137
Total Instruction	<u>265,543</u>	<u>256,434</u>	<u>9,109</u>
Support Services:			
Personal Services - Employee Benefits	39,075	19,185	19,890
Total Support Services	<u>39,075</u>	<u>19,185</u>	<u>19,890</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non Instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 304,618</u>	<u>\$ 275,619</u>	<u>\$ 28,999</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 298,116	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2020)	149,706	(2)
Add: Budgeted Transfer from the General Fund 2020-2021	5,962	(3)
Total Preschool Education Aid Funds Available for 2020-2021 Budget	<u>453,784</u>	(4)
Less: 2020-2021 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(304,618)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	<u>149,166</u>	(6)
Add: June 30, 2021 Unexpended Preschool Education Aid	28,999	(7)
Less: 2020-2021 Commissioner-approved Transfer to the General Fund	<u>(178,165)</u>	(8)
2020-2021 Carryover - Preschool Education Aid Programs	<u>\$ 178,165</u>	(9)
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022	<u>\$ 149,146</u>	(10)
The Board should consider appropriating this additional carry-over into the 2021-2022 budget	<u>\$ 29,019</u>	

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

COMMERCIAL TOWNSHIP BOARD OF EDUCATIONS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Project Title/Issue</u>	<u>DOE Project No.</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balances</u>	
				<u>Prior Years</u>	<u>Current Year</u>		<u>June 30, 2021</u>	<u>June 30, 2020</u>
Construction of classrooms and acquisition of other additions to the Haleyville-Mauricetown and Port Norris Schools	N/A	8/1/01	\$ 4,438,469	\$ 4,379,077	\$	\$ (53,888)	\$ 5,504	\$ 59,392
Installation of Telecommunications System At the Haleyville-Mauricetown Elementary School	0950-025-14-1001	3/7/15	42,644	40,599			2,045	2,045
Installation of Telecommunications System At the Port Norris Elementary School	0950-050-14-1002	3/7/15	30,770	29,319			1,451	1,451
			<u>\$ 4,511,883</u>	<u>\$ 4,448,995</u>	<u>\$</u>	<u>\$ (53,888)</u>	<u>\$ 9,000</u>	<u>\$ 62,888</u>
				Unencumbered Balance		\$ 9,000		
				Less: Unearned State Aid				
				Fund Balance		<u>\$ 9,000</u>		

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Revenues and Other Financing

Sources

State Sources - SDA Grant	\$	(39,554)
Interest		90
		<hr/>
Total Revenues		(39,464)
		<hr/>

Expenditures and Other Financing

Uses

Construction Services		
		<hr/>
Total Expenditures		
		<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(39,464)
Transfer of Interest Earned to General Fund		(90)
Fund Balance - Beginning		48,554
		<hr/>
Fund Balance - Ending	\$	9,000
		<hr/> <hr/>

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF TELECOMMUNICATIONS SYSTEM - HALEYVILLE-MAURICETOWN SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Prior Year	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 31,302	\$	\$ 31,302	\$ 31,302
Transfer from Capital Outlay	11,342		11,342	11,342
Total Revenues	42,644		42,644	42,644
Expenditures and Other Financing Uses				
Construction Services	40,599		40,599	42,644
Total Expenditures	40,599		40,599	42,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,045	\$	\$ 2,045	\$

Additional Project Information:

Project Number	0950-025-14-GINO
Grant Date/ Letter of Notification	March 7, 2015
Original Authorization Cost	\$42,644
Additional Authorized Cost	\$0.00
Revised Authorized Cost	\$42,644
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2016

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF TELECOMMUNICATIONS SYSTEM - PORT NORRIS SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 22,586	\$	\$ 22,586	\$ 22,586
Transfer from Capital Outlay	8,184		8,184	8,184
Total Revenues	<u>30,770</u>		<u>30,770</u>	<u>30,770</u>
Expenditures and Other Financing Uses				
Construction Services	<u>29,319</u>		<u>29,319</u>	<u>30,770</u>
Total Expenditures	<u>29,319</u>		<u>29,319</u>	<u>30,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,451</u>	<u>\$</u>	<u>\$ 1,451</u>	<u>\$</u>

Additional Project Information:

Project Number	0950-050-14-GINP
Grant Date/ Letter of Notification	March 7, 2015
Original Authorization Cost	\$30,770
Additional Authorized Cost	\$0.00
Revised Authorized Cost	\$30,770
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100.0%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2015

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

	<u>Food Service</u> <u>Enterprise</u> <u>Fund</u>	<u>Extended Day</u> <u>Enterprise</u> <u>Fund</u>	<u>Totals</u>	
			<u>2021</u>	<u>2020</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 40,876	\$ 65,807	\$ 106,683	\$ 101,275
Accounts Receivable:				
State	1,678		1,678	1,357
Federal	22,580		22,580	24,638
Other	38		38	735
Inventories	19,721		19,721	26,742
Total Current Assets	<u>84,893</u>	<u>65,807</u>	<u>150,700</u>	<u>154,747</u>
Fixed Assets:				
Equipment	193,795		193,795	193,795
Accumulated Depreciation	(170,618)		(170,618)	(167,733)
Total Fixed Assets	<u>23,177</u>		<u>23,177</u>	<u>26,062</u>
Total Assets	<u>108,070</u>	<u>65,807</u>	<u>173,877</u>	<u>180,809</u>
LIABILITIES:				
Current Liabilities:				
Due to General Fund	52,211		52,211	52,211
Unearned Revenue	8,384		8,384	9,655
Total Current Liabilities	<u>60,595</u>		<u>60,595</u>	<u>61,866</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	23,177		23,177	26,062
Unrestricted	24,298	65,807	90,105	92,881
Total Net Position	<u>\$ 47,475</u>	<u>\$ 65,807</u>	<u>\$ 113,282</u>	<u>\$ 118,943</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2021	2020
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 5,214	\$	\$ 5,214	\$
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs				16,873
Total Operating Revenue	5,214		5,214	16,873
OPERATING EXPENSES:				
Salaries	107,186		107,186	133,531
Employee Benefits	32,943		32,943	36,579
Supplies and Materials	11,015		11,015	16,297
Depreciation	2,885		2,885	2,885
Cost of Sales - Reimbursable Programs	123,261		123,261	179,531
Cost of Sales - Non-Reimbursable Programs				7,306
Management Fee	23,389		23,389	22,930
Repairs and Other Expenses	8,612		8,612	11,018
Total Operating Expenses	309,291		309,291	410,077
Operating Income (Loss)	(304,077)		(304,077)	(393,204)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	8,013		8,013	5,019
Federal Sources:				
School Breakfast Program	93,267		93,267	120,842
National School Lunch Program	152,833		152,833	233,757
Snack Program	26		26	5,549
Food Distribution Program	25,601		25,601	27,157
Fruit and Vegetable Grant	18,640		18,640	10,868
Interest		36	36	639
Total Non-Operating Revenues	298,380	36	298,416	403,831
Net Income before Operating Transfers	(5,697)	36	(5,661)	10,627
Net Income	(5,697)	36	(5,661)	10,627
Net Position - July 1	53,172	65,771	118,943	108,316
Net Position - June 30	\$ 47,475	\$ 65,807	\$ 113,282	\$ 118,943

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2021	2020
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 5,214	\$	\$ 5,214	\$ 16,873
Payments to Employees and Employee Benefits	(140,129)		(140,129)	(170,110)
Payments to Suppliers	(158,093)		(158,093)	(214,451)
Net Cash Provided by Noncapital Financing Activities	(293,008)		(293,008)	(367,688)
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	298,380		298,380	403,192
Operating Transfer from General Fund				
Net Cash Provided by Noncapital Financing Activities	298,380		298,380	403,192
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets				
Net Cash Provided by Capital and Related Financing Activities				
Cash Flows From Investing Activities				
Interest and Dividends		36	36	639
Net Cash Provided by Investing Activities		36	36	639
Net Decrease in Cash and Cash Equivalents	5,372	36	5,408	36,143
Cash and Cash Equivalents, July 1	35,504	65,771	101,275	65,132
Cash and Cash Equivalents, June 30	\$ 40,876	\$ 65,807	\$ 106,683	\$ 101,275
Operating Income (Loss)	\$ (304,077)	\$	\$ (304,077)	\$ (393,204)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	2,885		2,885	2,885
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	2,434		2,434	52,594
(Increase)/Decrease in Inventory	7,021		7,021	(10,817)
Increase/(Decrease) in Accounts Payable				(25,246)
Increase/(Decrease) in Due to General				
Increase/(Decrease) in Unearned Revenue	(1,271)		(1,271)	6,100
Net Cash Used by Operating Activities	\$ (293,008)	\$	\$ (293,008)	\$ (367,688)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

June 30, 2021

ASSETS:

Cash	\$	11,366
Total Assets	\$	<u>11,366</u>

LIABILITIES AND NET POSITION:

Liabilities:

Accounts Payable	\$	
Unearned Revenue		11,366
Total Liabilities		<u>11,366</u>

Net Position:

Unreserved		
Total Net Position		<u> </u>
Total Liabilities and Net Position	\$	<u> </u>

EXHIBIT G-5

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2021 AND 2020

June 30, 2021

OPERATING REVENUES:

Child Study Team Fees	\$ 51,166
Total Operating Revenue	<u>51,166</u>

OPERATING EXPENSES:

Salaries	30,932
Employee Benefits	2,362
Purchased Professional Services	<u>19,124</u>
Total Expenses	<u>52,418</u>
Increase in Net Position Before Transfers	(1,252)
Transfer to Unearned Revenue	<u>1,252</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	<u>\$ <u> </u></u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 49,914
Payments to Employees	(30,932)
Payments for Employee Benefits	(2,362)
Payments to Suppliers	(19,124)
Net Cash Provided by (used for) Operating Activities	<u>(2,504)</u>
Cash Flows from Non-capital Financing Activities:	
Operating subsidies and transfers to other funds	1,252
Net Cash Provided by Non-capital Financing Activities	<u>1,252</u>
Cash Flows from Capital and Related Financing Activities	
Net Cash Provided by Capital and Related Financing Activities	
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash	(1,252)
Cash and Cash Equivalents, July 1	12,618
Cash and Cash Equivalents, June 30	<u>\$ 11,366</u>
Operating Income (Loss)	\$ (1,252)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	
(Increase) Decrease in Interfund Receivable	
Increase (Decrease) in Unearned Revenue	(1,252)
Increase (Decrease) in Accounts Payable	
Total Adjustments	<u>(1,252)</u>
Net Cash Used by Operating Activities	<u>\$ (2,504)</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
LOANS PAYABLE
JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2020 to Refund Series 2009	11/17/09	\$ 2,370,000	8/1/21	\$ 230,000	4.500%	\$ 465,000	\$	\$ 235,000	\$ 230,000
Totals						\$ 465,000	\$	\$ 235,000	\$ 230,000

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 103,332	\$	\$ 103,332	\$ 103,332	\$
State Sources:					
Debt Service Aid Type II	147,306		147,306	147,306	
TOTAL REVENUES	<u>250,638</u>		<u>250,638</u>	<u>250,638</u>	
EXPENDITURES:					
Regular Debt Service					
Interest	15,638		15,638	15,638	
Redemption of Principal	235,000		235,000	235,000	
Total Regular Debt Service	<u>250,638</u>		<u>250,638</u>	<u>250,638</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses) Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 4,963,198	\$ 4,714,157	\$ 3,179,843	\$ 3,135,878	\$ 3,033,507	\$ 2,971,526	\$ 2,952,525	\$ 2,962,291	\$ 3,342,655	\$ 4,277,076
Restricted	1,021,338	981,597	823,240	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330
Unrestricted (Deficit)	(966,864)	(1,663,637)	(1,451,087)	(3,364,659)	(3,264,548)	(3,547,631)	(3,780,715)	(3,559,303)	(3,751,698)	(3,529,110)
Total Governmental Activities Net Position	\$ 5,017,672	\$ 4,032,117	\$ 2,551,996	\$ 229,533	\$ 453,000	\$ (149,696)	\$ 48,816	\$ 663,591	\$ 1,499,333	\$ 3,290,296
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 19,762	\$ 17,692	\$ 3,140	\$ 6,316	\$ 5,579	\$ 4,842	\$ 32,142	\$ 28,947	\$ 26,062	\$ 23,177
Restricted										
Unrestricted	45,896	57,781	35,396	34,198	54,931	71,701	63,868	79,369	92,881	90,105
Total Business-Type Activities Net Position	\$ 65,658	\$ 75,473	\$ 38,536	\$ 40,514	\$ 60,510	\$ 76,543	\$ 96,010	\$ 108,316	\$ 118,943	\$ 113,282
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 4,982,960	\$ 4,731,849	\$ 3,182,983	\$ 3,142,194	\$ 3,039,086	\$ 2,976,368	\$ 2,984,667	\$ 2,991,238	\$ 3,368,717	\$ 4,300,253
Restricted	1,021,338	981,597	823,240	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330
Unrestricted (Deficit)	(920,968)	(1,605,856)	(1,415,691)	(3,330,461)	(3,209,617)	(3,475,930)	(3,696,847)	(3,479,934)	(3,658,817)	(3,439,005)
Total District-Wide Net Position	\$ 5,083,330	\$ 4,107,590	\$ 2,590,532	\$ 270,047	\$ 513,510	\$ (73,153)	\$ 144,826	\$ 771,907	\$ 1,618,276	\$ 3,403,578

Source: CAFR Schedule A-1

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 3,909,913	3,161,789	2,792,967	2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998
Special Education	400,945	695,940	729,384	783,996	748,881	753,564	784,927	486,594	797,622	682,440
Other Special Education	7,447	62,530	63,849	47,560	38,498	62,650	68,317	94,024	93,444	173,553
Other Instruction	9,731	9,430	5,711	4,629	3,659	4,110	12,234	4,865	6,085	4,012
Support Services										
Tuition	3,448,826	4,895,951	4,679,584	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067
Student and Instruction Related Services	942,783	860,192	975,156	935,886	914,259	1,134,241	1,216,846	1,101,070	1,293,201	1,022,609
General and Business Administrative Services	225,672	287,624	280,692	242,672	284,983	330,818	338,703	280,206	301,126	356,692
School Administrative Services	365,004	309,154	305,762	367,393	207,643	319,895	300,793	271,668	284,213	251,992
Central Services	248,170	117,424	130,654	122,355	142,631	152,448	141,143	150,042	139,147	137,385
Administrative Information Technology	31,615	57,358	66,484	64,856	68,157	52,373	75,766	61,613	45,248	92,860
Plant Operations and Maintenance	835,641	769,215	738,506	729,946	722,482	749,379	743,947	824,073	993,991	885,630
Pupil Transportation	802,161	851,737	671,346	992,679	955,269	869,962	755,234	765,550	644,136	481,413
Business and Other Support Services	2,513,003	2,613,197	2,273,253	3,548,718	3,409,017	4,481,458	5,395,286	4,123,027	3,850,292	4,660,179
Summer School										
Amortization of Debt Issue Costs	9,516									
Interest on Long-Term Debt	78,086	76,918	63,895	68,680	60,983	54,664	45,639	38,282	30,818	20,503
Unallocated Depreciation	538,034	538,750	330,253	323,103	307,727	293,333	292,097	265,991	273,021	247,525
Total Governmental Activities Expenses	14,366,547	15,307,209	14,107,496	15,745,080	15,301,914	17,053,766	17,282,444	16,261,453	15,257,125	15,130,858
Business-Type Activities										
Food Service	446,127	428,049	409,116	424,230	453,151	427,617	472,920	443,391	410,077	309,291
Extended Day	23,578	24,581	32,136	17,975	14,824	15,177	17,108			-
Safe Schools										
Total Business-Type Activities Expense	469,705	452,630	441,252	442,205	467,975	442,794	490,028	443,391	410,077	309,291
Total District Expenses	\$ 14,836,252	15,759,839	14,548,748	16,187,285	15,769,889	17,496,560	17,772,472	16,704,844	15,667,202	15,440,149
Program Revenues										
Governmental Activities										
Charges for Services										52,418
Operating Grants and Contributions	\$ 1,869,639	2,016,459	1,708,949	1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,886,860
Total Governmental Activities Program Revenues	1,869,639	2,016,459	1,708,949	1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,939,298
Business-Type Activities										
Charges for Services										
Food Service	57,650	51,247	43,603	45,351	18,089	14,660	20,214	24,463	16,873	5,214
Extended Day	18,438	36,327	9,721	16,641	31,769	26,293	18,758	1,187		
Shared Services										
Operating Grants and Contributions	350,089	342,616	363,163	346,831	438,093	417,848	429,626	429,970	403,192	298,380
Total Business-Type Activities Program Revenues	426,177	430,190	416,487	408,823	487,951	458,801	468,598	455,620	468,857	303,594
Total District Program Revenues	\$ 2,295,816	2,446,649	2,125,436	2,253,961	2,279,577	2,198,801	2,273,383	2,373,513	2,233,581	2,242,892
Net (Expense)/Revenue										
Governmental Activities	\$ (12,496,908)	(13,290,750)	(12,398,547)	(13,899,942)	(13,510,288)	(15,313,766)	(15,477,659)	(14,343,560)	(13,492,401)	(13,191,560)
Business-Type Activities	(43,528)	(22,440)	(24,765)	(33,382)	19,976	16,007	(21,430)	12,229	58,780	(5,697)
Total District-Wide Net Expense	\$ (12,540,436)	(13,313,190)	(12,423,312)	(13,933,324)	(13,490,312)	(15,297,759)	(15,499,089)	(14,331,331)	(13,433,621)	(13,197,257)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 1,648,998	1,698,811	1,732,787	1,767,443	1,802,791	1,838,847	1,875,624	1,961,219	2,020,978	2,133,285
Taxes Levied for Debt Service	143,805	146,908	105,778	104,954	111,343	106,324	103,163	110,108	104,992	103,332
Unrestricted Grants and Contributions	11,051,930	10,440,131	10,481,926	11,568,496	11,598,553	12,297,191	13,042,311	12,269,625	11,826,648	12,247,167
Investment Earnings	7,557	3,948	1,195	843	750	848	972	817	16,482	1,529
Miscellaneous Income	20,750	131,520	119,269	131,628	220,318	467,860	718,393	694,123	350,520	315,551
Other Adjustments			(1,521,219)				22,090			(39,554)
Transfers	(4,349)	(32,116)	(1,310)	(119,417)			(86,382)	(77,557)	(40,269)	(13,820)
Total Governmental Activities	12,868,691	12,389,202	10,918,426	13,453,947	13,733,755	14,711,070	15,676,171	14,958,335	14,279,351	14,747,490
Business-Type Activities										
Investment Earnings	516	139	30	18	20	26	31	77	639	36
Other Adjustments			(13,512)				30,305			
Transfers	4,349	32,116	1,310	35,342			10,561			
Total Business-Type Activities	4,865	32,255	(12,172)	35,360	20	26	40,897	77	639	36
Total District-Wide	\$ 12,873,556	12,421,457	10,906,254	13,489,307	13,733,775	14,711,096	15,717,068	14,958,412	14,279,990	14,747,526
Change in Net Position										
Governmental Activities	\$ 371,783	(901,548)	(1,480,121)	(445,995)	223,467	(602,696)	198,512	614,775	786,950	1,555,930
Business-Type Activities	(38,663)	9,815	(36,937)	1,978	19,996	16,033	19,467	12,306	59,419	(5,661)
Total District-Wide	\$ 333,120	(891,733)	(1,517,058)	(444,017)	243,463	(586,663)	217,979	627,081	846,369	1,550,269

Source: CAFR Schedule A-2

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 88,309	\$ 584,774	\$ 14,587	\$ 231,373	\$ 635,742	\$ 406,954	\$ 808,719	\$ 1,212,331	\$ 2,118,751	\$ 3,520,651
Assigned										76,075
Unassigned (Deficit)	763,619	(344,252)	106,259	(478,360)	(694,608)	(773,028)	(751,851)	(595,073)	(608,024)	(430,491)
Total General Fund	\$ 851,928	\$ 240,522	\$ 120,846	\$ (246,987)	\$ (58,866)	\$ (366,074)	\$ 56,868	\$ 617,258	\$ 1,510,727	\$ 3,166,235
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 73,807
Committed to Capital Projects Fund	72,899	59,392	59,392	48,554	48,554	48,554	48,554	48,554	48,554	9,000
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(32,806)	(27,009)	(27,009)	(36,495)	(32,116)	(35,035)	(27,006)	(30,377)	(30,816)	(29,812)
Debt Service Fund	38,423	687	687		6,191	6,191				
Total All Other Governmental Funds	\$ 78,516	\$ 33,070	\$ 33,070	\$ 12,059	\$ 22,629	\$ 19,710	\$ 21,548	\$ 18,177	\$ 17,738	\$ 52,995

Source: CAFR Schedule B-1

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 1,792,803	\$ 1,845,719	\$ 1,838,565	\$ 1,872,397	\$ 1,914,134	\$ 1,945,171	\$ 1,978,787	\$ 2,071,327	\$ 2,125,970	\$ 2,236,617
Tuition						58,151	268,264	323,539	163,531	80,401
Child Study Team						249,410	305,501	283,005	28,300	
Interest Earnings	7,557	3,948	1,195	843	750	848	972	139	16,482	1,529
Miscellaneous	20,750	116,302	88,031	131,628	220,318	160,299	144,628	88,257	158,689	235,150
State Sources	11,741,894	11,567,605	11,420,492	11,559,713	11,536,340	11,707,490	11,822,303	12,212,408	12,122,038	11,510,577
Federal Sources	1,179,675	888,985	770,383	916,748	812,964	782,197	946,052	978,097	837,486	1,032,176
Other Sources		15,218	9,471							
Total Revenues	14,742,679	14,437,777	14,128,137	14,481,329	14,484,506	14,903,566	15,466,507	15,956,772	15,452,496	15,096,450
Expenditures										
Instruction										
Regular Instruction	3,909,913	3,161,789	2,792,967	2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998
Special Education Instruction	400,945	695,940	729,384	783,996	748,881	753,564	784,927	486,594	797,622	682,440
Other Special Instruction	7,447	62,530	63,849	47,560	38,498	62,650	68,317	94,024	93,444	173,553
Other instruction	9,731	9,430	5,711	4,629	3,659	4,110	12,234	4,865	6,085	4,012
Support Services										
Tuition	3,448,826	4,895,951	4,679,584	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067
Student and Instruction Related Services	942,783	860,192	975,156	935,886	914,259	1,134,241	1,216,846	1,101,070	1,244,409	970,191
School Administrative Services	365,004	309,154	305,762	367,393	207,643	319,895	300,793	271,668	284,213	251,992
General Administrative Services	225,672	287,624	280,692	242,672	284,983	330,818	338,703	280,206	301,126	356,692
Central Services & Info. Techn.	278,409	174,782	197,138	187,211	210,788	204,821	216,909	211,655	184,395	230,245
Plant Operations and Maintenance	835,641	769,215	738,506	729,946	722,482	749,379	743,947	824,073	993,991	885,630
Pupil Transportation	802,161	851,737	892,170	992,679	955,269	869,962	755,234	765,550	644,136	481,413
Business and Other Support Services										
Employee Benefits	2,671,724	2,564,402	2,263,983	2,596,531	2,491,955	2,700,866	3,105,415	3,170,959	3,027,692	2,980,272
Summer School										
Capital Outlay	442,247	15,020	43,680	93,408	14,626	30,622	35,264	50,012	182,640	206,201
Debt Service										
Principal	278,473	280,560	282,748	195,000	200,000	210,000	225,000	235,000	230,000	235,000
Interest and Other Charges	81,101	74,113	67,014	61,238	55,047	47,894	40,244	32,072	24,663	15,638
Total Expenditures	14,700,077	15,012,439	14,318,344	14,750,756	14,285,815	15,213,693	14,955,345	15,322,196	14,519,197	13,587,344
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	42,602	(574,662)	(190,207)	(269,427)	198,691	(310,127)	511,162	634,576	933,299	1,509,106
Other Financing Sources (Uses)										
Transfers, Net	(4,349)	(32,116)	20,457	(119,417)			(86,382)	(77,557)	(40,269)	(53,374)
Total Other Financing Sources (Uses)	(4,349)	(32,116)	20,457	(119,417)			(86,382)	(77,557)	(40,269)	(53,374)
Net Change in Fund Balances	\$ 38,253	\$ (606,778)	\$ (169,750)	\$ (388,844)	\$ 198,691	\$ (310,127)	\$ 424,780	\$ 557,019	\$ 893,030	\$ 1,455,732
Debt Service as a Percentage of										
Noncapital Expenditures	2.5%	2.4%	2.5%	1.7%	1.8%	1.7%	1.8%	1.7%	1.8%	1.9%

Source: CAFR Schedule B-2

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>CST</u> <u>Agreement</u>	<u>Transportation</u> <u>and Tuition</u> <u>Revenue</u>	<u>Prior Years</u> <u>Tuition</u>	<u>Prior Year</u> <u>Order</u> <u>Adjustments</u>	<u>E-Rate</u>	<u>Misc.</u>	<u>Total</u>
2021	\$ 9,280	\$	80,401	\$	\$ 20,012	\$ 71,996	\$ 126,709	\$ 308,398
2020	1,765	28,300	163,531	32,463	20,012	32,596	46,340	325,007
2019	743	283,005	323,539	365		41,508	5,746	654,906
2018	946	305,501	268,264	2,006	22,469	43,292	35,066	677,544
2017	822		58,151	23,919	6,124	57,448	20,801	167,265
2016	723			33,078	1,136	85,795		120,732
2015	815			27,412	8,188	88,761	4,593	129,769
2014	1,183		9,471		20,162	55,388	7,701	93,905
2013	1,183		15,218	6,609	33,391	64,424	5,196	126,021
2012	7,076					14,024	2,627	23,727

Source: District Records

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2021	\$ 17,858,200	\$ 229,484,000	\$ 2,308,100	\$ 470,700	\$ 10,598,700	\$ 12,240,200		\$ 272,959,900		\$ 272,959,900	\$ 0.831	\$ 244,215,711
2020	17,838,900	231,755,700	2,375,400	488,800	11,291,500	12,417,400		276,167,700		276,167,700	0.808	242,061,267
2019	17,908,000	234,565,500	2,385,300	464,300	11,758,000	12,417,400		279,498,500		279,498,500	0.759	222,530,653
2018	17,764,100	237,641,200	2,090,000	401,000	11,897,500	12,628,700		282,422,500		283,114,700	0.732	240,564,310
2017	17,469,800	237,857,000	2,480,100	444,300	12,052,600	12,810,900		283,114,700		283,114,700	0.697	232,619,624
2016	17,806,100	238,291,700	2,529,300	463,500	12,289,700	12,810,900		284,191,200		284,191,200	0.683	224,015,848
2015	17,931,300	240,208,800	3,001,700	478,100	12,306,300	12,810,900		286,737,100	1,246,229	287,983,329	0.700	231,090,506
2014	17,700,300	241,473,000	3,001,700	478,100	11,201,600	12,810,900	1,169,000	287,834,600	1,210,992	289,045,592	0.610	248,726,867
2013	17,600,800	242,619,700	3,001,700	478,100	11,286,300	12,810,900	1,169,000	288,966,500	1,485,984	290,452,484	0.631	249,937,599
2012	18,026,900	242,809,800	3,282,400	500,600	11,719,200	12,810,900	1,169,000	290,318,800	1,867,242	292,186,042	0.63	257,786,181

Source: District records Tax list summary & Municipal Tax Assessor

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

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

b Tax rates are per \$100

* Estimate

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Commercial Township Board of Education			Overlapping Rates		Total
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Commercial Township	Cumberland County	
2021	\$ 0.793	\$ 0.038	\$ 0.831	\$ 0.587	\$ 1.101	\$ 2.519
2020	0.768	0.040	0.808	0.567	1.085	2.460
2019	0.719	0.040	0.759	0.568	0.953	2.280
2018	0.692	0.040	0.732	0.567	1.003	2.302
2017	0.656	0.041	0.697	0.567	0.951	2.215
2016	0.630	0.068	0.683	0.568	0.882	2.133
2015	0.660	0.040	0.700	0.567	0.897	2.164
2014	0.561	0.049	0.610	0.567	0.899	2.076
2013	0.580	0.051	0.631	0.587	0.852	2.070
2012	0.569	0.061	0.630	0.587	0.848	2.065

* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

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 pre-budget year net budget by more than the spending growth limitation calculation.

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.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 8,025,300	2.94%	\$ 4,992,300	1.71%
U.S. Silica Co.	3,344,700	1.23%	2,690,700	0.92%
Exelon Generation Co. LLC	2,682,900	0.98%	2,575,400	0.88%
Silvi Concrete of Chester County	1,443,300	0.53%		
Taxpayer # 1	1,280,700	0.47%	986,000	0.34%
Taxpayer #2	1,190,900	0.44%	606,200	0.21%
Mourvedre LLC	1,169,800	0.43%		
Bryan & Cobourne LLC	1,140,900	0.42%		
Doris Levari INC	1,109,600	0.41%		
Levari Family LLC	1,109,200	0.41%		
Ricci Bros Sand Co.			1,187,000	0.41%
Wilbco Inc. (Ackley)			1,388,400	0.48%
Verizon Dist. 3			886,882	0.30%
Surfside Products LLC			733,600	0.25%
Port Norris Marina Inc.			646,200	0.22%
Total	\$ 22,497,300	8.24%	\$ 16,692,682	5.72%

Source: District CAFR & Municipal Tax Assessor

COMMERCIAL 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		Collections in Subsequent Years
		Amount	% of Levy	
2021	\$ 2,236,617	\$ 2,236,617	100.00%	\$
2020	2,125,970	2,125,970	100.00%	
2019	2,071,327	2,071,327	100.00%	
2018	1,978,787	1,978,787	100.00%	
2017	1,945,171	1,945,171	100.00%	
2016	1,914,134	1,914,134	100.00%	
2015	1,872,397	1,872,397	100.00%	
2014	1,838,565	1,838,565	100.00%	
2013	1,845,719	1,845,719	100.00%	
2012	1,792,803	1,792,803	100.00%	

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

Note: 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, the amount voted upon or certified prior to the end of the school year.

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2021	\$ 230,000	\$	\$	\$	\$	230,000	0.11%	\$ 47
2020	465,000					465,000	0.24%	95
2019	695,000					695,000	0.36%	142
2018	930,000					930,000	0.48%	188
2017	1,155,000					1,155,000	0.60%	232
2016	1,365,000					1,365,000	0.73%	272
2015	1,565,000					1,565,000	0.84%	309
2014	1,760,000					1,760,000	0.98%	346
2013	2,042,748					2,042,748	1.16%	399
2012	2,323,308					2,323,308	1.32%	451

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

COMMERCIAL 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			
2021	\$ 230,000		\$ 230,000	0.41%	47
2020	465,000		465,000	0.41%	95
2019	695,000		695,000	0.41%	140
2018	930,000		930,000	0.41%	188
2017	1,155,000		1,155,000	0.41%	232
2016	1,365,000		1,365,000	0.48%	272
2015	1,565,000		1,565,000	0.54%	309
2014	1,760,000		1,760,000	0.61%	346
2013	2,042,748		2,042,748	0.70%	399
2012	2,323,308		2,323,308	0.80%	451

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(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			
Commercial Township	\$ 1,097,900	100%	\$ 1,097,900
Other Debt			
County of Cumberland - Township share	101,224,050	3%	2,824,609
Subtotal, Overlapping Debt			3,922,509
Commercial Township School District Direct Debt			230,000
Total Direct and Overlapping Debt			<u>\$ 4,152,509</u>

Sources: Commercial Township Chief Financial Officer and Cumberland County Finance Office

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

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis
	2020 \$ 247,085,712
	2019 244,980,717
	2018 224,858,678
	<u>[A] \$ 716,925,107</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 238,975,036</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 7,169,251 a</u>
Net Bonded School Debt	<u>[C] 230,000</u>
Legal Debt Margin	<u>[B-C] \$ 6,939,251</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>
Debt Limit	\$ 7,835,390	\$ 7,835,770	\$ 7,558,298	\$ 7,301,999	\$ 7,049,170	\$ 6,885,642	\$ 6,977,432	\$ 6,980,622	\$ 7,231,324	\$ 7,169,251
Total Net Debt Applicable to Limit	<u>2,601,781</u>	<u>2,042,748</u>	<u>2,042,748</u>	<u>1,565,000</u>	<u>1,365,000</u>	<u>1,155,000</u>	<u>930,000</u>	<u>695,000</u>	<u>465,000</u>	<u>230,000</u>
Legal Debt Margin	<u>\$ 5,233,609</u>	<u>\$ 5,793,022</u>	<u>\$ 5,515,550</u>	<u>\$ 5,736,999</u>	<u>\$ 5,684,170</u>	<u>\$ 5,730,642</u>	<u>\$ 6,047,432</u>	<u>\$ 6,285,622</u>	<u>\$ 6,766,324</u>	<u>\$ 6,939,251</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33%	26%	27%	21%	19%	17%	13%	10%	6%	3%

Source: Abstract of Ratables and District Records

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income (thousands of dollars)</u> ^b	<u>Per Capita Personal Income</u> ^{c (1)}	<u>Unemployment Rate</u> ^d	
2021	*	4,843	\$ 200,110,412	\$ 41,320	12.15%
2020		4,857	191,575,786	41,278	13.50%
2019		4,905	192,346,132	41,237	7.20%
2018		4,953	193,795,651	39,587	9.10%
2017		4,974	193,570,461	38,807	10.60%
2016		5,013	187,601,120	37,617	12.40%
2015		5,057	186,168,398	36,916	13.80%
2014		5,091	180,048,306	35,526	15.20%
2013		5,117	175,729,484	34,467	18.80%
2012		5,150	175,593,132	34,182	16.90%

* Estimate

(1) Information for Cumberland County

Source:

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

^b Personal income

^c Per Capita

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

N/A - Not Available at time of Audit

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,659	5.47%		
Americold formerly AGRO Merchants	1,260	1.88%		
F & S Produce/Pipcp Transportstion	1,066	1.59%		
Wal-Mart	820	1.23%		
Duramd Glass Manufacturing Co./ARC International	750	1.12%		NOT AVAILABLE
Safeway Fresh Foods	712	1.06%		
ShopRite	707	1.06%		
WaWa	658	0.98%		
Sheppard Bus Service	594	0.89%		
Northeast Precast	430	0.64%		
	<u>10,656</u>	<u>15.93%</u>		<u>0.00%</u>

Source:

This information is for the County of Cumberland.

COMMERCIAL 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	49	46	47	46	49	49	51	55	51	34
Special Education	11	14	14	16	15	18	16	9	21	18
Support Services:										
Tuition										
Student & Instruction Related Services	13	7	7	6	6	13	12	10	5	5
General Administrative Services	1	1	1	1	1	4	4	2	2	2
School Administrative Services	6	4	4	3	3	3	3	3	3	3
Business Administrative Services	2	1	2	2	2	2	2	1	1	1
Plant Operations and Maintenance	2	2	1	1	1	1	1	1	1	1
Food Service										
Transportation							7	9	6	6
Nursing							2	2	2	1
Total	84	75	74.5	75	77	90	98	92	92	71

Source: District Personnel Records

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2021	456	\$ 13,587,344	\$ 29,797	4.0%	34	13.4 : 1	441.2	387.7	-18.49%	87.87%
2020	507	14,519,197	28,637	1.5%	51	9.9 : 1	493.2	459.9	-8.89%	93.25%
2019	541	15,322,196	28,322	3.9%	55	9.8 : 1	540.7	532.9	-0.11%	98.56%
2018	530	14,955,345	28,218	15.2%	51	10.4 : 1	541.3	504.7	-2.63%	93.24%
2017	558	15,213,693	27,265	7.3%	49	11.4 : 1	555.9	519.0	-2.73%	93.36%
2016	572	14,016,142	24,504	1.9%	47	12.2 : 1	571.5	537.5	0.88%	94.05%
2015	567	14,401,110	25,399	5.6%	59	10.1 : 1	566.5	530.1	-5.85%	93.58%
2014	579	13,924,902	24,050	-1.1%	59	10.1 : 1	601.7	562.5	0.00%	93.49%
2013	602	14,642,746	24,323	11.3%	60	10.1 : 1	601.7	562.5	-5.39%	93.49%
2012	636	13,898,256	21,853	6.7%	60	10.6 : 1	636.0	593.3	-3.36%	93.29%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

**COMMERCIAL 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District Building										
Elementary										
Haleyville-Mauricetown (1968)										
Square Feet	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975
Capacity (students)	430	430	430	430	430	430	430	430	430	430
Enrollment	444	403	397	396	404	399	374	373	357	456
Middle School										
Port Norris School (1916)										
Square Feet	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875
Capacity (students)	248	248	248	248	248	248	248	248	248	248
Enrollment	192	198	183	171	168	159	155	168	150	
Other										
Central Administration (1998)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900

Number of Schools at June 30, 2021

- Elementary = 1
- Middle = 1
- High School = 0
- Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

*** Pory Norriss Middle School Closed as of 7/1/2020

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX**

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Haleyville-Mauricetown	65,975	\$ 267,883	\$ 177,288	\$ 154,419	\$ 97,833	\$ 92,422	\$ 71,017	\$ 79,210	\$ 39,628	\$ 38,639	\$ 121,257
Port Norris Middle	49,875	15,350	128,497	120,103	98,578	83,522	63,163	60,909	27,078	39,248	92,015
Total School Facilities		<u>283,233</u>	<u>305,785</u>	<u>274,522</u>	<u>196,411</u>	<u>175,944</u>	<u>134,180</u>	<u>140,119</u>	<u>66,706</u>	<u>77,887</u>	<u>213,272</u>
Other Facilities	1,900	8,285	3,493	11,438	5,120	11,418	12,553	4,115	3,683	2,248	61,315
Grand Total		<u>\$ 291,518</u>	<u>\$ 309,278</u>	<u>\$ 285,960</u>	<u>\$ 201,531</u>	<u>\$ 187,362</u>	<u>\$ 146,733</u>	<u>\$ 144,234</u>	<u>\$ 70,389</u>	<u>\$ 80,135</u>	<u>\$ 274,587</u>

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group	Real and Personal Property	450,000,000	5,000
	Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	5,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Spec Flood Haz. Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Hardware/Software	1,000,000	
	Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	5,000 per accident
	Public Employee Dishonesty with Faithful Performance	500,000	1,000
	Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	50,000	500
	Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	50,000	500
	Forgery or Alteration	50,000	500
	Computer Fraud	50,000	500
	Bodily Injury and Property Damage	16,000,000	
	Products and Completed Operations	16,000,000	
Sexual Abuse	16,000,000		
Personal Injury and Advertising Injury	16,000,000		
Employee Benefits Liability	16,000,000	1,000	
Premises Medical Payments	10,000	5,000	
The Hartford	Public Official Bond - Business Administrator/Board Secretary	100,000	
N.J. School Boards Insurance Group	Workers' Compensation	2,000,000	
American International	Student Accident	1,000,000	

*Blanket Bond Positions are excluded

SINGLE AUDIT SECTION

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District's basic financial statements, and have issued our report thereon dated February 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commercial Township Board of Education'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 Commercial Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commercial Township Board of Education'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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

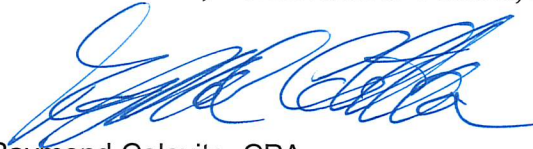
As part of obtaining reasonable assurance about whether the Commercial Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 did not disclose any instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 2, 2022

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, 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 Commercial Township School District's major federal and state programs for the fiscal year ended June 30, 2021. The Commercial Township Board of Education's major federal and state programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commercial Township Board of Education'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, and 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 as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Treasury 15-08*. Those standards, *Uniform Guidance and New Jersey OMB Treasury 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 and state program occurred.

An audit includes examining, on a test basis, evidence about the Commercial Township Board of Education'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. Our audit does not provide a legal determination of Commercial Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, 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 Commercial Township School District's Board of Education 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 Commercial Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program as a basis for auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 the Commercial Township School District Board of Education'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 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 the 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, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance*** dated February 2, 2022. 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 Uniform Guidance and New Jersey OMB 15-08. Accordingly, his report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant No. 915
February 2, 2022

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Returned/ Adjust-ments	Balance at June 30, 2021		
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education															
General Fund															
Medical Assistance Program (SEMI)	93.778	21005NJMAP	N/A	\$ 19,316	7/1/20	6/30/21		\$ 18,403	\$ (19,316)		\$ (19,316)		\$ (913)	\$	
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	5,690	7/1/19	6/30/20	(810)	810							
<hr/>															
Total U.S. Department of Education															
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	\$24,838	7/1/20	6/30/21		24,838	(16,590)		(16,590)			8,248	
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	33,289	7/1/19	6/30/20	9,011		(9,011)		(9,011)				
<hr/>															
Cash Assistance:															
Fresh Fruits and Vegetable Program	10.582	211NJ304L1603	N/A	18,640	7/1/20	6/30/21		14,142	(18,640)		(18,640)		(4,498)		
Fresh Fruits and Vegetable Program	10.582	201NJ304L1603	N/A	10,868	7/1/19	6/30/20	(310)	310							
<hr/>															
Child Nutrition Cluster:															
School Breakfast Program	10.553	211NJ304N1099	N/A	93,267	7/1/20	6/30/21		86,435	(93,267)		(93,267)		(6,832)		
School Breakfast Program	10.553	201NJ304N1099	N/A	120,842	7/1/19	6/30/20	(9,390)	9,390							
School Snack Program	10.555	211NJ304N1099	N/A	26	7/1/20	6/30/21		26	(26)		(26)				
National School Lunch Program	10.555	211NJ304N1099	N/A	152,833	7/1/20	6/30/21		141,583	(152,833)		(152,833)		(11,250)		
National School Lunch Program	10.555	201NJ304N1099	N/A	233,757	7/1/19	6/30/20	(14,938)	14,938							
<hr/>															
Total U.S. Department of Agriculture															
<hr/>															
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA0950-21	209,831	7/1/20	9/30/21		130,767	(192,006)		(192,006)		(61,239)		
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA0950-20	187,403	7/1/19	6/30/20	(47,774)	47,775				(1)	(61,239)		
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEA0950-21	12,060	7/1/20	9/30/21		5,572	(9,001)		(9,001)		(3,429)		
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEA0950-20	6,049	7/1/19	6/30/20	(4,071)	4,071							
<hr/>															
E.S.E.A.:															
Title I	84.010	S010A200030	ESEA0950-21	524,723	7/1/20	9/30/21		226,466	(439,370)		(439,370)		(212,904)		
Title I	84.010	S010A200030	ESEA0950-20	423,511	7/1/19	9/30/20	(158,853)	158,774				79	(4,890)		
Title I - SIA Part A	84.010	S010A200030	ESEA0950-21	145,878	7/1/20	9/30/21		36,659	(41,549)		(41,549)				
Title I - SIA Part A	84.010	S010A200030	ESEA0950-20	62,900	7/1/19	9/30/20	(2,719)	2,719							
Title I - Reallocation	84.010	S010A190030	ESEA0950-21	14,948	7/1/21	9/30/21		5,440	(14,948)		(14,948)		(9,508)		
Title I - Reallocation	84.010	S010A190030	ESEA0950-20	11,222	2/1/20	9/30/20	(3,230)	3,230							
Title II A	84.367A	S367A200029	ESEA0950-21	69,810	7/1/20	9/30/21		12,653	(51,869)		(51,869)		(39,216)		
Title II A	84.367A	S367A200029	ESEA0950-20	53,803	7/1/19	6/30/20	(9,146)	9,146							
Title V RLIS	84.358B	S358B200100	ESEA0950-21	4,721	7/1/20	9/30/21		4,721	(4,721)		(4,721)				
Title V RLIS	84.358B	S358B200100	ESEA0950-20	77,599	7/1/20	9/30/21		77,599	(77,599)		(77,599)				
<hr/>															
COVID Relief Fund															
Elementary and Secondary School	21.019	N/A	21E00041	77,599	7/1/20	9/30/21		77,599	(77,599)		(77,599)				
Emergency Relief (ESSER II)	84.425D	S425D200027	ESSER 6107-20	1,493,347	3/13/20	9/30/23			(38,032)		(38,032)		(38,032)		
CARES ACT 2020/ESSER	84.425D	S425D200027	ESSER 6107-20	365,159	3/13/20	9/30/22	(4,690)	80,768	(92,939)		(92,939)		(16,861)		
21st Century Prog - PN	84.287C	S287C190030	CENT0950-21	30,074	9/1/20	8/31/21		30,074	(17,843)		(17,843)			12,231	
21st Century Prog - PN	84.287C	S287C180030	CENT0950-20	26,429	9/1/19	8/31/20	(8,760)	8,931				(171)	(8,624)		
21st Century Prog - HMS	84.287C	S287C190030	CENT0950-21	67,121	9/1/20	8/31/21		24,359	(32,983)		(32,983)				
21st Century Prog - HMS	84.287C	S287C180030	CENT0950-20	67,121	9/1/19	8/31/20	(15,349)	13,520				1,829			
<hr/>															
Total U.S. Department of Education															
<hr/>															
Total Federal Financial Awards															
							\$ (271,029)	\$ 1,194,119	\$ (1,322,543)	\$	\$ (1,322,543)	\$ 1,736	\$ (418,196)	\$ 20,479	\$

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance
 These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carry-over	Cash Received	Budgetary Expenditures	Cancelled	Balance at June 30, 2021		MEMO		
			From	To	(Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
General Fund:															
Equalization Aid	21-495-034-5120-078	\$ 9,221,065	7/1/20	6/30/21	\$	\$	\$	\$ 8,317,203	\$ (9,221,065)	\$	\$ (903,862)	\$	* \$ (903,862)	\$ 9,221,065	
Equalization Aid	20-495-034-5120-078	9,277,063	7/1/19	6/30/20	(930,704)			930,704							
Special Education Categorical Aid	21-495-034-5120-089	189,620	7/1/20	6/30/21				171,145	(189,620)		(18,475)	*	(18,475)	189,620	
Special Education Categorical Aid	20-495-034-5120-089	189,620	7/1/19	6/30/20	(3,395)			3,395							
Extraordinary Aid	21-495-034-5120-044	72,863	7/1/20	6/30/21					(72,863)		(72,863)	*		72,863	
Extraordinary Aid	20-495-034-5120-044	76,075	7/1/19	6/30/20	(76,075)			76,075							
Non-public Transportation Aid	21-495-034-5120-014	1,060	7/1/20	6/30/21					(1,060)		(1,060)	*		1,060	
Reimbursed TPAF Social Security Contrib	21-495-034-5094-003	258,430	7/1/20	6/30/21				207,880	(258,430)		(50,550)	*		258,430	
Reimbursed TPAF Social Security Contrib	20-495-034-5094-003	287,788	7/1/19	6/30/20	(27,330)			27,330							
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,006,995	7/1/20	6/30/21				1,006,995	(1,006,995)			*		1,006,995	
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	315,576	7/1/20	6/30/21				315,576	(315,576)			*		315,576	
On-behalf TPAF Long-term Disability Contrib.	21-495-034-5094-004	718	7/1/20	6/30/21				718	(718)			*		718	
Total General Fund					(1,037,504)			11,057,021	(11,066,327)		(1,046,810)		(922,337)	11,066,327	
Special Revenue Fund:															
Preschool Education Aid	21-495-034-5120-086	304,078	7/1/20	6/30/21			149,706	274,266	(275,619)		(29,812)	178,165	*	(29,812)	275,619
Preschool Education Aid	20-495-034-5120-086	308,156	7/1/19	6/30/20	(30,816)	149,706	(149,706)	30,816							
Connected Action Roadmap (CAR) Program	CAR-0950-2020	17,500	1/1/20	8/31/20	(12,440)			12,440	(14,521)		(14,521)	*		14,521	
Total Special Revenue Fund					(43,256)	149,706		317,522	(290,140)		(44,333)	178,165	(29,812)	290,140	
Capital Projects Fund:															
NJSDA Grant - HV	0950-025-14-1001	31,302	3/7/14	Closing	(22,976)					22,976					
NJSDA Grant - PN	0950-050-14-1002	22,586	3/7/14	Closing	(16,578)					16,578					
					(39,554)					39,554					
Debt Service Fund:															
Debt Service Aid-Type II	21-495-034-5120-017	147,306	7/1/20	6/30/21				147,306	(147,306)			*		147,306	
State Department of Agriculture:															
Enterprise Fund:															
State School Lunch Prog.	21-100-010-3350-023	8,013	7/1/20	6/30/21				6,335	(8,013)		(1,678)	*		8,013	
State School Lunch Prog.	20-100-010-3350-023	5,019	7/1/19	6/30/20	(1,357)			1,357							
Total Enterprise Fund					(1,357)			7,692	(8,013)		(1,678)			8,013	
Total State Financial Assistance					\$ (1,121,671)	\$ 149,706	\$	\$ 11,529,541	\$ (11,511,786)	\$ 39,554	\$ (1,092,821)	\$ 178,165	\$ (952,149)	\$ 11,511,786	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,006,995	7/1/20	6/30/21				\$ 1,006,995	\$ (1,006,995)						
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	315,576	7/1/20	6/30/21				315,576	(315,576)						
On-behalf TPAF Long-term Disability Contrib.	21-495-034-5094-004	718	7/1/20	6/30/21				718	(718)						
Total State Financial Assistance - Major Program Determination								\$ 10,206,252	\$ (10,188,497)						

See accompanying notes to schedules of financial assistance

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Commercial School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,762 for the general fund and \$1,004 for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) 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 revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2021

(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,316	\$ 11,078,089	\$ 11,097,405
Special Revenue Fund	1,012,860	285,182	1,298,042
Debt Service		147,306	147,306
Food Service Fund	<u>290,367</u>	<u>8,013</u>	<u>298,380</u>
Total Awards & Financial Assistance	<u>\$ 1,322,543</u>	<u>\$ 11,518,590</u>	<u>\$ 12,841,133</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Commercial had no outstanding loans as of June 30, 2021.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were four adjustments totaling \$1,736 noted on Schedule A, Exhibit K-3, Schedule of Federal Awards and one adjustment noted on Schedule K-4 of \$39,554, Schedule of State Financial Assistance.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5094-003	Reimbursed TPAF Social Security Contribution

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

There were no prior year findings.