

**SCHOOL DISTRICT
OF
CLINTON TOWNSHIP**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

**Clinton Township School District
Board of Education**

Clinton Township, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Clinton Township School District
Board of Education**

Office of the Business Administrator

CLINTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Clinton Township Board of Education



“Where Children Come First”

Melissa Stager, Ed. D.
Superintendent of Schools

Mark Kramer
School Business Administrator/Board Secretary

December 30, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report (the “ACFR”) of the Clinton Township School District (the “District”) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. The District completed the 2021-2022 fiscal year with an average daily enrollment of 1,195 students.

- 2.) ECONOMIC CONDITIONS AND OUTLOOK:

From the Congressional Budget Office (CBO)

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CBO projects that the federal budget deficit will shrink to \$1.0 trillion in 2022 (it was \$2.8 trillion last year) and that the annual shortfall would average \$1.6 trillion from 2023 to 2032. The deficit continues to decrease as a percentage of gross domestic product (GDP) next year as spending related to the coronavirus pandemic wanes, but then deficits increase, reaching 6.1 percent of GDP in 2032. The deficit has been greater than that only six times since 1946.

Outlays are projected to average 23 percent of GDP over that period, a level high by historical standards, boosted by rising interest costs and greater spending for programs that provide benefits to elderly people. Revenues are projected to reach their highest level as a share of GDP in more than two decades in 2022 and then to decline over the following few years but remain above their long-term average through 2032.

Relative to the size of the economy, federal debt held by the public is projected to dip over the next two years, to 96 percent of GDP in 2023, and to rise thereafter. In CBO's projections, it reaches 110 percent of GDP in 2032 (higher than it has ever been) and 185 percent of GDP in 2052. Moreover, if lawmakers amended current laws to maintain certain policies now in place, even larger increases in debt would ensue.

CBO's projection of the deficit for 2022 is now \$118 billion less than it was in July 2021, but its projection of the cumulative deficit over the 2022–2031 period is \$2.4 trillion more.

In CBO's projections, elevated inflation initially persists in 2022 because of the combination of strong demand and restrained supply in the markets for goods, services, and labor. Inflation then subsides as supply disruptions dissipate, energy prices decline, and less accommodative monetary policy takes hold. Since mid-2021, inflation has reached its fastest pace in four decades. In CBO's projections, the price index for personal consumption expenditures increases by 4.0 percent in 2022. In response, the Federal Reserve tightens monetary policy and interest rates rise rapidly. Real GDP grows by 3.1 percent in 2022, and the unemployment rate averages 3.8 percent. After 2022, economic growth slows, and inflationary pressures ease.

The agency's projection of real GDP growth is similar to what it was last summer for 2022, higher for 2023 and 2024, and similar over the remainder of the projection period. CBO currently projects higher inflation in 2022 and 2023 than it did last July; prices are increasing more rapidly across many sectors of the economy than CBO anticipated. CBO now expects both short- and long-term interest rates over the coming decade to be higher, on average, than in its previous forecast, partly reflecting higher inflation.

The Economic Outlook for 2022 to 2026 CBO's projections reflects economic developments as of March 2, 2022, and the assumption that current laws governing federal taxes and spending generally remain in place. In those projections, high inflation initially persists as strong demand for products and labor continues and as supply disruptions and energy prices gradually decline.

Inflation remains elevated in 2022; its pace since mid-2021 has been the fastest in four decades. In CBO's projections, the price index for personal consumption expenditures (PCE) increases by 4.0 percent in 2022, reflecting a variety of factors that continue to restrain supply in the face of strong demand. In the second half of 2022, supply-side conditions improve, and energy prices decrease. Inflation as measured by the PCE price index falls to 2.3 percent in 2023. From 2024 to 2026, inflation remains near the Federal Reserve's long-run goal of 2 percent.

Output surpasses its potential (maximum sustainable) level in the middle of 2022 as the economy continues to expand following the disruptions caused by the coronavirus pandemic and the recession of early 2020. Real gross domestic product (that is, GDP adjusted to remove the effects of inflation) grows by 3.1 percent in 2022, driven by strong gains in consumer spending on services. After 2022, several factors—including tightening monetary policy and waning fiscal support—combine to slow the growth of output; the annual growth of real GDP averages 1.6 percent from 2023 to 2026.

Conditions in the labor market continue to improve in 2022. Employment grows by 4.1 million jobs and surpasses its pre-pandemic (February 2020) level in the middle of this year. The average rate of unemployment declines through 2023, reaching 3.5 percent. The annual average has not been lower than that since 1953. The unemployment rate remains below or near 4.0 percent for the next several years. The size of the labor force, which, in early 2022, remained roughly one million people below its pre-pandemic level, is expected to keep increasing, exceeding that level by the end of 2022. CBO expects the labor force to grow more slowly after 2022 as the negative effects of an aging population outweigh the positive effects of an ongoing economic expansion.

Interest rates on Treasury securities rise. To contain inflationary pressures, the Federal Reserve raises the target range for the federal funds rate (the rate that financial institutions charge each other for overnight loans of their monetary reserves); that rate increases to 1.9 percent by the end of 2022 and to 2.6 percent by the end of 2023. The interest rate on 10-year Treasury notes rises from 1.5 percent in the fourth quarter of 2021 to 3.1 percent in the fourth quarter of 2024.

The Congressional Budget Office projects that if current laws generally remain unchanged, federal revenues will continue the strong growth seen last year and will rise by 19 percent in 2022, to \$4.8 trillion. The strong revenue growth in 2021 and 2022 results mostly from large increases in collections of individual income taxes. Total revenues in 2022 are projected to equal 19.6 percent of the nation's gross domestic product (GDP)—the largest annual revenues relative to the size of the economy since 2000.

From 2023 to 2025, revenues are projected to decline as a percentage of GDP as temporary factors that have boosted tax receipts in recent years fade away. In 2026 and 2027, by contrast, revenues are projected to rise relative to GDP because of changes to rules governing the individual income tax that are scheduled to occur at the end of calendar year 2025.

Over the past 50 years, revenues have ranged between 14.5 percent and 20.0 percent of GDP, averaging 17.3 percent. In CBO's baseline projections, which generally reflect the continuation of current laws, revenues remain above that average throughout the next 10 years.

Excluding the effects of any legislation enacted after April 8, 2022, federal outlays this year will amount to \$5.9 trillion, the Congressional Budget Office estimates, 14 percent less than last year's total, as federal spending in response to the coronavirus pandemic wanes. In the agency's baseline projections, outlays increase after 2022, reaching \$8.9 trillion in 2032, or 24.3 percent of gross domestic product (GDP), up from 23.8 percent in 2022; Social Security, Medicare, and net interest costs are the largest contributors to that growth.

The Congressional Budget Office estimates that if no new legislation affecting spending and revenues is enacted, the budget deficit for fiscal year 2022 will total \$1.0 trillion. That amount is \$118 billion (or

10 percent) less than the \$1.2 trillion deficit the agency estimated in July 2021, when it last updated its baseline budget projections. CBO has increased its estimates of both revenues and outlays for the year. Revenues are \$0.4 trillion (or 10 percent) higher in the current baseline projections than they were in the previous projections, and outlays are up by \$0.3 trillion (or 6 percent).

CBO now projects that if current laws generally remained in place, the cumulative deficit for the 2022-2031 period would be \$14.5 trillion. That amount is \$2.4 trillion (or 20 percent) more than the \$12.1 trillion the agency projected in July 2021. That increase is the combined result of a \$5.8 trillion (or 9 percent) increase in projected outlays and a \$3.4 trillion (or 7 percent) increase in projected revenues over the 2022–2031 period.

Primarily because of the increase in deficits, debt held by the public reaches \$37.9 trillion by the end of 2031 in CBO's current projections—\$2.1 trillion more than the \$35.8 trillion the agency projected in July 2021.2 Nominal gross domestic product (GDP) in 2031 is also now larger than previously projected. That GDP growth dampens the effect of rising debt measured in relation to the size of the economy. Debt is currently projected to reach 107 percent of GDP in 2031—only slightly more than the 106 percent of GDP that CBO projected in July 2021.

New Jersey – State Economic Profile

In 2022, the state of New Jersey has a population of 9,362,760, having grown an annualized 1.0% over the five years to 2022, which ranks it 7th out of all 50 US states by growth rate. New Jersey's gross state product (GSP) in 2022 reached \$569.5b, with growth of 1.2% over the 5 years to 2022. Businesses in New Jersey employed a total of 4,947,099 people in 2022, with average annual employment growth over the past five years of 0.3%. The top three sectors by total employment are Real Estate and Rental and Leasing, Professional, Scientific and Technical Services and Manufacturing, while the unemployment rate across the state in 2022 was 4.0%.

In 2022, New Jersey's GDP reached \$569.5b, representing an increase of 1.2% from 2021. New Jersey's GDP has grown at an annualized rate of 1.4% over the five years to 2022. Moreover, New Jersey's trailing five-year GDP growth ranks it 27th out of all 50 US states. State GDP, or Gross State Product, is a measurement of a state's output, or the sum of value added from all industries in the state. It is a common indicator used to track the health of a state's economy.

The largest industries by revenue in New Jersey are Drug, Cosmetic & Toiletry Wholesaling, Life Insurance & Annuities and Automobile Wholesaling, which generated \$323.0b, \$117.4b and \$38.9b in 2022. The largest companies by employment in New Jersey are Amazon.Com, Inc., Wakefern Food Corporation and RWJ Barnabas Health, which employed 58,000, 40,000 and 37,000 people in 2022.

The Real Estate and Rental and Leasing, Professional, Scientific and Technical Services and Manufacturing sectors contributed the most to New Jersey's GDP in 2022, representing a combined 39.0% of state GDP.

GDP trends by sector are an important indicator of which sectors are contributing the most value-add to the state's economy, in addition to how the state economy is evolving over time.

The Healthcare and Social Assistance, Retail Trade and Professional, Scientific and Technical Services sectors contributed the most to employment in New Jersey in 2022, representing a combined 37.7% of state employment.

Employment trends by sector are an important indicator of which sectors are growing or contracting most rapidly relative to the state economy as a whole.

The State of New Jersey employs 4,947,099 people in 2022, which ranks it 9th out of all 50 US states. Employment in New Jersey has grown at an annualized rate of 1.8% over the five years to 2022, underperforming the national average of 3.7%. Major sectors by employment in New Jersey include Healthcare and Social Assistance, Retail Trade and Professional, Scientific and Technical Services, which employed 740,652, 542,091 and 490,364 people in 2022, respectively.

New Jersey's unemployment rate is 4.0% in 2022, which ranks it 35th out of 50 states. New Jersey's unemployment rate has trended downwards at a rate of -2.4% over the five years to 2022, underperforming the US economy as a whole.

Employment trends indicate the degree of tightness or slack in labor markets, in addition to the overall strength of an economy. Faster employment growth typically indicates a strong and growing economy, while lower unemployment tends to imply tightness in labor markets.

Per capita disposable income, also known as disposable personal income (DPI), is the amount of money that the average person in an economy has available for spending and saving after accounting for income taxes. New Jersey's DPI in 2022 was \$63.0k, compared to the US average of \$56.6k, which places it 39th out of all 50 US states.

Disposable income is regarded as a key economic indicator as trends in disposable income are indicative of the level of aggregate demand, the state of labor markets and the financial strength of households.

In New Jersey, non-residential construction was \$5.7b in 2022, which ranks it 13th out of all US states. Residential construction was \$118.6m in 2022, which places New Jersey 20th in the United States. The number of building permits issued in New Jersey in 2022 was 40,426, representing a 8.2% annualized growth rate between 2017 and 2022.

Trends in the construction sector are important because it creates jobs, income and tax revenue for a state. In addition, construction sector activity impacts other sectors in its supply chain, including manufacturing, wholesaling, warehousing, transportation, and real estate, rental and leasing services. Therefore, construction trends are important indicators of the health of an economy.

3) MAJOR INITIATIVES: Clinton Township School District plans to emerge from two academic years dictated by COVID 19 with clear, data driven goals that will help all students find success in high school and beyond.

This year the district set two goals for all staff. Goal one was a clear focus on Tier One Interventions. New Jersey Multi-tiered Systems of Support NJMTSS sets a framework that helps students find academic

success through instruction. When students are not initially finding success with a concept the classroom teachers can adjust instruction and use time during the day to quickly remediate. Our professional development time is focusing on clearly defining what this looks like for different learners and building the capacity to better assist students before more in depth interventions are required.

Goal two focuses on moving towards a responsive classroom model. In the past Clinton Township was considered a responsive classroom school district. Over time, the percentage of staff trained in the model has dwindled. With increasing social and emotional learning needs, we are renewing our commitment to building a culture and climate of embracing each individual student.

In addition to focusing on these instructional goals, we are also looking closely at our resources and technology. We are piloting a new math program in grades K- 8 that is more tightly aligned to the standards and incorporates research on conceptual understanding of mathematical principles. We will make a recommendation to the Board of Education for the 2023-2024 school year. This adoption will include professional development, and will help our district adjust our curriculum writing process.

In the area of education technology, the district is taking a holistic audit of current technology needs and what support will be needed to ensure our students can use technology in a manner that furthers learning goals. We will need to refresh staff devices, and look at creating a plan for technology use in classrooms across the district.

As we look at updating technology we are also looking across the district to identify areas where we can add updated learning opportunities. At all buildings this involves looking at our schedule and seeing where we can better utilize time for more leadership training and experiential learning. We want to build into our curriculum opportunities to visit outdoor classrooms and unique learning venues. We also want to offer our students more choices that will help inform their future choices and expand their talents.

Clinton Township School District is committed to serving all students in an environment that honors every student's individuality while preparing them for a changing, global future.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit.

Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

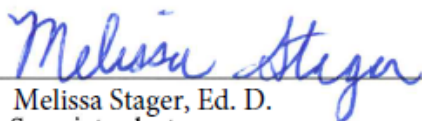
8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Insurance coverage was carried in the amounts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

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

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Clinton Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

The Honorable President and Members of
the Board of Education
Clinton Township School District
Page 8
December 30, 2022

Respectfully submitted,

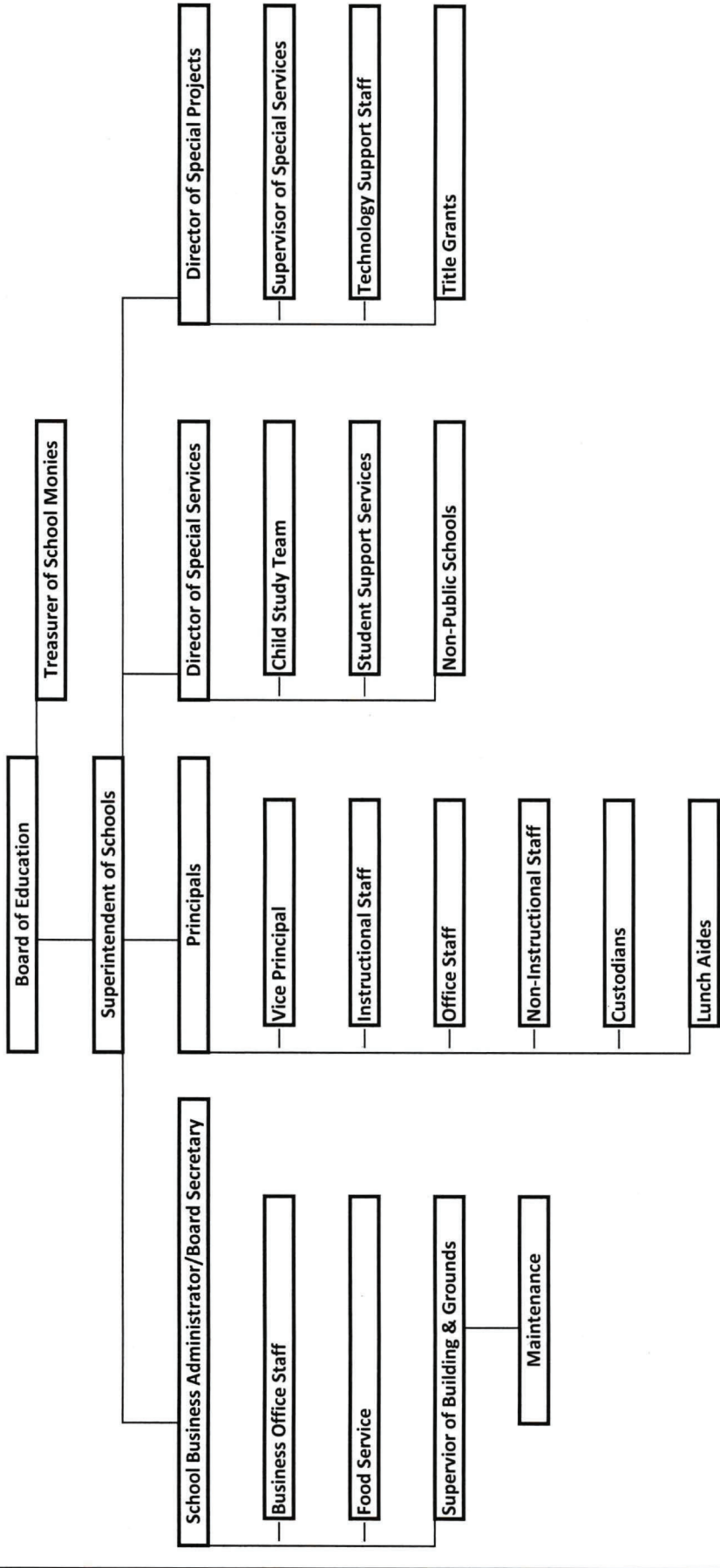


Melissa Stager, Ed. D.
Superintendent



Mark Kramer
Interim Business Administrator

Clinton Township Board of Education Organization Chart



**CLINTON TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mrs. Lana Brennan	President	2023
Dr. Catherine Riihimaki	Vice President	2024
Mr. Michael Blumenfeld		2022
Mrs. Stacie-Ann Creighton		2023
Ms. Catherine Mary Emery		2024
Mr. Scott Hornick		2022
Mrs. Jennifer Kaltenbach		2022
Mrs. Alyssa Oliver		2023
Mr. Daniel Rosa		2024

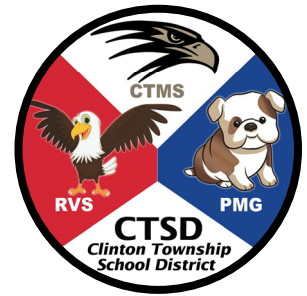
<u>Other Officials</u>	<u>Title</u>
Dr. Melissa Stager	Superintendent of Schools
Mr. Mark Kramer	School Business Administrator/Board Secretary

Clinton Township Board of Education

"Where Children Come First"

Melissa Stager, Ed. D.
Superintendent of Schools

Mark Kramer
School Business Administrator/Board Secretary



CLINTON TOWNSHIP SCHOOL DISTRICT Consultants and Advisors

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Shrewsbury, NJ 07702

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New York, NY 10007

Architect

Parette Somjen Architects

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Rockaway, NJ 07866

DRG – Design Resources Group Architects, AIA,

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Somerset, NJ 08873

Official Depository

Investors Bank

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Short Hills, NJ 07078

Bond Counsel

Wilentz, Goldman & Spitzer P.A.

90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095

Insurance Broker

Brown & Brown, Inc.

56 Livingston Avenue
Roseland, NJ 07068

CBIZ, Inc.

219 South Street
New Providence, NJ 07974

Financial Advisors

Phoenix Advisors, LLC

625 Farnsworth Avenue
Bordentown, NJ 08505

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Clinton Township School District (the "District"), in the County of Hunterdon, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) (Note 17) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable President and Members
of the Board of Education
Clinton Township School District
Page 4

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
December 30, 2022

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section of Clinton Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

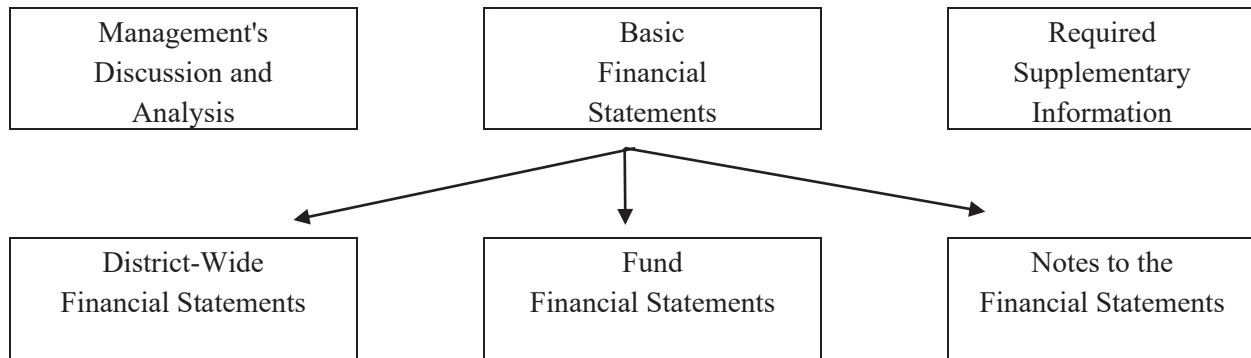
Overview of the Financial Statements

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

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

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

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



**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Figure A-3

Net Position. The District's combined net position increased \$3,176,267. Net position from governmental activities increased \$3,139,138 and net position from business-type activities increased by \$37,129. Net investment in capital assets increased by \$457,687, restricted net position increased by \$1,402,378, and unrestricted net position increased by \$1,316,202. Net investment in capital assets increased primarily due to current year capital assets additions and the maturity of the serial bonds payable exceeding current year depreciation expense. Restricted net position increased primarily due to the year-end deposit to the capital reserve. Unrestricted net position increased primarily due to the decrease in the net pension liability and the changes in the pension related deferred inflows and outflows as well as the excess in budgeted revenue and unexpended budget balances.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2021/2022
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Current and Other Assets	\$ 7,582,798	\$ 6,017,955	\$ 55,268	\$ 19,319	\$ 7,638,066	\$ 6,037,274	
Capital Assets, Net	46,903,244	47,572,164	28,911	45,922	46,932,155	47,618,086	
Total Assets	54,486,042	53,590,119	84,179	65,241	54,570,221	53,655,360	1.71%
Deferred Outflows of Resources	1,014,557	1,244,988			1,014,557	1,244,988	-18.51%
Other Liabilities	967,561	885,084	14,524	32,715	982,085	917,799	
Long-Term Liabilities	25,512,541	28,640,383			25,512,541	28,640,383	
Total Liabilities	26,480,102	29,525,467	14,524	32,715	26,494,626	29,558,182	-10.36%
Deferred Inflows of Resources	2,965,561	2,393,842			2,965,561	2,393,842	23.88%
Net Position:							
Net Investment in Capital Assets	26,154,318	25,679,620	28,911	45,922	26,183,229	25,725,542	
Restricted	4,228,655	2,826,277			4,228,655	2,826,277	
Unrestricted/(Deficit)	(4,328,037)	(5,590,099)	40,744	(13,396)	(4,287,293)	(5,603,495)	
Total Net Position	\$ 26,054,936	\$ 22,915,798	\$ 69,655	\$ 32,526	\$ 26,124,591	\$ 22,948,324	13.84%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Revenue:							
Program Revenue:							
Charges for Services	\$ 442,368	\$ 554,270	\$ 94,485	\$ 3,211	\$ 536,853	\$ 557,481	
Grants and Contributions:							
Operating	7,523,918	10,425,876	545,301	410,469	8,069,219	10,836,345	
General Revenue:							
Property Taxes	27,070,919	26,346,984			27,070,919	26,346,984	
Federal/State Aid and Local Grants not Restricted	102,039	243,081			102,039	243,081	
Other	182,250	137,888	74	10	182,324	137,898	
Total Revenue	<u>35,321,494</u>	<u>37,708,099</u>	<u>639,860</u>	<u>413,690</u>	<u>35,961,354</u>	<u>38,121,789</u>	-5.67%
Expenses:							
Instruction	17,197,894	20,314,039			17,197,894	20,314,039	
Pupil and Instruction Services	5,984,386	6,422,037			5,984,386	6,422,037	
Administrative Services	2,602,985	2,537,469			2,602,985	2,537,469	
Maintenance and Operations	2,776,856	2,900,714			2,776,856	2,900,714	
Transportation	1,513,706	1,525,990			1,513,706	1,525,990	
Other	2,076,529	2,252,087	625,359	402,749	2,701,888	2,654,836	
Total Expenses	<u>32,152,356</u>	<u>35,952,336</u>	<u>625,359</u>	<u>402,749</u>	<u>32,777,715</u>	<u>36,355,085</u>	-9.84%
Transfers	(30,000)		30,000				
Other Items		105,027	(7,372)	972	(7,372)	105,999	-106.95%
Change in Net Position	<u>\$ 3,139,138</u>	<u>\$ 1,860,790</u>	<u>\$ 37,129</u>	<u>\$ 11,913</u>	<u>\$ 3,176,267</u>	<u>\$ 1,872,703</u>	69.61%

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Governmental Activities

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

While there were increases and decreases in aid from the State in prior years, this does not allow the District to rely on the State for any substantial increase in state aid so the burden of funding education in the District has continued to fall on local property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the School District budget will be funded entirely through property taxes.

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

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

	Total Cost of Services		Net Cost of Services	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 17,197,894	\$ 20,314,039	\$ 10,766,567	\$11,472,874
Pupil and Instruction Services	5,984,386	6,422,037	5,400,926	5,470,723
Administrative and Business	2,602,985	2,537,469	2,340,973	2,049,769
Maintenance and Operations	2,776,856	2,900,714	2,776,856	2,900,714
Transportation	1,513,706	1,525,990	824,219	826,023
Other	2,076,529	2,252,087	2,076,529	2,252,087
	<u>\$ 32,152,356</u>	<u>\$ 35,952,336</u>	<u>\$ 24,186,070</u>	<u>\$24,972,190</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$37,129. The increase is primarily due to the increase in federal funding under the Seamless Summer Option Program as well as a Board contribution. (Refer to Figure A-4).

Financial Analysis of the District's Funds

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

General Fund Budgetary Highlights

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

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

Capital Assets

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	Percentage 2021/2022
Sites (Land)	\$ 4,996,634	\$ 4,996,634			\$ 4,996,634	\$ 4,996,634	
Construction in Progress	197,466				197,466		
Site Improvements	469,844	511,718			469,844	511,718	
Buildings and Building Improvements	40,524,900	41,657,575			40,524,900	41,657,575	
Machinery and Equipment	714,400	406,237	\$ 28,911	\$ 45,922	743,311	452,159	
Total Capital Assets (Net of Depreciation)	\$ 46,903,244	\$ 47,572,164	\$ 28,911	\$ 45,922	\$ 46,932,155	\$ 47,618,086	-1.44%

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

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total
	2021/2022	2020/2021	Percentage Change 2021/2022
General Obligation Bonds (Financed with Property Taxes)	\$ 20,999,000	\$ 22,071,000	
Unamortized Bond Premiums	265,445	364,964	
Net Pension Liability	3,273,133	5,313,248	
Financed Purchases Payable	84,737		
Compensated Absences Payable	890,226	891,171	
	\$ 25,512,541	\$ 28,640,383	-10.92%

The current year maturities of the serial bonds payable was \$1,326,000. The District defeased bonds in the amount of \$10,155,000 and issued refunding bonds in the amount of \$10,409,000. The net pension liability decreased \$2,040,115. Compensated absences decreased primarily due to retirements in personnel. The District also entered into a financed purchase agreement in the amount of \$100,030 of which \$15,923 matured during the current fiscal year.

**CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

While there were increases and decreases in aid from the State in prior years, this does not allow the District to rely on the State for any substantial increase in state aid and the District does not anticipate a quick improvement in the State's financial condition and, consequently, does not anticipate the State will be contributing its legally mandated share of the District's operating expenditures at any point in the near future.

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,951,678	\$ 55,629	\$ 2,007,307
Receivables from Federal Government	138,514	44,929	183,443
Receivables from State Government	1,365,239	1,028	1,366,267
Other Receivables		14	14
Internal Balances	59,938	(59,938)	
Inventory		13,606	13,606
Restricted Cash and Cash Equivalents	4,067,429		4,067,429
Capital Assets, Net:			
Sites (Land) and Construction in Progress	5,194,100		5,194,100
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	41,709,144	28,911	41,738,055
Total Assets	<u>54,486,042</u>	<u>84,179</u>	<u>54,570,221</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	334,811		334,811
Deferred Outflows Related to Pensions	679,746		679,746
Total Deferred Outflows of Resources	<u>1,014,557</u>		<u>1,014,557</u>
LIABILITIES			
Accrued Interest Payable	214,162		214,162
Payable to Federal Government	210		210
Payable to State Government	7,507		7,507
Accounts Payable	726,939		726,939
Unearned Revenue	18,743	14,524	33,267
Noncurrent Liabilities:			
Due Within One Year	1,553,570		1,553,570
Due Beyond One Year	23,958,971		23,958,971
Total Liabilities	<u>26,480,102</u>	<u>14,524</u>	<u>26,494,626</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,965,561		2,965,561
Total Deferred Inflows of Resources	<u>2,965,561</u>		<u>2,965,561</u>
NET POSITION			
Net Investment in Capital Assets	26,154,318	28,911	26,183,229
Restricted for:			
Capital Projects	3,154,285		3,154,285
Maintenance Reserve	672,838		672,838
Unemployment Compensation	105,274		105,274
Student Activities	135,032		135,032
Debt Service	161,226		161,226
Unrestricted/(Deficit)	(4,328,037)	40,744	(4,287,293)
Total Net Position	<u>\$ 26,054,936</u>	<u>\$ 69,655</u>	<u>\$ 26,124,591</u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 12,961,291	\$ 306,925	\$ 2,422,555	\$ (10,231,811)		\$ (10,231,811)
Special Education	2,679,938	54,339	3,405,546	779,947		779,947
Other Special Instruction	1,413,697		238,401	(1,175,296)		(1,175,296)
School Sponsored Instruction	142,968		3,561	(139,407)		(139,407)
Support services:						
Tuition	133,612			(133,612)		(133,612)
Student & Instruction Related Services	5,850,774	69,554	513,906	(5,267,314)		(5,267,314)
General Administrative Services	760,423		61,388	(699,035)		(699,035)
School Administrative Services	1,130,134		103,752	(1,026,382)		(1,026,382)
Central Services	680,664		96,872	(583,792)		(583,792)
Administrative Information Technology	31,764			(31,764)		(31,764)
Plant Operations and Maintenance	2,776,856			(2,776,856)		(2,776,856)
Pupil Transportation	1,513,706	11,550	677,937	(824,219)		(824,219)
Unallocated Depreciation	1,541,315			(1,541,315)		(1,541,315)
Capital Outlay	89,009			(89,009)		(89,009)
Interest on Long-Term Debt	446,205			(446,205)		(446,205)
Total Governmental Activities	32,152,356	442,368	7,523,918	(24,186,070)		(24,186,070)
Business-Type Activities:						
Food Service	625,359	94,485	545,301		\$ 14,427	14,427
Total Business-Type Activities	625,359	94,485	545,301		14,427	14,427
Total Primary Government	\$ 32,777,715	\$ 536,853	\$ 8,069,219	\$ (24,186,070)	\$ 14,427	\$ (24,171,643)

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Net (Expenses)/Revenues and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues, Transfers and Other Item:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 25,031,000		\$ 25,031,000
Taxes Levied for Debt Service	2,039,919		2,039,919
Federal and State Aid Not Restricted	102,039		102,039
Investment Earnings		\$ 74	74
Miscellaneous Income	182,250		182,250
Other Item - Capital Assets Adjustment		(7,372)	(7,372)
Transfers	(30,000)	30,000	
Total General Revenues and Transfers	27,325,208	22,702	27,347,910
Change in Net Position	3,139,138	37,129	3,176,267
Net Position - Beginning	22,915,798	32,526	22,948,324
Net Position - Ending	\$ 26,054,936	\$ 69,655	\$ 26,124,591

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

FUND FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,790,452			\$ 161,226	\$ 1,951,678
Interfund Receivable	149,860				149,860
Receivables from Federal Government	39,620	\$ 98,894			138,514
Receivables from State Government	1,355,239	10,000			1,365,239
Restricted Cash and Cash Equivalents	3,932,397	135,032			4,067,429
Total Assets	\$ 7,267,568	\$ 243,926	\$ -0-	\$ 161,226	\$ 7,672,720
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 71,502	\$ 18,420		\$ 89,922
Payable to Federal Government		210			210
Payable to State Government		7,507			7,507
Accounts Payable	\$ 89,092	21,982	179,046		290,120
Unearned Revenue	11,050	7,693			18,743
Total Liabilities	100,142	108,894	197,466		406,502
Fund Balances:					
Restricted:					
Capital Reserve Account	3,154,285				3,154,285
Maintenance Reserve	672,838				672,838
Unemployment Compensation	105,274				105,274
Student Activities		135,032			135,032
Debt Service Fund				\$ 161,226	161,226
Assigned:					
Year End Encumbrances	261,004				261,004
For Subsequent Year's Expenditures	817,416				817,416
Unassigned/(Deficit)	2,156,609		(197,466)		1,959,143
Total Fund Balances/(Deficit)	7,167,426	135,032	(197,466)	161,226	7,266,218
Total Liabilities and Fund Balances	\$ 7,267,568	\$ 243,926	\$ -0-	\$ 161,226	\$ 7,672,720

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

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

Total Fund Balances from Prior Page	\$ 7,266,218
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	46,903,244
Interest on long term debt is not accrued in government funds, but rather is recognized as expenditure when due.	(214,162)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	334,811
Long-Term Liabilities, Including Bonds Payable, are not due and payable in the current period and therefore is not reported as a liability in the Funds.	(22,239,408)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(3,273,133)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	242,927
Deferred Inflows	<u>(2,965,561)</u>
Net Position of Governmental Activities	<u><u>\$ 26,054,936</u></u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 25,031,000			\$ 2,039,919	\$ 27,070,919
Tuition from Individuals	53,250				53,250
Tuition from Other LEAs	308,014				308,014
Transportation Fees	11,550				11,550
Miscellaneous Revenue	166,492	\$ 70,179		15,758	252,429
Total - Local Sources	25,570,306	70,179		2,055,677	27,696,162
State Sources	8,889,170	256,640			9,145,810
Federal Sources		917,120			917,120
Total Revenues	34,459,476	1,243,939		2,055,677	37,759,092
EXPENDITURES					
Current:					
Regular Instruction	8,548,472	721,692			9,270,164
Special Education Instruction	1,548,975	452,693			2,001,668
Other Special Instruction	950,380				950,380
School Sponsored Instruction	111,140				111,140
Support Services and Undistributed Costs:					
Tuition	133,612				133,612
Student & Instruction Related Services	4,332,275	40,575			4,372,850
General Administrative Services	641,604				641,604
School Administrative Services	775,255				775,255
Central Services	496,196				496,196
Administrative Information Technology	25,833				25,833
Plant Operations and Maintenance	2,620,067				2,620,067

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Current:					
Pupil Transportation	\$ 1,503,689				\$ 1,503,689
Unallocated Benefits	10,773,524				10,773,524
Capital Outlay	585,984		\$ 197,466		783,450
Debt Service:					
Principal				\$ 1,326,000	1,326,000
Interest and Other Charges				568,451	568,451
Total Expenditures	<u>33,047,006</u>	<u>\$ 1,214,960</u>	<u>197,466</u>	<u>1,894,451</u>	<u>36,353,883</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	1,412,470	28,979	(197,466)	161,226	1,405,209
OTHER FINANCING SOURCES/(USES):					
Bond Sale Proceeds				10,409,000	10,409,000
Serial Bonds Defeased				(10,155,000)	(10,155,000)
Bond Issuance Costs				(60,962)	(60,962)
Deferred Amount on Refunding				(193,038)	(193,038)
Financed Purchases (non-budgeted)	100,030			100,030	100,030
Transfers Out	<u>(30,000)</u>				<u>(30,000)</u>
Total Other Financing Sources/(Uses)	<u>70,030</u>				<u>70,030</u>
Net Change in Fund Balances	1,482,500	28,979	(197,466)	161,226	1,475,239
Fund Balance - July 1	5,684,926	106,053			5,790,979
Fund Balance - June 30	<u>\$ 7,167,426</u>	<u>\$ 135,032</u>	<u>\$ (197,466)</u>	<u>\$ 161,226</u>	<u>\$ 7,266,218</u>

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

CLINTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,475,239

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletion of capital assets net of accumulated depreciation differ from capital outlays in the period.

Depreciation expense	\$ (1,582,410)
Deletion of capital assets, net of accumulated depreciation	(3,279)
Capital Outlays	916,769
	(668,920)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

945

Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.

(100,030)

Repayment of financed purchases is an expenditure in the Government Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

15,293

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

120,371

CLINTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<p>The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)</p>	<p>\$ 99,519</p>												
<p>Repayment of bonds is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)</p>	<p>1,326,000</p>												
<p>Debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental funds.</p>													
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">Refunding Bonds Issued</td> <td style="width: 50%; text-align: right;">\$ (10,409,000)</td> </tr> <tr> <td></td> <td style="text-align: right;">School Bonds Defeased</td> <td style="text-align: right;">10,155,000</td> </tr> <tr> <td></td> <td style="text-align: right;">Deferred Amount on Refunding</td> <td style="text-align: right;"><u>193,038</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(60,962)</td> </tr> </table>		Refunding Bonds Issued	\$ (10,409,000)		School Bonds Defeased	10,155,000		Deferred Amount on Refunding	<u>193,038</u>			(60,962)
	Refunding Bonds Issued	\$ (10,409,000)											
	School Bonds Defeased	10,155,000											
	Deferred Amount on Refunding	<u>193,038</u>											
		(60,962)											
<p>The governmental funds report the effect of deferred amount on a bond refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-)</p>	<p>(36,682)</p>												
<p>The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:</p>													
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">Change in Net Pension Liability</td> <td style="width: 50%; text-align: right;">2,040,115</td> </tr> <tr> <td></td> <td style="text-align: right;">Change in Deferred Outflows</td> <td style="text-align: right;">(500,031)</td> </tr> <tr> <td></td> <td style="text-align: right;">Change in Deferred Inflows</td> <td style="text-align: right;"><u>(571,719)</u></td> </tr> </table>		Change in Net Pension Liability	2,040,115		Change in Deferred Outflows	(500,031)		Change in Deferred Inflows	<u>(571,719)</u>			
	Change in Net Pension Liability	2,040,115											
	Change in Deferred Outflows	(500,031)											
	Change in Deferred Inflows	<u>(571,719)</u>											
<p>Change in Net Position of Governmental Activities (A-2)</p>	<p><u>\$ 3,139,138</u></p>												

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 55,629
Intergovernmental Receivable:	
Federal	44,929
State	1,028
Accounts Receivable - Other	14
Inventory	13,606
Total Current Assets	115,206
Non-Current Assets:	
Capital Assets	299,872
Less: Accumulated Depreciation	(270,961)
Total Non-Current Assets	28,911
Total Assets	144,117
LIABILITIES:	
Current Liabilities:	
Interfund Payable - General Fund	59,938
Unearned Revenue - Donated Commodities	2,638
Unearned Revenue - Prepaid Sales	11,886
Total Current Liabilities	74,462
Total Liabilities	74,462
NET POSITION:	
Investment in Capital Assets	28,911
Unrestricted	40,744
Total Net Position	\$ 69,655

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenue:	
Charges for Services:	
Daily Sales - Nonreimbursable Programs	\$ 92,682
Special Events	60
Miscellaneous	1,743
Total Operating Revenue	94,485
Operating Expenses:	
Cost of Sales - Reimbursable Programs	253,557
Cost of Sales - Nonreimbursable Programs	44,745
Salaries, Benefits & Payroll Taxes	252,231
Supplies, Insurance & Other Costs	7,264
Management Fee	18,900
Other Expenses	39,023
Depreciation Expense	9,639
Total Operating Expenses	625,359
Operating Loss	(530,874)
Non-Operating Revenue:	
Federal Sources:	
COVID 19 - Seamless Summer Option - Lunch	470,751
COVID-19 - Seamless Summer Option - Breakfast	10,818
COVID 19 - Seamless Summer Option - After School Snack	4,809
Food Distribution Program	40,632
COVID 19 - P-EBT Reimbursement	1,242
COVID 19 - Emergency Operational Cost Reimbursement	5,990
State Sources:	
COVID 19 - Seamless Summer Option - Lunch	11,059
Local Sources:	
Interest Income	74
Total Non-Operating Revenue	545,375
Change in Net Position Before Transfer and Capital Assets Adjustment	14,501
Transfer - General Fund	30,000
Capital Assets Adjustment	(7,372)
Change in Net Position After Transfer and Capital Assets Adjustment	37,129
Net Position - Beginning of Year	32,526
Net Position - End of Year	\$ 69,655

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 82,229
Payments to Food Service Vendor	(522,394)
Payments to Suppliers for Goods and Services	(53,093)
	(493,258)
Net Cash (Used for) Operating Activities	(493,258)
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	11,798
Federal Subsidy Reimbursements	486,188
Transfer from General Fund:	
Board Contribution	30,000
	527,986
Net Cash Provided by Noncapital Financing Activities	527,986
Cash Flows from Investing Activities:	
Interest on Investments	74
	74
Net Cash Provided by Investing Activities	74
Net Increase in Cash and Cash Equivalents	34,802
Cash and Cash Equivalents, July 1	20,827
Cash and Cash Equivalents, June 30	\$ 55,629
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (530,874)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	9,639
Food Distribution Program	40,632
Changes in Assets and Liabilities:	
Decrease in Inventory	5,452
Decrease in Other Accounts Receivable	84
(Decrease) in Accounts Payable	(2,977)
(Decrease) in Unearned Revenue - Prepaid Sales	(12,340)
(Decrease) in Unearned Revenue - Donated Commodities	(2,874)
	(493,258)
Net Cash (Used for) Operating Activities	\$ (493,258)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,758 and utilized U.S.D.A. Commodities valued at \$40,632.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Clinton Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 33,457,332	\$ 1,255,661
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not.		
Current Year Encumbrances		(11,722)
Current Year State Aid Payments Recognized for Budgetary Purposes , not Recognized for GAAP Statements	(172,131)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	<u>174,275</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 33,459,476</u>	 <u>\$ 1,243,939</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 33,047,006	\$ 1,226,682
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Current Year Encumbrances		(11,722)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 33,047,006</u>	 <u>\$ 1,214,960</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore there are no accrued salaries and wages related to this option as of June 30, 2022.

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. Additionally, the District has established a sick bank in cooperation with the employee's union where employees can participate in the bank on a voluntary basis by donating sick days to the sick bank.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

O. Compensated Absences: (Cont'd)

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.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

R. Fund Balance Appropriated:

General Fund: Of the \$7,167,426 General Fund fund balance at June 30, 2022, \$261,004 is assigned for encumbrances; \$817,416 is assigned and has been anticipated as revenue for the fiscal year ended June 30, 2023; \$3,154,285 is restricted in the capital reserve account; \$672,838 has been restricted in the maintenance reserve account; \$105,274 is restricted for unemployment compensation; and \$2,156,609 is unassigned fund balance, which is \$172,131 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2023.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2021 is \$135,032 and is restricted for student activities.

Capital Projects Fund: The (\$197,466) Capital Projects Fund fund balance at June 30, 2022 is unassigned fund balance.

Debt Service Fund: The \$162,226 Debt Service Fund fund balance at June 30, 2022 is restricted and \$145,468 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school Districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2022.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$172,131, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record this state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

R. Fund Balance Appropriated: (Cont'd)

Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$4,328,037 in its governmental activities, which is primarily a result of accrued interest payable, compensated absences payable, net pension liability and the pension related deferred inflows and outflows net of fund balance assigned for subsequent year's expenditures and encumbrances as well as unassigned fund balance. The deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

The District also has a deficit in unassigned fund balance of \$197,466 in the Capital Projects Fund which will be funded in the fiscal year ended June 30, 2024 budget.

T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2022 related to pensions as well as for the deferred amount on the refunding of debt.

The District had deferred inflows of resources related to pensions.

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

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, student activities, for unemployment compensation and in the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange Transactions:

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

W. Operating Revenue and Expenses:

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

X. Management Estimates:

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

Y. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

Deposits:

New Jersey statutes permit the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Investments:

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

Investments: (Cont'd)

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

	Restricted Cash and Cash Equivalents					Total
	Cash and Cash Equivalents	Capital Reserve	Maintenance Reserve	Unemployment Compensation	Student Activities	
Checking and Savings Accounts	\$ 2,007,307	\$ 3,154,285	\$ 672,838	\$ 105,274	\$ 135,032	\$ 6,074,736

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$6,074,736 and the bank balance was \$7,554,239. During the period ended June 30, 2022, the District did not hold any investments.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021		\$ 1,907,547
Increased by:		
Unexpended Funds Returned	\$ 1,644,913	
Transferred by Board Resolution June 2022	1,246,738	
		2,891,651
		4,799,198
Decreased by :		
Withdrawal by Board Resolution	(285,904)	
Budgeted Withdrawal	(1,359,009)	
		(1,644,913)
Ending Balance, June 30, 2022		\$ 3,154,285

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeds the June 30, 2022 capital reserve account balance. The withdrawals were for use in DOE approved facilities projects, consistent with the District's LRFP.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 4,996,634			\$ 4,996,634
Construction in Progress		\$ 197,466		197,466
Total Capital Assets Not Being Depreciated	<u>4,996,634</u>	<u>197,466</u>		<u>5,194,100</u>
Capital Assets Being Depreciated:				
Site Improvements	1,618,087			1,618,087
Buildings and Building Improvements	66,978,216	320,479		67,298,695
Machinery and Equipment	1,945,981	398,824	\$ (3,279)	2,341,526
Total Capital Assets Being Depreciated	<u>70,542,284</u>	<u>719,303</u>	<u>(3,279)</u>	<u>71,258,308</u>
Governmental Activities Capital Assets	<u>75,538,918</u>	<u>916,769</u>	<u>(3,279)</u>	<u>76,452,408</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,106,369)	(41,874)		(1,148,243)
Buildings and Building Improvements	(25,320,641)	(1,453,154)		(26,773,795)
Machinery and Equipment	(1,539,744)	(87,382)		(1,627,126)
	<u>(27,966,754)</u>	<u>(1,582,410)</u>		<u>(29,549,164)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 47,572,164</u>	<u>\$ (665,641)</u>	<u>\$ (3,279)</u>	<u>\$ 46,903,244</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 307,244		\$ (7,372)	\$ 299,872
Less Accumulated Depreciation	(261,322)	\$ (9,639)		(270,961)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 45,922</u>	<u>\$ (9,639)</u>	<u>\$ (7,372)</u>	<u>\$ 28,911</u>

Depreciation expense was charged to governmental functions as follows:

Plant Operations and Maintenance	\$ 40,036
Pupil Transportation	1,059
Unallocated	<u>1,541,315</u>
	<u>\$ 1,582,410</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$6,287 to the capital outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$271,462 to the capital outlay accounts for facilities acquisition and construction services which did require approval from the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Issued	Defeased	Retired	Balance 6/30/2022
Serial Bonds Payable	\$ 22,071,000	\$ 10,409,000	\$ 10,155,000	\$ 1,326,000	\$ 20,999,000
Unamortized Bond Premiums	364,964			99,519	265,445
Financed Purchases Payable		100,030		15,293	84,737
Net Pension Liability	5,313,248			2,040,115	3,273,133
Compensated Absences Payable	891,171			945	890,226
	<u>\$ 28,640,383</u>	<u>\$ 10,509,030</u>	<u>\$ 10,155,000</u>	<u>\$ 3,481,872</u>	<u>\$ 25,512,541</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2022 is \$1,435,000 and the long-term portion is \$19,564,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2022 as follows:

Purpose	Final Maturity	Interest Rate	Amount
2015 Refunding Bonds	1/15/2034	3.000%-4.000%	\$ 8,415,000
2020 Refunding Bonds	1/15/2024	0.897%	2,189,000
2021 Refunding Bonds	1/15/2030	1.350%	10,395,000
			<u>\$20,999,000</u>

The District issued \$10,409,000 of refunding bonds on October 19, 2021 to refund \$10,155,000 of its 2012 refunding bonds which had been issued with interest rates of 3.000%-4.125%. The 2021 refunding bonds were issued with an interest rate of 1.350%. The net present value savings over the life of the new refunding bonds will be \$1,245,174.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,435,000	\$ 467,260	\$ 1,902,260
2024	1,450,000	453,147	1,903,147
2025	1,585,000	437,240	2,022,240
2026	1,614,000	415,348	2,029,348
2027	1,646,000	393,008	2,039,008
Thereafter:			
2028-2032	9,069,000	1,552,107	10,621,107
2033-2034	4,200,000	276,283	4,476,283
	<u>\$ 20,999,000</u>	<u>\$ 3,994,393</u>	<u>\$ 24,993,393</u>

B. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$99,519 and is separated from the long-term liability balance of \$165,926.

C. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had bonds and notes authorized but not issued of \$1,536,321.

D. Financed Purchases Payable:

The District has one financed purchase agreement for copiers. The financed purchase agreement is for a term of five years. The District has a financed purchase agreement of \$100,030 of which \$15,293 has been liquidated as of June 30, 2022. The table on the following page is a schedule of the future minimum financed purchase payments under this financed purchase agreement, and the present value of the net minimum lease payments at June 30, 2022.

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 22,164
2024	22,164
2025	22,164
2026	22,164
2027	3,694
Total Minimum Financed Purchases Payments	92,350
Less: Amount Representing Interest	<u>(7,613)</u>
Present Value of Net Minimum Financed Purchases Payments	<u>\$ 84,737</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

D. Financed Purchases Payable: (Cont'd)

The current portion of the financed purchases payable at June 30, 2022 is \$19,051 and the long-term portion is \$65,686. The General Fund will be used to liquidate the financed purchases payable.

E. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$890,226.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Enterprise Fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$0- and the long-term portion is \$3,273,133. See Note 9 for further information on the PERS.

NOTE 8. MAINTENANCE RESERVE ACCOUNT

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	736,738
Increased by:		
Transfer by Board Resolution June 2022		500,000
		1,236,738
Decreased by:		
Budgeted Withdrawal		(563,900)
		(563,900)
Ending Balance, June 30, 2022	\$	672,838

NOTE 9. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$323,574 for 2022.

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

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

At June 30, 2022, the District reported a liability of \$3,273,133 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0276%, which was a decrease of 0.005% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$604,368.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ (138,323)
	2018	5.63		(259,327)
	2019	5.21		(228,772)
	2020	5.16		(538,835)
	2021	5.13	\$ 17,046	
			<u>17,046</u>	<u>(1,165,257)</u>
Difference Between Expected and Actual Experience	2017	5.48	4,115	
	2018	5.63		(9,876)
	2019	5.21	17,487	
	2020	5.16	30,020	
	2021	5.13		(13,556)
			<u>51,622</u>	<u>(23,432)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(25,567)
	2019	5.00		8,250
	2020	5.00		185,927
	2021	5.00		(1,030,839)
				<u>(862,229)</u>
Changes in Proportion	2017	5.48	30,635	
	2018	5.63	29,283	
	2019	5.21		(45,097)
	2020	5.16	114,341	
	2021	5.13		(869,546)
			<u>174,259</u>	<u>(914,643)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	436,819	
			<u>\$ 679,746</u>	<u>\$ (2,965,561)</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (772,318)
2023	(551,432)
2024	(375,983)
2025	(282,627)
2026	110
	\$ (1,982,250)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 4,459,810	\$ 3,273,133	\$ 2,269,418

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. 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. During the fiscal year ended 2022, the State of New Jersey contributed \$3,875,444 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,117,606.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$47,496,198. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0988%, which was a decrease of 0.0081% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		47,496,198
Total	\$	47,496,198

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$1,117,606 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605.00
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
			<u>2,854,036,178</u>	
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 56,090,006	\$ 47,496,198	\$ 40,188,965

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$15,656 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$41,862 for the fiscal year ended June 30, 2022.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health care coverage through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

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

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

Selected, summarized financial information for the Group as of June 30, 2022 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	<u>\$ 419,556,712</u>
Net Position	<u>\$ 184,982,708</u>
Total Revenue	<u>\$ 134,563,842</u>
Total Expenses	<u>\$ 121,403,370</u>
Change in Net Position	<u>\$ 13,160,472</u>
Member Dividends	<u>\$ -0-</u>

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ -0-	\$ 29,335	\$ -0-	\$ 105,274
2020-2021	-0-	101	29,116	3,435	75,939
2019-2020	-0-	550	25,257	52,808	50,157

NOTE 11. DEFERRED COMPENSATION

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

Lincoln National	AXA Equitable
VALIC	Legend Group

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2022 there were interfund receivables and payables as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 149,860	
Special Revenue Fund		\$ 71,502
Capital Projects Fund		18,420
Proprietary Fund - Food Service Fund		59,938
	<u>\$ 149,860</u>	<u>\$ 149,860</u>

The General Fund is owed \$59,938 from the Food Service Fund due to a prior year interfund that was not liquidated by year end. The General Fund is owed \$71,502 from the Special Revenue Fund for a cash deficit due to a timing lag between request and receipt of federal grant reimbursements. The General Fund is owed \$18,420 from the Capital Projects Fund for a cash deficit which will be reimbursed in the fiscal year ending June 30, 2023 after the bond anticipation note sale.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 261,004	\$ 11,722	\$ 1,291,792	\$ 1,564,518
\$ 261,004	\$ 11,722	\$ 1,291,792	\$ 1,564,518

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$11,722 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue. The \$1,291,792 of encumbrances are included in the deficit unassigned fund balance in the Capital Projects Fund of \$197,466.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 15. TAX CALENDAR

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

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

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

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Fund and Governmental Activities as of June 30, 2022 consisted of the following:

	<u>Governmental Funds</u>				District Contribution Subsequent	
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds	to Measurement Date	Total Governmental Activities
Vendors	\$ 72,154	\$ 21,982	\$ 179,046	\$ 273,182		\$ 273,182
Payroll Deductions and Withholdings	16,938			16,938		16,938
Due to:						
State of New Jersey					\$ 436,819	436,819
	<u>\$ 89,092</u>	<u>\$ 21,982</u>	<u>\$ 179,046</u>	<u>\$ 290,120</u>	<u>\$ 436,819</u>	<u>\$ 726,939</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

Plan Description and Benefits Provided (Cont'd)

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	<u>216,804</u>
Total	<u><u>366,108</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 4.45%	2.00 - 6.00%
		based on service	based on service
		years	years
Thereafter		1.55 - 4.45%	3.00 - 7.00%
		based on service	based on service
		years	years

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 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2019	\$ 44,741,723
Changes for Year:	
Service Cost	1,956,168
Interest on the Total OPEB Liability	1,613,672
Changes of Assumptions	12,943,698
Differences between Expected and Actual Experience	10,801,024
Gross Benefit Payments by the State	(1,233,615)
Contributions from Members	37,391
Net Changes	26,118,338
Balance at June 30, 2020	\$ 70,860,061

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 85,425,461	\$ 70,860,061	\$ 59,471,321

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 57,200,631	\$ 70,860,061	\$ 87,125,406

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$3,516,304 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	2017	9.54		\$ 4,300,384
	2018	9.51		3,785,150
	2019	9.29	\$ 510,198	
	2020	9.24	11,542,865	
			<u>12,053,063</u>	<u>8,085,534</u>
Differences between Expected and Actual Experience	2018	9.51		3,578,144
	2019	9.29		6,005,059
	2020	9.24	10,758,403	
			<u>10,758,403</u>	<u>9,583,203</u>
Changes in Proportion	N/A	N/A	842,429	1,474,032
			<u>\$ 23,653,895</u>	<u>\$ 19,142,769</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ 45,394
2022	45,394
2023	45,394
2024	45,394
2025	45,394
Thereafter	4,915,759
	<u>\$ 5,142,729</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. SUBSEQUENT EVENT

The District sold \$1,536,321 of temporary notes dated July 7, 2022 with an interest rate of 3.46%. The temporary notes mature on July 6, 2023 and were sold to temporarily finance the referendum project.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0355776482%	0.0343432683%	0.3016899020%	0.0317734413%	0.0322220204%	0.0317526731%	0.0325818495%	0.0276295378%
District's proportionate share of the net pension liability	\$ 6,661,109	\$ 7,709,376	\$ 8,935,190	\$ 7,396,349	\$ 6,344,355	\$ 5,721,350	\$ 5,313,248	\$ 3,273,133
District's covered employee payroll	\$ 2,009,431	\$ 2,049,620	\$ 2,096,944	\$ 2,247,236	\$ 2,303,417	\$ 2,212,101	\$ 1,987,587	\$ 2,414,596
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	331.49%	376.14%	426.11%	329.13%	275.43%	258.64%	267.32%	135.56%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 260,969	\$ 293,297	\$ 295,260	\$ 310,309	\$ 327,307	\$ 310,860	\$ 356,429	\$ 323,574
Contributions in relation to the contractually required contribution	(260,969)	(293,297)	(295,260)	(310,309)	(327,307)	(310,860)	(356,429)	(323,574)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,049,620	\$ 2,096,944	\$ 2,247,236	\$ 2,303,417	\$ 2,212,101	\$ 1,987,587	\$ 2,414,596	\$ 2,647,462
Contributions as a percentage of covered employee payroll	12.73%	13.99%	13.14%	13.47%	14.80%	15.64%	14.76%	12.22%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.1198850273%	0.1173919781%	0.1198666811%	0.1111367677%	0.1085637724%	0.1115444201%	0.1068741288%	0.0987956560%
State's proportionate share of the net pension liability attributable to the District	\$ 64,074,645	\$ 74,196,743	\$ 94,294,763	\$ 74,932,416	\$ 69,065,943	\$ 68,455,863	\$ 70,375,328	\$ 47,496,198
District's covered employee payroll	\$ 11,141,989	\$ 11,364,829	\$ 11,001,425	\$ 12,978,597	\$ 11,130,435	\$ 10,893,711	\$ 10,266,658	\$ 11,799,631
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	575.07%	652.86%	857.11%	577.35%	620.51%	628.40%	685.47%	402.52%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	24.60%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 3,447,817	\$ 4,530,379	\$ 7,084,939	\$ 5,190,938	\$ 4,026,303	\$ 4,037,710	\$ 4,376,238	\$ 1,117,606
Contributions in relation to the contractually required contribution	(934,664)	(959,700)	(1,250,070)	(1,598,761)	(2,193,809)	(2,344,160)	(2,871,903)	(3,875,444)
Contribution deficiency/(excess)	\$ 2,513,153	\$ 3,570,679	\$ 5,834,869	\$ 3,592,177	\$ 1,832,494	\$ 1,693,550	\$ 1,504,335	\$ (2,757,838)
District's covered employee payroll	\$ 11,364,829	\$ 11,001,425	\$ 12,978,597	\$ 11,130,435	\$ 10,893,711	\$ 10,266,658	\$ 11,799,631	\$ 12,028,161
Contributions as a percentage of covered employee payroll	8.22%	8.72%	9.63%	14.36%	20.14%	22.83%	24.34%	32.22%

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

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
			2020
Service Cost	\$ 2,631,266	\$ 2,185,430	\$ 1,887,516
Interest	1,793,132	2,079,368	1,942,148
Changes of Assumptions	(7,551,238)	(4,949,484)	667,103
Differences between Expected and Actual Experience		(5,618,087)	(7,379,552)
Member Contributions	48,208	45,245	40,713
Gross Benefit Payments	(1,309,213)	(1,309,099)	(1,373,437)
Net Change in Total OPEB Liability	(4,387,845)	(7,566,627)	(4,215,509)
Total OPEB Liability - Beginning	60,911,704	56,523,859	48,957,232
Total OPEB Liability - Ending	<u>\$ 56,523,859</u>	<u>\$ 48,957,232</u>	<u>\$ 44,741,723</u>
District's Covered Employee Payroll *	\$ 13,414,449	\$ 13,098,369	\$ 13,317,270
Total OPEB Liability as a Percentage of Covered Employee Payroll	421%	374%	336%
			541%

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 to 7.00% was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

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

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

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

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

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

BUDGETARY COMPARISON SCHEDULES

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 25,031,000		\$ 25,031,000	\$ 25,031,000	
Tuition From Individuals	42,000		42,000	53,250	\$ 11,250
Tuition From Other LEAs Within the State	308,014		308,014	308,014	
Transportation Fees From Individuals				300	300
Transportation Fees From Other LEAs	15,000		15,000	11,250	(3,750)
Rents and Royalties	10,000		10,000	26,545	16,545
Unrestricted Miscellaneous Revenues	141,000		141,000	110,612	(30,388)
Other Restricted Miscellaneous Revenues				29,335	29,335
Total Revenues from Local Sources	<u>25,547,014</u>		<u>25,547,014</u>	<u>25,570,306</u>	<u>23,292</u>
Revenues from State Sources:					
Categorical Transportation Aid	655,670		655,670	655,670	
Extraordinary Aid				1,291,400	1,291,400
Categorical Special Education Aid	1,109,963		1,109,963	1,109,963	
Categorical Security Aid	95,566		95,566	95,566	
Other State Aids				20,880	20,880
TPAF Post Retirement Contributions (Non-Budgeted)				918,235	918,235
TPAF Pension Contributions (Non-Budgeted)				3,875,444	3,875,444
TPAF Non-Contributory Insurance (Non-Budgeted)				54,677	54,677
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,344	1,344
Reimbursed TPAF Social Security Contributions				863,847	863,847
Total Revenues from State Sources	<u>1,861,199</u>		<u>1,861,199</u>	<u>8,887,026</u>	<u>7,025,827</u>
TOTAL REVENUE	<u>27,408,213</u>		<u>27,408,213</u>	<u>34,457,332</u>	<u>7,049,119</u>

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 595,081	\$ 156,187	\$ 156,187	\$ 143,902	\$ 12,285
Kindergarten - Salaries of Teachers	4,151,703	(13,262)	581,819	522,857	58,962
Grades 1-5 - Salaries of Teachers	2,882,334	216,633	4,368,336	4,106,162	262,174
Grades 6-8 - Salaries of Teachers		237,948	3,120,282	2,963,526	156,756
Regular Programs - Home Instruction:					
Salaries of Teachers	3,600	27,100	30,700	18,809	11,891
Purchased Professional-Educational Services	4,000	8,521	12,521	7,572	4,949
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	59,028	9,448	68,476	60,610	7,866
Purchased Professional-Educational Services	120,000	(40,712)	79,288	63,600	15,688
Purchased Technical Services	134,379	1,440	135,819	115,674	20,145
Other Purchased Services (400-500 series)	325,912	(8,285)	317,627	283,868	33,759
General Supplies	356,931	(55,068)	301,863	256,444	45,419
Textbooks		4,500	4,500	3,475	1,025
Other Objects	5,120		5,120	1,973	3,147
Total Regular Programs - Instruction	8,638,088	544,450	9,182,538	8,548,472	634,066
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	66,630	7,585	74,215	42,345	31,870
Other Salaries for Instruction	38,280	1,189	39,469	39,119	350
Other Purchased Services (400-500 series)	1,800	(498)	1,302		1,302
General Supplies	2,000	(256)	1,744	1,226	518
Textbooks	400		400		400
Total Learning and/or Language Disabilities	109,110	8,020	117,130	82,690	34,440

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 119,885	\$ 6,756	\$ 126,641	\$ 126,466	\$ 175
Other Salaries for Instruction	32,156	3,281	35,437	34,770	667
Other Purchased Services (400-500 series)	5,400	(1,548)	3,852	1,851	2,001
General Supplies	3,000	(700)	2,300	1,899	401
Textbooks	250		250		250
Total Multiple Disabilities	160,691	7,789	168,480	164,986	3,494
Resource Room/Resource Center:					
Salaries of Teachers	737,741	85,762	823,503	754,152	69,351
Other Salaries for Instruction	14,400	(3,465)	10,935	10,935	
Purchased Professional-Educational Services	35,000	(15,290)	19,710	16,229	3,481
Other Purchased Services (400-500 series)	25,200	(10,500)	14,700	14,700	
General Supplies	45,320	(38,485)	6,835	3,977	2,858
Total Resource Room/Resource Center	857,661	18,022	875,683	785,293	90,390
Autism:					
Salaries of Teachers	167,535	20,402	187,937	183,074	4,863
Other Salaries for Instruction	137,008	(7,505)	129,503	112,258	17,245
Other Purchased Services (400-500 series)	1,800		1,800		1,800
General Supplies	8,123	(1,700)	6,423	5,454	969
Total Autism	314,466	11,197	325,663	300,786	24,877
Preschool Disabilities - Full-Time:					
Salaries of Teachers	107,836	11,743	119,579	98,319	21,260
Other Salaries for Instruction	137,668	(20,665)	117,003	115,955	1,048
General Supplies	1,250		1,250	946	304
Total Preschool Disabilities - Full-Time	246,754	(8,922)	237,832	215,220	22,612

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	\$ 2,200	\$ 5,600	\$ 7,800		\$ 7,800
Total Home Instruction	2,200	5,600	7,800		7,800
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,690,882</u>	<u>41,706</u>	<u>1,732,588</u>	<u>\$ 1,548,975</u>	<u>183,613</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	897,998	90,708	988,706	945,930	42,776
General Supplies	8,991	(1,400)	7,591	4,450	3,141
Textbooks	300		300		300
Total Basic Skills/Remedial - Instruction	<u>907,289</u>	<u>89,308</u>	<u>996,597</u>	<u>950,380</u>	<u>46,217</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	43,768	7,344	51,112	33,726	17,386
Purchased Services (300-500 series)	500		500		500
Supplies and Materials	3,900		3,900	500	3,400
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>48,168</u>	<u>7,344</u>	<u>55,512</u>	<u>34,226</u>	<u>21,286</u>
School-Sponsored Athletics - Instruction:					
Salaries	63,580		63,580	44,467	19,113
Purchased Services (300-500 series)	16,690		16,690	15,510	1,180
Supplies and Materials	8,180		8,180	2,807	5,373
Other Objects	570		570		570
Total School-Sponsored Athletics - Instruction	<u>89,020</u>		<u>89,020</u>	<u>62,784</u>	<u>26,236</u>
Summer School - Instruction:					
Salaries of Teachers	10,000	4,130	14,130	14,130	
Total Summer School - Instruction	<u>10,000</u>	<u>4,130</u>	<u>14,130</u>	<u>14,130</u>	
Total Summer School	10,000	4,130	14,130	14,130	
TOTAL INSTRUCTION	<u>11,383,447</u>	<u>686,938</u>	<u>12,070,385</u>	<u>11,158,967</u>	<u>911,418</u>

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. for the Handicap. W/I State	\$ 135,745	\$ (3,387)	\$ 132,358	\$ 93,740	\$ 38,618
Tuition - State Facilities	39,872		39,872	39,872	
Total Undistributed Expenditures - Instruction	<u>175,617</u>	<u>(3,387)</u>	<u>172,230</u>	<u>133,612</u>	<u>38,618</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	76,458	116	76,574	73,188	3,386
Other Purchased Services (400-500 series)	2,500		2,500	1,800	700
Supplies and Materials	20,770	(7,210)	13,560	6,816	6,744
Total Undist. Expend. - Attendance and Social Work	<u>99,728</u>	<u>(7,094)</u>	<u>92,634</u>	<u>81,804</u>	<u>10,830</u>
Undistributed Expenditures - Health Services:					
Salaries	344,778	53,871	398,649	358,331	40,318
Purchased Professional and Technical Services	12,399	(6,000)	6,399	3,399	3,000
Other Purchased Services (400-500 series)	240	10,500	10,740	4,888	5,852
Supplies and Materials	18,850		18,850	6,603	12,247
Total Undist. Expenditures - Health Services	<u>376,267</u>	<u>58,371</u>	<u>434,638</u>	<u>373,221</u>	<u>61,417</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	459,518	(18,393)	441,125	440,645	480
Purchased Professional - Educational Services	600,475	5,378	605,853	512,029	93,824
Supplies and Materials	4,150		4,150	1,695	2,455
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>1,064,143</u>	<u>(13,015)</u>	<u>1,051,128</u>	<u>954,369</u>	<u>96,759</u>
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	434,580	106,516	541,096	541,096	
Purchased Professional - Educational Services		73,815	73,815	46,810	27,005
Supplies and Materials		2,000	2,000	226	1,774
Other Objects		2,178	2,178	2,178	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>434,580</u>	<u>184,509</u>	<u>619,089</u>	<u>590,310</u>	<u>28,779</u>

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 406,295	\$ 2,776	\$ 409,071	\$ 408,322	\$ 749
Salaries of Secretarial and Clerical Assistants	5,238	(140)	5,098	5,098	
Other Purchased Services (400-500 series)	2,760		2,760		2,760
Supplies and Materials	2,000		2,000	563	1,437
Total Undist Expend. - Guidance	416,293	2,636	418,929	413,983	4,946
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	788,201	12,822	801,023	761,294	39,729
Salaries of Secretarial and Clerical Assistants	89,273	(1,198)	88,075	82,788	5,287
Unused Vacation Payment to Terminated/Retired Staff		2,399	2,399		
Purchased Professional - Educational Services	31,900		31,900	5,416	26,484
Other Purchased Services (400-500 series)	58,718	(5,119)	53,599	25,912	27,687
Supplies and Materials	16,078		16,078	14,182	1,896
Other Objects	4,025	(1,155)	2,870	945	1,925
Total Undist Expend. - Child Study Team	988,195	7,749	995,944	892,936	103,008
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	253,732	7,391	261,123	259,080	2,043
Salaries of Other Professional Staff	243,967	49,506	293,473	264,660	28,813
Salaries of Secretarial and Clerical Assistants	26,367	1,433	27,800	27,160	640
Other Purchased Services (400-500 series)	6,750	(4,700)	2,050	170	1,880
Supplies and Materials	3,100		3,100	2,949	151
Other Objects	5,400	(1,000)	4,400	3,917	483
Total Undist. Expend. - Improv. of Inst. Serv.	539,316	52,630	591,946	557,936	34,010
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	317,614	5,584	323,198	323,198	
Other Purchased Services (400-500 series)	14,195		14,195	8,036	6,159
Supplies and Materials	46,868	(23,831)	23,037	14,410	8,627
Total Undist Expend. - Edu. Media Serv./Sch. Library	378,677	(18,247)	360,430	345,644	14,786

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 42,952	\$ 597	\$ 43,549	\$ 43,549	
Salaries of Secretarial and Clerical Assistants	9,588	(54)	9,534	9,534	
Purchased Professional - Educational Service	41,070	73,899	114,969	57,443	\$ 57,526
Other Purchased Services (400-500 series)	35,600	11,866	47,466	11,398	36,068
Supplies and Materials	5,653	(5,153)	500	148	352
Total Undist. Expend.-Instructional Staff Training Services	134,863	81,155	216,018	122,072	93,946
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	255,698	1,919	257,617	243,575	14,042
Salaries-Governance Staff (BOE Direct Reports only)	6,000		6,000	6,000	
Legal Services	60,000	80,000	140,000	93,022	46,978
Audit Fees	67,000	4,000	71,000	33,500	37,500
Architectural/Engineering Services	12,000		12,000	10,000	2,000
Other Purchased Professional Services	34,120	4,983	39,103	38,428	675
Purchased Technical Services	3,500	22,050	25,550	25,550	
Communications / Telephone	79,260	27,652	106,912	94,707	12,205
BOE Other Purchased Services	3,250	12,000	15,250	13,740	1,510
Other Purch. Serv. (400-500 series other than 530 & 585)	57,871	11,589	69,460	62,318	7,142
General Supplies	5,159	(3,658)	1,501	1,443	58
BOE In-house training/ Meeting Supplies	770	7,000	7,770	4,403	3,367
Miscellaneous Expenditures	3,150	1,750	4,900	2,775	2,125
BOE Membership Dues and Fees	12,500		12,500	12,143	357
Total Undist. Expend.-Support Serv.-Gen. Admin.	600,278	169,285	769,563	641,604	127,959

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 350,231	\$ 86,149	\$ 436,380	\$ 411,673	\$ 24,707
Salaries of Secretarial and Clerical Assistants	310,583	8,378	318,961	318,961	
Unused Vacation Payment to Terminated/Retired Staff	10,985	(4,476)	6,509	6,509	
Purchased Professional and Technical Services	29,950	20,000	20,000		20,000
Other Purchased Services (400-500 series)	19,207	10,640	40,590	26,511	14,079
Supplies and Materials	11,160	(8,636)	10,571	5,940	4,631
Other Objects			11,160	5,661	5,499
Total Undist. Expend.-Support Serv.-School Adm.	732,116	112,055	844,171	775,255	68,916
Undist. Expend. - Central Services:					
Salaries	389,906	(5,536)	384,370	384,370	
Unused Vacation Payment to Terminated/Retired Staff		12,483	12,483	12,483	
Purchased Professional Services	6,000	200	6,200	6,200	
Purchased Technical Services	41,800	41,744	83,544	81,037	2,507
Miscellaneous Purchased Services (400-500 series other than 594)	7,310	1,806	9,116	8,895	221
Supplies and Materials	8,589	(1,012)	7,577	3,016	4,561
Other Objects	1,550	(1,355)	195	195	
Total Undist. Expend. - Central Services	455,155	48,330	503,485	496,196	7,289
Undist. Expend. - Admin. Info. Technology:					
Salaries	14,897	3,618	18,515	18,515	
Purchased Professional Services		6,500	6,500	6,500	
Purchased Technical Services		4,500	4,500		4,500
Other Purchased Services (400-500 series)	5,000	(3,468)	1,532	32	1,500
Supplies and Materials	3,000	(2,214)	786	786	
Total Undist. Expend. - Admin. Info. Technology	22,897	8,936	31,833	25,833	6,000

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 279,186	\$ 10,201	\$ 289,387	\$ 285,032	\$ 4,355
Cleaning, Repair, and Maintenance Services	571,810	(47,107)	524,703	431,748	92,955
Lead Testing of Drinking Water	18,000		18,000	7,805	10,195
General Supplies	176,892	(26,530)	150,362	95,446	54,916
Other Objects	1,875		1,875	1,875	
Total Undist. Expend.- Required Maint. for School Facilities	1,047,763	(63,436)	984,327	821,906	162,421
Undist. Expend.-Custodial Services:					
Salaries	703,180	39,573	742,753	732,758	9,995
Salaries of Non-Instructional Aides	125,055	(15,887)	109,168	97,292	11,876
Unused Vacation Payment to Terminated/Retired Staff		2,748	2,748		2,748
Purchased Professional and Technical Services			13,750	12,155	1,595
Cleaning, Repair, and Maintenance Services			53,802	48,190	5,612
Other Purchased Property Services		1,682	31,132	30,932	200
Insurance	165,366	(4,430)	160,936	155,488	5,448
General Supplies	45,270	1,432	46,702	46,658	44
Energy (Natural Gas)	175,000	61,565	236,565	234,420	2,145
Energy (Electricity)	375,000	(43,000)	332,000	327,430	4,570
Energy (Gasoline)	6,500		6,500	5,969	531
Total Undist. Expend.-Custodial Services	1,692,373	43,683	1,736,056	1,691,292	44,764
Care and Upkeep of Grounds:					
Salaries	24,952	231	25,183	25,183	
Purchased Professional and Technical Services	11,500	(11,500)			
Cleaning, Repair, and Maintenance Services	66,660	21,909	88,569	51,195	37,374
General Supplies	18,317	(2,500)	15,817	11,614	4,203
Other Objects	375		375		375
Total Care And Upkeep Of Grounds	121,804	8,140	129,944	87,992	41,952

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Purchased Professional and Technical Services	\$ 145,729	2,835	\$ 2,835	\$ 2,835	
Cleaning, Repair, and Maintenance Services	5,952	(135,407)	10,322	8,932	\$ 1,390
General Supplies	151,681	(130,665)	21,016	18,877	2,139
Total Security	3,013,621	(142,278)	2,871,343	2,620,067	251,276
Total Undist. Expend.-oper. And Maint. Of Plant Serv.					
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	20,487	4,147	4,147	2,777	1,370
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	6,829	2,305	22,792	21,639	1,153
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	1,000	49	6,878	6,853	25
Management Fee - ESC&CTSA Transportation Program	28,000		1,000	641	359
Other Purchased Professional and Technical Services	44,000		28,000	27,820	180
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	5,000	31,000	75,000	63,052	11,948
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	5,150		5,000	4,000	1,000
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	20,000		18,150	18,135	15
Contract. Serv.(Spl. Ed. Students)-Vendors	1,239,372		20,000	7,110	12,890
Contract. Serv.(Reg. Students)-ESCs & CTSAAs	237,000	(117,656)	1,121,716	1,114,033	7,683
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSAAs	568	73,656	310,656	237,560	73,096
General Supplies	1,607,406	(271)	297	69	228
Total Undist. Expend.-Student Trans. Serv.		6,230	1,613,636	1,503,689	109,947

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 320,000	\$ 25,736	\$ 345,736	\$ 345,736	
Other Retirement Contributions - PERS	395,000	(68,270)	326,730	325,816	\$ 914
Other Retirement Contributions - Regular	70,000	(20,000)	50,000	15,656	34,344
Unemployment Compensation	30,000	(30,000)			
Workers Compensation	171,681		171,681	146,825	24,856
Health Benefits	4,703,300	(109,247)	4,594,053	4,122,569	471,484
Tuition Reimbursement	95,000	1,343	96,343	74,941	21,402
Other Employee Benefits	5,500	30,000	35,500	18,198	17,302
Unused Sick Payment to Terminated/Retired Staff	8,270	26,000	34,270	10,236	24,034
TOTAL UNALLOCATED BENEFITS	5,798,751	(144,438)	5,654,313	5,059,977	594,336
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				918,235	(918,235)
TPAF Pension Contributions (Non-Budgeted)				3,875,444	(3,875,444)
TPAF Non-Contributory Insurance (Non-Budgeted)				54,677	(54,677)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,344	(1,344)
Reimbursed TPAF Social Security Contributions				863,847	(863,847)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				5,713,547	(5,713,547)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,798,751	(144,438)	5,654,313	10,773,524	(5,119,211)
TOTAL UNDISTRIBUTED EXPENDITURES	16,837,903	403,427	17,241,330	21,302,055	(4,060,725)
TOTAL GENERAL CURRENT EXPENSE	28,221,350	1,090,365	29,311,715	32,461,022	(3,149,307)
CAPITAL OUTLAY					
Undistributed:					
Undist. Expend. - Required Maint for School Fac.	117,250	9,983	127,233	103,943	23,290
Undist. Expend. - Custodial Services		4,464	4,464	4,464	
Undist. Expend. - Care and Upkeep of Grounds	79,000	(8,160)	70,840	7,440	63,400
Total Equipment	196,250	6,287	202,537	115,847	86,690

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Legal Services	\$ 18,000		\$ 18,000		\$ 18,000
Architectural/Engineering Services	95,000		95,000	73,812	21,188
Construction Services	1,359,636	\$ 271,462	1,631,098	207,286	1,423,812
Assessment for Debt Service on SDA Funding	89,009		89,009	89,009	
Total Facilities Acquisition and Const. Serv.	<u>1,561,645</u>	<u>271,462</u>	<u>1,833,107</u>	<u>370,107</u>	<u>1,463,000</u>
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				100,030	(100,030)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				<u>100,030</u>	<u>(100,030)</u>
TOTAL CAPITAL OUTLAY	<u>1,757,895</u>	<u>277,749</u>	<u>2,035,644</u>	<u>585,984</u>	<u>1,449,660</u>
TOTAL EXPENDITURES	<u>29,979,245</u>	<u>1,368,114</u>	<u>31,347,359</u>	<u>33,047,006</u>	<u>(1,699,647)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(2,571,032)</u>	<u>(1,368,114)</u>	<u>(3,939,146)</u>	<u>1,410,326</u>	<u>(5,349,472)</u>
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				100,030	100,030
Capital Reserve - Transfer to Capital Projects Fund		(285,904)	(285,904)		285,904
Transfers to Cover Deficit (Enterprise Fund)	(30,000)		(30,000)	(30,000)	
Total Other Financing Sources/(Uses)	<u>(30,000)</u>	<u>(285,904)</u>	<u>(315,904)</u>	<u>70,030</u>	<u>385,934</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(2,601,032)</u>	<u>(1,654,018)</u>	<u>(4,255,050)</u>	<u>1,480,356</u>	<u>5,735,406</u>
Fund Balance, July 1	<u>5,859,201</u>		<u>5,859,201</u>	<u>5,859,201</u>	
Fund Balance, June 30	<u>\$ 3,258,169</u>	<u>\$ (1,654,018)</u>	<u>\$ 1,604,151</u>	<u>\$ 7,339,557</u>	<u>\$ 5,735,406</u>

CLINTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 3,154,285	
Maintenance Reserve				672,838	
Unemployment Compensation				105,274	
Assigned Fund Balance:					
Year End Encumbrances				261,004	
Designated for Subsequent Year's Expenditures				817,416	
Unassigned Fund Balance				<u>2,328,740</u>	
				<u>7,339,557</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(172,131)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,167,426</u>	

CLINTON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 11,148	\$ 65,712	\$ 76,860	\$ 70,179	\$ (6,681)
State Sources	158,752	106,377	265,129	257,652	(7,477)
Federal Sources	633,106	731,119	1,364,225	927,830	(436,395)
Total Revenues	\$ 803,006	\$ 903,208	\$ 1,706,214	\$ 1,255,661	\$ (450,553)
EXPENDITURES:					
Instruction					
Purchased Professional/Technical Services	\$ 70,000	\$ 267,109	\$ 337,109	\$ 187,428	\$ 149,681
Other Purchased Services (400-500 Series)	75,000	(5,112)	69,888	69,864	24
Tuition	200,000	120,997	320,997	320,997	
Supplies and Materials	100,000	343,933	443,933	327,594	116,339
General Supplies	6,006	4,704	10,710	10,710	
Textbooks	10,000	5,306	15,306	15,306	
Total Instruction	461,006	736,937	1,197,943	931,899	266,044
Support Services:					
Purchased Professional/Technical Services	215,000	6,786	221,786	105,990	115,796
Other Purchased Services (400-500 Series)	102,000	(43,183)	58,817	16,502	42,315
Supplies and Materials	25,000	54,788	79,788	53,390	26,398
Student Activities		40,575	40,575	40,575	
Total Support Services	342,000	58,966	400,966	216,457	184,509
Facilities Acquisition and Construction Services:					
Construction Services		28,326	28,326	28,326	
Building		50,000	50,000	50,000	
Total Facilities Acquisition and Construction		78,326	78,326	78,326	
Total Expenditures	\$ 803,006	\$ 874,229	\$ 1,677,235	\$ 1,226,682	\$ 450,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ 28,979	\$ 28,979	\$ 28,979	\$ -0-

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 34,457,332	\$ 1,255,661
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Current Year Encumbrances		(11,722)
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(172,131)	
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	174,275	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 34,459,476	\$ 1,243,939
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 33,047,006	\$ 1,226,682
Differences - Budgetary to GAAP		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Current Year Encumbrances		(11,722)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 33,047,006	\$ 1,214,960

CLINTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA Part B			C.R.R.S.A.	
	Basic	Preschool	ARP Basic	ESSER II	Learning Acceleration
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 388,030	\$ 8,357	\$ 56,306	\$ 30,530	\$ 5,262
Total Revenue	<u>388,030</u>	<u>8,357</u>	<u>56,306</u>	<u>30,530</u>	<u>5,262</u>
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services	67,033				
Other Purchased Services (400-500 Series)			56,306		
Tuition	320,997				
Supplies and Materials		8,357		26,930	
General Supplies					
Textbooks					
Total Instruction	<u>388,030</u>	<u>8,357</u>	<u>56,306</u>	<u>26,930</u>	
Support Services:					
Purchased Professional/Technical Services					2,667
Other Purchased Services (400-500 Series)				3,600	2,595
Supplies and Materials					
Student Activities					
Total Support Services				<u>3,600</u>	<u>5,262</u>
Facilities Acquisition and Construction Services:					
Construction Services					
Building					
Total Facilities Acquisition and Construction					
Total Expenditures	<u>\$ 388,030</u>	<u>\$ 8,357</u>	<u>\$ 56,306</u>	<u>\$ 30,530</u>	<u>\$ 5,262</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	C.R.R.S.A. Mental Health	Title I	Elementary and Secondary Education Act Title II	Title III	Title IV
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 23,170	\$ 22,264	\$ 18,662	\$ 949	\$ 11,085
Total Revenue	<u>23,170</u>	<u>22,264</u>	<u>18,662</u>	<u>949</u>	<u>11,085</u>
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services					270
Other Purchased Services (400-500 Series)		7,687			5,871
Tuition					
Supplies and Materials		3,837	2,737	949	4,944
General Supplies					
Textbooks					
Total Instruction		<u>11,524</u>	<u>2,737</u>	<u>949</u>	<u>11,085</u>
Support Services:					
Purchased Professional/Technical Services	23,000	10,740	13023		
Other Purchased Services (400-500 Series)			2902		
Supplies and Materials	170				
Student Activities					
Total Support Services	<u>23,170</u>	<u>10,740</u>	<u>15,925</u>		
Facilities Acquisition and Construction Services:					
Construction Services					
Building					
Total Facilities Acquisition and Construction					
Total Expenditures	<u>\$ 23,170</u>	<u>\$ 22,264</u>	<u>\$ 18,662</u>	<u>\$ 949</u>	<u>\$ 11,085</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		<u>ARP</u>	<u>Beyond</u>	<u>School Day</u>	<u>Mental</u>	<u>Health Support</u>	<u>Emergency</u>	<u>Connectivity</u>	<u>Fund</u>	<u>Student</u>	<u>Activities</u>
	\$										
REVENUE:											
Local Sources											
State Sources											
Federal Sources	\$	63,984	\$	1,458	\$	34,000	\$	263,773		\$	69,554
Total Revenue		<u>63,984</u>		<u>1,458</u>		<u>34,000</u>		<u>263,773</u>		<u>69,554</u>	
EXPENDITURES:											
Instruction:											
Purchased Professional/Technical Services											
Other Purchased Services (400-500 Series)											
Tuition		13,984		1,458				263,773			
Supplies and Materials											
General Supplies											
Textbooks											
Total Instruction		<u>13,984</u>		<u>1,458</u>				<u>263,773</u>			
Support Services:											
Purchased Professional/Technical Services											
Other Purchased Services (400-500 Series)											
Supplies and Materials											
Student Activities											40,575
Total Support Services											<u>40,575</u>
Facilities Acquisition and Construction Services:											
Construction Services											
Building		50,000									
Total Facilities Acquisition and Construction		<u>50,000</u>									
Total Expenditures	\$	<u>63,984</u>	\$	<u>1,458</u>	\$	<u>34,000</u>	\$	<u>263,773</u>	\$	<u>40,575</u>	

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic			
	Chapter 193 Corrective Speech	Supplementary Instruction	Chapter 192 Compensatory Education	Textbooks
REVENUE:				
Local Sources				
State Sources				
Federal Sources				
Total Revenue	\$ 41,319	\$ 29,736	\$ 27,680	\$ 15,306
EXPENDITURES:				
Instruction:				
Purchased Professional/Technical Services				
Other Purchased Services (400-500 Series)	41,319	29,736	27,680	
Tuition				
Supplies and Materials				
General Supplies				
Textbooks				15,306
Total Instruction	41,319	29,736	27,680	15,306
Support Services:				
Purchased Professional/Technical Services				
Other Purchased Services (400-500 Series)				
Supplies and Materials				
Student Activities				
Total Support Services				
Facilities Acquisition and Construction Services:				
Construction Services				
Building				
Total Facilities Acquisition and Construction				
Total Expenditures	\$ 41,319	\$ 29,736	\$ 27,680	\$ 15,306

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nursing	Nonpublic Security	Technology Initiative	Emergent and Capital Maintenance Needs	Local Recreational Improvement
REVENUE:					
Local Sources					
State Sources	\$ 28,560	\$ 44,625	\$ 10,710	\$ 28,326	\$ 10,000
Federal Sources					
Total Revenue	28,560	44,625	10,710	28,326	10,000
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services					
Other Purchased Services (400-500 Series)					
Tuition			10,710		
Supplies and Materials					
General Supplies					
Textbooks					
Total Instruction			10,710		
Support Services:					
Purchased Professional/Technical Services	28,560				10,000
Other Purchased Services (400-500 Series)		44,625			
Supplies and Materials					
Student Activities					
Total Support Services	28,560	44,625			10,000
Facilities Acquisition and Construction Services:					
Construction Services				28,326	
Building					
Total Facilities Acquisition and Construction				28,326	
Total Expenditures	\$ 28,560	\$ 44,625	\$ 10,710	\$ 28,326	\$ 10,000

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Various Local Grants	Totals
REVENUE:		
Local Sources	\$ 625	\$ 70,179
State Sources		257,652
Federal Sources		927,830
Total Revenue	625	1,255,661
EXPENDITURES:		
Instruction:		
Purchased Professional/Technical Services		187,428
Other Purchased Services (400-500 Series)		69,864
Tuition		320,997
Supplies and Materials	625	327,594
General Supplies		10,710
Textbooks		15,306
Total Instruction	625	931,899
Support Services:		
Purchased Professional/Technical Services		105,990
Other Purchased Services (400-500 Series)		16,502
Supplies and Materials		53,390
Student Activities		40,575
Total Support Services		216,457
Facilities Acquisition and Construction Services:		
Construction Services		28,326
Building		50,000
Total Facilities Acquisition and Construction		78,326
Total Expenditures	625	\$ 1,226,682

CLINTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

CAPITAL PROJECTS FUND

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Expenditures and Other Financing Uses:	
Legal Services	\$ 5,358
Construction Services	192,108
	197,466
Total Expenditures and Other Financing Uses	197,466
(Deficit) of Revenue (Under) Expenditures	(197,466)
Fund Balance - Beginning	-0-
	-0-
Fund Balance/(Deficit) - Ending	\$ (197,466)

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
2022 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:			
Budget Appropriation			\$ 1,536,321
Total Revenues and Other Financing Sources			1,536,321
Expenditures:			
Legal Services	\$ 5,358	\$ 5,358	7,575
Purchased Professional and Technical Services			44,846
Construction Services	192,108	192,108	1,483,900
Total Expenditures	197,466	197,466	1,536,321
(Deficit) of Revenue and Other Financing Sources			
Over Expenditures	\$ (197,466)	\$ (197,466)	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,536,321
Percentage Completion	12.85%
Original Target Completion Date	06/30/23
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 55,629
Intergovernmental Receivable:	
Federal	44,929
State	1,028
Accounts Receivable - Other	14
Inventory	13,606

Total Current Assets	<u>115,206</u>
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Non-Current Assets:

Capital Assets	299,872
Less: Accumulated Depreciation	<u>(270,961)</u>

Total Non-Current Assets	<u>28,911</u>
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Total Assets	<u>144,117</u>
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LIABILITIES:

Current Liabilities:

Interfund Payable - General Fund	59,938
Unearned Revenue - Donated Commodities	2,638
Unearned Revenue - Prepaid Sales	11,886

Total Current Liabilities	<u>74,462</u>
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Total Liabilities	<u>74,462</u>
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NET POSITION:

Investment in Capital Assets	28,911
Unrestricted	40,744

Total Net Position	<u>\$ 69,655</u>
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CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Charges for Services:	
Daily Sales - Nonreimbursable Programs	\$ 92,682
Special Events	60
Other Miscellaneous Revenue	1,743
	<hr/>
Total Operating Revenue	94,485
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	253,557
Cost of Sales - Nonreimbursable Programs	44,745
Salaries, Benefits & Payroll Taxes	252,231
Supplies, Insurance & Other Costs	7,264
Management Fee	18,900
Other Expenses	39,023
Depreciation Expense	9,639
	<hr/>
Total Operating Expenses	625,359
	<hr/>
Operating Loss	(530,874)
	<hr/>
Non-Operating Revenue:	
Federal Sources:	
COVID 19 - Seamless Summer Option - Lunch	470,751
COVID-19 - Seamless Summer Option - Breakfast	10,818
COVID 19 - Seamless Summer Option - After School Snack	4,809
Food Distribution Program	40,632
COVID 19 - Emergency Operational Cost Reimbursement	5,990
COVID 19 - P-EBT Reimbursement	1,242
State Sources:	
COVID 19 - Seamless Summer Option - Lunch	11,059
Local Sources:	
Interest Income	74
	<hr/>
Total Non-Operating Revenue	545,375
	<hr/>
Change in Net Position Before Transfer and Capital Assets Adjustment	14,501
	<hr/>
Transfer - General Fund	30,000
Capital Assets Adjustment	(7,372)
	<hr/>
Change in Net Position After Transfer and Capital Assets Adjustment	37,129
	<hr/>
Net Position - Beginning of Year	32,526
	<hr/>
Net Position - End of Year	\$ 69,655
	<hr/> <hr/>

CLINTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 82,229
Payments to Food Service Vendor	(522,394)
Payments to Suppliers	(53,093)
Net Cash (Used for) Operating Activities	<u>(493,258)</u>
Cash Flows from Noncapital Financing Activities:	
State Subsidy Reimbursements	11,798
Federal Subsidy Reimbursements	486,188
Transfer from General Fund:	
Board Contribution	30,000
Net Cash Provided by Noncapital Financing Activities	<u>527,986</u>
Cash Flows from Investing Activities:	
Interest on Investments	74
Net Cash Provided by Investing Activities	<u>74</u>
Net Increase in Cash and Cash Equivalents	34,802
Cash and Cash Equivalents, July 1	<u>20,827</u>
Cash and Cash Equivalents, June 30	<u>\$ 55,629</u>
Reconciliation of Operating Loss to	
Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (530,874)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	9,639
Food Distribution Program	40,632
Changes in Assets and Liabilities:	
Decrease in Inventory	5,452
Decrease in Other Accounts Receivable	84
(Decrease) in Accounts Payable	(2,977)
(Decrease) in Unearned Revenue - Prepaid Sales	(12,340)
(Decrease) in Unearned Revenue - Donated Commodities	(2,874)
Net Cash (Used for) Operating Activities	<u>\$ (493,258)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,758 and utilized U.S.D.A. Commodities valued at \$40,632.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance June 30, 2021	Issued	Defeased	Matured	Balance June 30, 2022
			Date	June 30, 2022	Amount	Rate						
2012 Refunding Bonds	12/22/11	\$ 10,630,000					\$ 10,190,000		\$ 10,155,000	\$ 35,000		
2015 Refunding Bonds	10/28/15	8,680,000	1/15/2023	\$ 30,000		3.000%						
			1/15/2024	30,000		3.000%						
			1/15/2025	30,000		3.000%						
			1/15/2026	30,000		3.188%						
			1/15/2027	35,000		3.161%						
			1/15/2028	35,000		3.214%						
			1/15/2029	35,000		3.214%						
			1/15/2030	35,000		3.214%						
			1/15/2031	1,950,000		3.256%						
			1/15/2032	2,005,000		3.375%						
			1/15/2033	2,065,000		4.000%						
			1/15/2034	2,135,000		4.000%	8,440,000			25,000	\$ 8,415,000	
2020 Refunding Bonds	12/03/20	3,441,000	1/15/2023	1,270,000		0.897%						
			1/15/2024	919,000		0.897%	3,441,000			1,252,000	2,189,000	
2021 Refunding Bonds	10/19/21	10,409,000	1/15/2023	135,000		1.350%						
			1/15/2024	501,000		1.350%						
			1/15/2025	1,555,000		1.350%						
			1/15/2026	1,584,000		1.350%						
			1/15/2027	1,611,000		1.350%						
			1/15/2028	1,643,000		1.350%						
			1/15/2029	1,671,000		1.350%						
			1/15/2030	1,695,000		1.350%		\$ 10,409,000		14,000	10,395,000	
							\$ 22,071,000	\$ 10,409,000	\$ 10,155,000	\$ 1,326,000	\$ 20,999,000	

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Item	Interest Rate	Original Issue	Issued	Matured	Balance June 30, 2022
Copiers	4.11%	\$ 100,030	\$ 100,030	\$ 15,293	\$ 84,737
			\$ 100,030	\$ 15,293	\$ 84,737

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,039,919		\$ 2,039,919	\$ 2,039,919	
Miscellaneous Revenue				15,758	\$ 15,758
Total Revenues	2,039,919		2,039,919	2,055,677	15,758
EXPENDITURES:					
Regular Debt Service:					
Interest	727,919	(14,000)	713,919	568,451	\$ 145,468
Redemption of Principal	1,312,000	14,000	1,326,000	1,326,000	
Total Regular Debt Service	2,039,919		2,039,919	1,894,451	145,468
Total Expenditures	2,039,919		2,039,919	1,894,451	145,468
Excess of Revenues Over Expenditures				161,226	161,226
Other Financing Sources/(Uses):					
Refunding Bond Issued				10,409,000	10,409,000
Serial Bonds Defeased				(10,155,000)	(10,155,000)
Bond Issuance Cost				(60,962)	(60,962)
Deferred Amount on Refunding				(193,038)	(193,038)
Total Other Financing Sources/(Uses)					
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses				161,226	161,226
Fund Balance, July 1					
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 161,226	\$ 161,226
Restricted - Subsequent Year's Expenditures Restricted				\$ 145,468	\$ 145,468
				15,758	15,758
				\$ 161,226	\$ 161,226

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 24,136,109	\$ 24,467,555	\$ 24,995,409	\$ 25,463,192	\$ 25,862,605	\$ 25,757,830	\$ 25,645,074	\$ 25,756,531	\$ 25,679,620	\$ 26,154,318
Restricted	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170	2,983,031	2,826,277	4,228,655
Unrestricted/(Deficit)	(1,095,792)	(7,316,596)	(6,572,794)	(5,061,778)	(7,925,307)	(8,396,819)	(8,379,427)	(7,684,554)	(5,590,099)	(4,328,037)
Total governmental activities net position	\$ 24,663,451	\$ 19,150,536	\$ 20,896,394	\$ 22,006,019	\$ 19,978,029	\$ 20,158,505	\$ 20,378,817	\$ 21,055,008	\$ 22,915,798	\$ 26,054,936
Business-type Activities:										
Investment in Capital Assets	\$ 15,177	\$ 10,481	\$ 13,481	\$ 11,992	\$ 10,503	\$ 9,014	\$ 7,525	\$ 20,519	\$ 45,922	\$ 28,911
Unrestricted/(Deficit)	720	15,525	13,453	10,658	13,581	1,721	18,586	94	(13,396)	40,744
Total business-type activities net position	\$ 15,897	\$ 26,006	\$ 26,934	\$ 22,650	\$ 24,084	\$ 10,735	\$ 26,111	\$ 20,613	\$ 32,526	\$ 69,655
District-wide:										
Net Investment in Capital Assets	\$ 24,151,286	\$ 24,478,036	\$ 25,008,890	\$ 25,475,184	\$ 25,873,108	\$ 25,766,844	\$ 25,652,599	\$ 25,777,050	\$ 25,725,542	\$ 26,183,229
Restricted	1,623,134	1,999,577	2,473,779	1,604,605	2,040,731	2,797,494	3,113,170	2,983,031	2,826,277	4,228,655
Unrestricted/(Deficit)	(1,095,072)	(7,301,071)	(6,559,341)	(5,051,120)	(7,911,726)	(8,395,098)	(8,360,841)	(7,684,460)	(5,603,495)	(4,287,293)
Total District Net Position	\$ 24,679,348	\$ 19,176,542	\$ 20,923,328	\$ 22,028,669	\$ 20,002,113	\$ 20,169,240	\$ 20,404,928	\$ 21,075,621	\$ 22,948,324	\$ 26,124,591

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 11,072,542	\$ 10,427,487	\$ 11,982,686	\$ 12,405,176	\$ 15,254,518	\$ 13,579,623	\$ 12,546,499	\$ 12,912,325	\$ 14,589,607	\$ 12,961,291
Special Education	4,555,119	4,493,701	4,767,628	5,046,886	6,289,955	5,246,515	4,943,643	5,399,270	4,040,765	2,679,938
Other Special Instruction	825,701	907,843	1,215,570	1,237,448	1,722,812	1,367,327	1,058,798	770,762	1,617,261	1,413,697
School Sponsored Instruction	82,329	87,515	92,121	116,205	151,874	119,031	169,584	166,141	66,406	142,968
Support Services:										
Tuition	851,271	873,557	664,972	467,098	557,171	465,117	527,794	418,376	313,378	133,612
Student & Instruction Related Services	5,209,914	5,733,507	6,322,668	6,845,608	7,331,631	7,145,515	6,643,904	5,377,056	6,108,659	5,850,774
General Administrative Services	1,265,380	1,162,128	1,282,779	1,579,339	1,580,503	752,745	884,629	784,628	579,207	760,423
School Administrative Services	1,344,527	1,338,075	1,694,187	1,630,779	1,818,026	1,787,713	1,475,990	1,537,284	1,026,774	1,130,134
Central Services						686,211	700,558	904,991	919,269	680,664
Administrative Information Technology						14,504	42		12,219	31,764
Plant Operations and Maintenance	2,481,162	2,618,431	2,660,530	3,288,189	3,625,818	2,905,434	3,322,367	2,758,378	2,900,714	2,776,856
Pupil Transportation	1,901,850	1,589,009	1,600,577	1,653,698	1,683,011	1,683,092	1,561,878	1,437,625	1,525,990	1,513,706
Capital Outlay						122,345	89,009	94,020	79,499	89,009
Special Schools	111,631	114,065	99,612	112,316	116,111	50,301	81,401	80,179		
Unallocated Depreciation						1,445,886	1,454,350	1,457,925	1,480,147	1,541,315
Interest on Long-Term Debt	1,357,230	1,358,695	1,325,265	1,146,055	1,198,120	964,061	913,326	859,934	692,441	446,205
Total Governmental Activities Expenses	31,058,656	30,704,013	33,708,595	35,528,797	41,329,550	38,335,420	36,373,772	34,958,894	35,952,336	32,152,356
Business-type Activities:										
Food Service	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872	402,749	625,359
Total Business-type Activities Expenses	468,526	428,496	421,896	462,129	506,878	477,741	458,415	366,872	402,749	625,359
Total District Expenses	31,527,182	31,132,509	34,130,491	35,990,926	41,836,428	38,813,161	36,832,187	35,325,766	36,355,085	32,777,715
Governmental Activities:										
Charges for Services:										
Regular instruction	377,789	344,801	384,771	422,951	500,399				43,634	306,925
Special education instruction	67,775	89,808	70,279	257,962	169,779				466,622	54,339
Other instruction	63,806			8,850						
Tuition		2,787				731,797	497,205	610,046		
Student & instruction related services	43,275	47,144	26,097	3,357	30,451				17,271	69,554
General & business administrative services	38,000	5,312								
Plant operations & maintenance	67,447	67,589	61,154	46,502	49,444					
Pupil transportation	38,812	34,054	32,687	59,619	41,360			27,953	26,743	11,550
Special schools		7,340		1,582						
Operating Grants and Contributions	644,603	837,903	802,768	615,914	634,499	11,475,969	10,102,595	8,968,154	10,425,876	7,523,918
Capital Grants and Contributions		59,895	444,426	(81,648)						
Total Governmental Activities Program Revenues	1,341,507	1,496,633	1,822,182	1,326,239	1,434,782	12,207,766	10,599,800	9,606,153	10,980,146	7,966,286

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type Activities:										
Charges for Services:										
Food Service	\$ 375,792	\$ 353,767	\$ 348,680	\$ 373,016	\$ 389,772	\$ 367,536	\$ 398,729	\$ 265,980	\$ 3,211	\$ 94,485
Operating Grants and Contributions	82,351	82,423	73,937	84,583	93,234	96,276	74,143	77,176	410,469	545,301
Total Business-type Activities Revenues	458,143	436,190	422,617	457,599	483,006	463,812	472,872	343,156	413,680	639,786
Total District Program Revenues	1,799,650	1,932,823	2,244,799	1,783,838	1,917,788	12,671,578	11,072,672	9,949,309	11,393,826	8,606,072
Net (Expense)/Revenue										
Governmental Activities	(29,717,149)	(29,207,380)	(31,886,413)	(34,202,558)	(39,894,768)	(26,127,654)	(25,773,972)	(25,352,741)	(24,972,190)	(24,186,070)
Business-type Activities	(10,383)	7,694	721	(4,530)	(23,872)	(13,929)	14,457	(23,716)	10,931	14,427
Total District-wide Net (Expense)/Revenue	(29,727,532)	(29,199,686)	(31,885,692)	(34,207,088)	(39,918,640)	(26,141,583)	(25,759,515)	(25,376,457)	(24,961,259)	(24,171,643)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	22,281,013	22,530,498	22,580,498	22,918,742	22,813,416	23,145,143	23,492,320	23,492,320	24,238,903	25,031,000
Taxes Levied for Debt Service	2,170,882	2,083,196	2,113,368	2,161,018	2,091,567	1,707,984	2,100,106	2,103,004	2,108,081	2,039,919
Unrestricted Grants and Contributions	5,291,912	5,326,061	8,822,963	10,066,633	12,831,589	1,373,502	454,470	331,106	243,081	102,039
Investment Earnings	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258	270	270
Miscellaneous Income	142,860	92,067	143,365	201,093	120,629	138,705	147,314	170,639	137,618	182,250
Other Item	(45,000)	(50,000)	(50,000)	(60,000)	(25,000)	200,000		(3,100)	105,027	(30,000)
Transfers										
Total Governmental Activities	29,862,900	30,052,967	33,632,271	35,312,183	37,866,778	26,576,147	26,202,343	26,099,227	26,832,980	27,325,208
Business-type Activities:										
Investment Earnings	188	183	207	246	306	580	919	635	10	74
Miscellaneous Income	1,325								972	(7,372)
Other Item										
Transfers										
Total Business-type Activities	1,513	183	207	246	306	580	919	635	982	22,702
Total District-wide	29,864,413	30,053,150	33,632,478	35,312,429	37,892,084	26,576,727	26,203,262	26,102,962	26,833,962	27,347,910
Change in Net Position										
Governmental Activities	145,751	845,587	1,745,858	1,109,625	(2,027,990)	448,493	428,371	746,486	1,860,790	3,139,138
Business-type Activities	(8,870)	7,877	928	(4,284)	1,434	(13,349)	15,376	(19,981)	11,913	37,129
Total District	\$ 136,881	\$ 853,464	\$ 1,746,786	\$ 1,105,341	\$ (2,026,556)	\$ 435,144	\$ 443,747	\$ 726,505	\$ 1,872,703	\$ 3,176,267

Source: School District Financial Reports

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

June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 1,529,068	\$ 929,792	\$ 2,115,969	\$ 1,328,179	\$ 1,649,007	\$ 2,797,492	\$ 3,113,168	\$ 2,816,630	\$ 2,720,224	\$ 3,932,397
Committed	101,456	366,647	988,770	2,865,632	336,121					
Assigned	153,426	200,000	240,000	91,023	241,023	541,517	57,974	562,511	678,123	1,078,420
Unassigned	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000	2,286,579	2,156,609
Total General Fund	\$ 2,412,517	\$ 2,010,896	\$ 3,726,773	\$ 4,585,887	\$ 2,578,464	\$ 3,650,603	\$ 4,036,418	\$ 4,248,141	\$ 5,684,926	\$ 7,167,426
All Other Governmental Funds:										
Restricted, Reported in :										
Special Revenue Fund										
Capital Projects Fund	\$ 418,561	\$ 1,384,815	\$ 938,670	\$ 74,155				\$ 116,244	\$ 106,053	\$ 135,032
Debt Service Fund										161,226
Assigned, Reported in:										
Debt Service Fund	71,772					\$ 2	\$ 2			
Unassigned/(Deficit), Reported in:										
Capital Projects Fund										(197,466)
Total All Other Governmental Funds	\$ 490,333	\$ 1,384,815	\$ 938,670	\$ 467,318	\$ 391,724	\$ 2	\$ 2	\$ 116,244	\$ 106,053	\$ 98,792
Total All Governmental Funds:										
Restricted	\$ 1,947,629	\$ 2,314,607	\$ 3,054,639	\$ 1,402,334	\$ 1,649,007	\$ 2,797,494	\$ 3,113,170	\$ 2,932,874	\$ 2,826,277	\$ 4,228,655
Committed	101,456	366,647	988,770	2,865,632	336,121					
Assigned	225,198	200,000	240,000	484,186	632,747	541,517	57,974	562,511	678,123	1,078,420
Unassigned	628,567	514,457	382,034	301,053	352,313	311,594	865,276	869,000	2,286,579	1,959,143
Total All Governmental Funds	\$ 2,902,850	\$ 3,395,711	\$ 4,665,443	\$ 5,053,205	\$ 2,970,188	\$ 3,650,605	\$ 4,036,420	\$ 4,364,385	\$ 5,790,979	\$ 7,266,218

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 24,451,895	\$ 24,613,694	\$ 24,693,866	\$ 25,079,760	\$ 24,904,983	\$ 24,853,127	\$ 25,592,426	\$ 25,595,324	\$ 26,346,984	\$ 27,070,919
Tuition	444,124	434,609	455,050	598,030	670,178	731,797	497,205	610,046	510,256	361,264
Transportation Fees								27,953	26,743	11,550
Interest Earnings	21,233	21,145	22,077	24,697	34,577	10,813	8,133	5,258	270	
Miscellaneous	137,568	110,388	164,644	200,724	105,312	158,275	164,867	174,754	191,027	252,429
Other Sources			23,904							
State Sources	5,482,915	5,591,182	6,041,014	5,596,406	5,908,334	6,276,296	6,902,380	6,859,648	8,266,935	9,145,810
Federal Sources	414,257	584,847	520,420	450,501	424,486	377,054	428,221	388,700	540,197	917,120
Total Revenues	30,951,992	31,355,865	31,897,071	31,974,022	32,047,870	32,407,362	33,593,232	33,661,683	35,882,412	37,759,092
Expenditures										
Instruction:										
Regular Instruction	7,367,340	6,925,038	6,816,399	6,557,053	7,769,090	7,128,318	7,124,617	7,881,868	8,453,772	9,270,164
Special Education Instruction	2,782,540	2,958,654	2,624,066	2,384,493	3,115,056	2,631,033	2,681,119	3,300,539	2,494,936	2,001,668
Other Special Instruction	521,774	580,738	641,572	608,461	806,624	679,873	573,039	428,332	883,163	950,380
School Sponsored Instruction	12,559	61,655	62,836	73,169	87,088	85,937	133,906	121,705	48,820	111,140
Support Services:										
Tuition	817,218	388,568	309,736	467,098	232,942	465,117	527,794	131,321	313,378	133,612
Student & Instruction Related Services	3,414,393	3,773,373	3,512,926	3,622,803	3,930,422	3,720,880	3,791,712	3,287,503	4,031,079	4,372,850
General Administrative Services	489,321	450,982	436,175	500,190	550,585	554,154	688,006	622,620	431,054	641,604
School Administrative Services	895,970	865,515	964,085	837,796	892,689	892,941	768,757	873,712	643,825	775,255
Central Services	366,229	381,322	387,377	394,432	423,227	423,343	415,639	538,612	546,753	496,196
Administrative Information Technology	31,644	22,610	19,668	19,637	33,787	9,533	42		12,219	25,833
Plant Operations and Maintenance	2,015,701	2,156,672	2,143,445	2,566,089	2,742,089	2,390,713	2,623,776	2,269,235	2,449,987	2,620,067
Pupil Transportation	1,851,268	1,541,955	1,553,746	1,600,622	1,630,780	1,669,406	1,556,505	1,435,063	1,525,775	1,503,689
Unallocated Benefits	4,580,270	4,560,740	4,579,954	4,807,583	4,873,120	8,810,096	9,734,904	9,602,735	10,322,379	10,773,524

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
On-behalf TPAF pension & Social Security contribution	\$ 2,395,022	\$ 2,191,134	\$ 2,457,829	\$ 2,882,586	\$ 3,249,153					
Special Schools	72,806	70,411	52,892	56,380	58,997	\$ 50,301	\$ 81,401	\$ 80,179		
Capital Outlay	597,302	213,345	62,591	1,296,005	836,380	315,594	406,094	820,589	\$ 294,624	\$ 783,450
Special Revenue Funds	639,308	837,903	802,768	615,914	634,499					
Capital Projects		638,412	906,897	215,464						
Debt Service:										
Principal	860,000	880,000	905,000	1,119,267	1,032,344	1,020,000	1,070,000	1,125,000	1,185,000	1,326,000
Interest and Other Charges	1,358,693	1,363,977	1,337,377	1,188,587	1,207,015	1,079,706	1,030,106	978,006	838,081	568,451
Total Expenditures	31,069,358	30,863,004	30,577,339	31,813,629	34,105,887	31,926,945	33,207,417	33,497,019	34,475,845	36,353,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,366)	492,861	1,319,732	160,393	(2,058,017)	480,417	385,815	164,664	1,406,567	1,405,209
Other Financing Sources (Uses)				175,000						100,030
Financed Purchases										
Insurance claims proceeds for storm damage	42,104									
Premium on bonds and notes				305,937						
Proceeds from refunding bond issue				8,680,000					3,441,000	10,409,000
Payment to refunding bond escrow agent				(8,873,568)					(3,400,000)	(10,155,000)
Bond Issuance Costs									(35,806)	(60,962)
Deferred Amount on Refunding									(90,194)	(193,038)
Cancellation of Prior Year Accounts Payable									105,027	
Transferred to Capital Reserve						200,000				
Transfers Out	(45,000)		(50,000)	(60,000)	(25,000)			(3,100)		(30,000)
Total Other Financing Sources (Uses)	(2,896)		(50,000)	227,369	(25,000)	200,000		(3,100)	20,027	70,030
Net Change in Fund Balances	\$ (120,262)	\$ 492,861	\$ 1,269,732	\$ 387,762	\$ (2,083,017)	\$ 680,417	\$ 385,815	\$ 161,564	\$ 1,426,594	\$ 1,475,239
Debt Service as a Percentage of Noncapital Expenditures	7.3%	7.3%	7.3%	7.6%	6.7%	6.6%	6.4%	6.4%	5.9%	5.3%

Source: School District Financial Reports

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Prior Year Refunds	Transportation Fees	Rentals - Use of Facilities	Other	Total
2013	\$ 444,124	\$ 21,233	\$ 12,210			\$ 86,015	\$ 563,582
2014	434,609	21,145				62,558	518,312
2015	455,050	22,077				103,738	580,865
2016	598,030	24,697				201,015	823,742
2017	670,178	34,577	96			56,887	761,738
2018	731,797	78,357	34,500			36,661	881,315
2019	497,205	105,469				49,978	652,652
2020	610,046	75,640		\$ 27,953	\$ 15,863	84,394	813,896
2021	510,256	16,839	27,024	26,743		94,025	674,887
2022	361,264	7,332	65,811	11,550	26,545	66,804	539,306

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 15,748,800	\$ 1,748,923,100	\$ 61,211,000	\$ 2,482,100	\$ 211,503,000	\$ 147,366,600	\$ 18,111,100	\$ 2,205,345,700	\$ 7,336,516	\$ 2,212,682,216	\$ 26,302,000	1.110	\$ 2,212,682,216
2013	14,144,800	1,706,925,700	58,510,900	2,473,500	197,046,000	143,348,600	18,541,900	2,140,991,400	5,974,452	2,146,965,852	25,649,400	1.150	2,146,965,852
2014	13,374,700	1,706,616,300	55,811,400	2,393,000	191,683,800	147,099,700	18,541,900	2,135,520,800		2,135,520,800	25,110,900	1.160	2,135,520,800
2015	13,162,200	1,715,936,500	53,221,300	2,408,900	189,838,200	155,426,500	19,142,900	2,149,136,500		2,149,136,500	25,110,900	1.170	2,149,136,500
2016	12,470,100	1,721,744,700	52,845,400	2,387,900	186,955,500	155,319,700	19,342,900	2,151,066,200		2,151,066,200	26,318,600	1.160	2,151,066,200
2017	12,170,800	1,725,515,200	50,999,200	2,660,200	186,206,700	155,262,100	19,342,900	2,152,157,100		2,152,157,100	315,035,303	1.154	2,152,157,100
2018	11,917,800	1,724,916,100	51,555,100	2,779,000	185,252,200	155,282,300	19,347,900	2,151,050,400		2,151,050,400	315,191,403	1.190	2,287,177,599
2019	12,043,000	1,724,647,200	52,150,400	2,463,000	182,066,300	155,223,300	19,347,900	2,147,941,100		2,147,941,100	315,431,503	1.192	2,264,097,865
2020	12,220,500	1,719,687,800	51,959,400	2,280,400	181,697,000	162,716,400	19,347,900	2,149,909,400		2,149,909,400	317,726,903	1.226	2,301,380,924
2021	12,919,600	1,726,272,800	50,343,500	2,203,500	179,886,200	162,716,400	19,347,900	2,153,689,900		2,153,689,900	316,526,503	1.257	2,310,840,165

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

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

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

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

Year Ended December 31,	Clinton Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional School Rate	Clinton Township	Hunterdon County	
2012	\$ 1.010	\$ 0.100	\$ 1.110	\$ 0.620	\$ 0.260	\$ 0.340	\$ 2.330
2013	1.050	0.100	1.150	0.640	0.280	0.370	2.440
2014	1.060	0.100	1.160	0.660	0.300	0.370	2.490
2015	1.070	0.100	1.170	0.670	0.320	0.390	2.550
2016	1.060	0.100	1.160	0.650	0.340	0.390	2.540
2017	1.055	0.099	1.154	0.653	0.339	0.391	2.537
2018	1.092	0.098	1.190	0.650	0.377	0.400	2.617
2019	1.094	0.098	1.192	0.638	0.425	0.396	2.651
2020	1.128	0.098	1.226	0.633	0.435	0.401	2.695
2021	1.162	0.095	1.257	0.618	0.454	0.403	2.732

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b - Rates for debt service are based on each year's requirements.

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

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

		2021			2012		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Exxon Capital Corporation	\$ 119,593,100	1	5.55%	Exxon Capital Corporation	\$ 113,600,000	1	5.13%
111 Cokesbury LLC	22,586,800	2	1.05%	New York Life Insurance Company	21,603,500	2	0.98%
New York Life Insurance Company	21,603,500	3	1.00%	East Coast - The Mews at Annandale	16,799,000	3	0.76%
East Coast - The Mews at Annandale	17,600,000	4	0.82%	ARCP OFC Annandale NJ LLC	16,250,000	4	0.73%
ARCP OFC Annandale NJ LLC	16,075,400	5	0.75%	PVI-WIP Clinton LLC	12,760,000	5	0.58%
Transcontinental Gas Pipeline	11,973,000	6	0.56%	Transcontinental Gas Pipeline	11,973,000	6	0.54%
Hunterdon Medical Center	6,808,600	7	0.32%	Hunterdon Medical Center	6,283,600	7	0.28%
Meridian Property Group LLC	6,350,000	8	0.29%	American Golf Corp	5,689,700	8	0.26%
Annandale Falls LLC	5,638,200	9	0.26%	Annandale Falls LLC	5,638,200	9	0.25%
Kullman Associates LLC	4,249,500	10	0.20%	Meridian Property Group LLC	4,637,300	10	0.21%
Total	\$ 232,478,100		10.79%	Total	\$ 215,234,300		9.73%

Source: Municipal Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	\$ 24,904,983	\$ 24,904,983	100.00%	\$ -0-
2018	24,853,127	24,853,127	100.00%	-0-
2019	25,592,426	25,592,426	100.00%	-0-
2020	25,595,326	25,595,326	100.00%	-0-
2021	26,346,984	26,346,984	100.00%	-0-
2022	27,070,919	27,070,919	100.00%	-0-

N/A - Not Available

a - School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchase Agreement	Bond Anticipation Notes (BANs)			
2013	\$ 30,255,000		\$ 540,000	\$ 30,795,000	3.08%	\$ 2,319.60
2014	29,375,000		540,000	29,915,000	3.00%	2,252.13
2015	28,470,000			28,470,000	2.76%	2,165.68
2016	27,405,000	\$ 115,733		27,520,733	2.60%	2,108.38
2017	26,430,000	58,389		26,488,389	2.46%	2,057.99
2018	25,410,000			25,410,000	2.32%	1,969.00
2019	24,340,000			24,340,000	2.13%	1,885.80
2020	23,215,000			23,215,000	1.94%	1,793.91
2021	22,071,000			22,071,000	1.80%	1,713.45
2022	20,999,000	84,737		21,083,737	1.62%	1,544.03

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 30,255,000		\$ 30,255,000	1.367%	\$ 2,278.92
2014	29,375,000		29,375,000	1.368%	2,211.47
2015	28,470,000		28,470,000	1.333%	2,165.68
2016	27,405,000		27,405,000	1.275%	2,099.52
2017	26,430,000		26,430,000	1.229%	2,053.45
2018	25,410,000		25,410,000	1.181%	1,969.00
2019	24,340,000		24,340,000	1.132%	1,885.80
2020	23,215,000		23,215,000	1.081%	1,793.91
2021	22,071,000		22,071,000	1.027%	1,713.45
2022	20,999,000		20,999,000	0.975%	1,537.82

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 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:			
Clinton Township	\$ 16,309,019	100.00%	\$ 16,309,019
North Hunterdon Regional High School	22,030,000	27.49%	6,055,452
Hunterdon County General Obligation Debt	90,647,955	10.51%	9,528,946
Subtotal, Overlapping Debt			31,893,417
Clinton Township School District Direct Debt			22,290,000
Total Direct and Overlapping Debt			<u>\$ 54,183,417</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
2022	\$ 2,309,817,857
2021	2,287,142,111
2020	2,280,930,931
	<u>\$ 6,877,890,898</u>
Average Equalized Valuation of Taxable Property	\$ 2,292,630,299
Debt Limit (3% of average equalization value) ^a	68,778,909
Net Bonded School Debt as of June 30, 2022	<u>20,999,000</u>
Legal Debt Margin	<u>\$ 47,779,909</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 70,319,904	\$ 67,727,114	\$ 66,543,114	\$ 66,545,021	\$ 67,373,771	\$ 67,921,823	\$ 68,267,007	\$ 68,376,166	\$ 68,405,759	\$ 68,778,909
Total Net Debt Applicable to Limit	<u>30,795,000</u>	<u>29,915,000</u>	<u>28,470,000</u>	<u>27,405,000</u>	<u>26,430,000</u>	<u>25,410,000</u>	<u>24,340,000</u>	<u>23,215,000</u>	<u>22,071,000</u>	<u>20,999,000</u>
Legal Debt Margin	<u>\$ 39,524,904</u>	<u>\$ 25,272,883</u>	<u>\$ 38,073,114</u>	<u>\$ 39,140,021</u>	<u>\$ 40,943,771</u>	<u>\$ 42,511,823</u>	<u>\$ 43,927,007</u>	<u>\$ 45,161,166</u>	<u>\$ 46,334,759</u>	<u>\$ 47,779,909</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	43.79%	44.17%	42.78%	41.18%	39.23%	37.41%	35.65%	33.95%	32.26%	30.53%

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

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

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

Year	Population ^a	Personal Income ^b	Hunterdon County Per Capita Personal Income ^c	Unemployment Rate ^d
2013	13,283	\$ 996,955,565	\$ 75,055	5.00%
2014	13,146	1,032,946,950	78,575	4.90%
2015	13,053	1,057,580,166	81,022	4.30%
2016	12,871	1,077,830,411	83,741	4.10%
2017	12,905	1,097,337,960	85,032	3.80%
2018	12,907	1,143,108,455	88,565	3.60%
2019	12,941	1,194,337,831	92,291	3.00%
2020	12,881	1,224,828,528	95,088	7.60%
2021	13,655	1,298,426,640 ***	95,088 **	4.98%
2022	13,655 *	1,298,426,640 ***	95,088 **	N/A

* - Latest Clinton Township population available (2021) was used for calculation purposes.

** - Latest Hunterdon County per capita personal income available (2020) was used for calculation purposes.

***- Latest available population data (2021) and latest Hunterdon County per capita personal income (2020) was used for calculation purposes

N/A - Not Available

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2022</u>
Instruction:										
Regular	103.5	107.9	94.0	91.1	88.1	84.0	89.0	84.0	101.5	108.5
Special Education	100.6	85.2	59.5	58.2	53.5	52.0	53.0	41.0	39.9	37.0
Support Services:										
Student & Instruction Related Services	27.7	30.3	55.3	46.0	46.3	46.0	46.0	56.0	49.4	54.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
School Administrative Services	11.0	11.0	13.0	13.5	9.5	9.5	9.5	12.0	10.7	10.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administration Information Technology	1.0	1.0	3.0	3.0	2.0	2.0	2.0	2.0	3.0	3.0
Plant Operations and Maintenance	24.5	19.8	32.2	30.0	23.6	23.0	23.0	33.0	24.4	21.3
Total	275.3	262.2	264.0	248.8	230.0	223.5	229.5	235.0	236.9	241.8

Source: District Personnel Records.

CLINTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	1,602	\$ 28,253,363	\$ 17,636	0.92%	163.0	1:10	1,624.5	1,558.3	*	95.92%
2014	1,550	28,405,682	18,326	3.91%	157.0	1:10	1,542.7	1,481.1	*	96.01%
2015	1,471	28,272,371	19,220	4.88%	146.0	1:10	1,450.2	1,372.3	*	94.63%
2016	1,405	28,209,770	20,078	4.47%	143.0	1:10	1,402.0	1,348.8	*	96.21%
2017	1,347	31,030,148	23,036	14.73%	141.0	1:10	1,335.6	1,282.6	*	96.03%
2018	1,208	29,511,645	24,430	6.05%	136.0	1:09	1,177.8	1,133.8	**	96.26%
2019	1,225	30,701,217	25,062	2.59%	142.0	1:09	1,219.0	1,176.1	**	96.48%
2020	1,234	30,573,424	24,776	-1.14%	125.0	1:10	1,233.4	1,198.9	**	97.20%
2021	1,208	32,158,140	26,621	7.45%	141.4	1:09	1,203.8	1,175.0	**	97.61%
2022	1,195	33,675,982	28,181	5.86%	145.5	1:08	1,195.7	1,123.5	**	93.96%

* - Includes High School enrollment

** - Does not include High School enrollment

a - Operating expenditures equal total expenditures less debt service and capital outlay.

b - Teaching staff includes only full-time equivalents of certificated staff.

c - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Note: Enrollment based on end of year District count.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>District Building</u>					
Spruce Run School (1955)					
Square Feet	54,445	54,445	54,445	54,445	54,445
Capacity (students)	444	444	444	444	444
Enrollment	303	292	251	263	243
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	284	288	293	258	242
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	558	539	496	469	462
Clinton Township Middle School (2007)					
Square Feet	123,284	123,284	123,284	123,284	123,284
Capacity (students)	640	640	640	640	640
Enrollment	457	425	413	415	378
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>					
Spruce Run School (1955)					
Square Feet	54,445	54,445	54,445	54,445	54,445
Capacity (students)	444	444	444	444	444
Enrollment	34	35	39	41	
Patrick McGaheran School (1988)					
Square Feet	67,623	67,623	67,623	67,623	67,623
Capacity (students)	541	541	541	541	541
Enrollment	323	325	330	331	396
Round Valley School (1965)					
Square Feet	107,806	107,806	107,806	107,806	107,806
Capacity (students)	506	506	506	506	506
Enrollment	396	397	398	378	374
Clinton Township Middle School (2007)					
Square Feet	123,284	123,284	123,284	123,284	123,284
Capacity (students)	640	640	640	640	640
Enrollment	455	468	467	452	425

Number of Schools at June 30, 2022

 Elementary = 3

 Middle School = 1

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

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Spruce Run School	N/A	\$ 85,939	\$ 58,124	\$ 93,727	\$137,266	\$134,745
Patrick McGaheran School	N/A	100,474	93,727	124,614	185,383	194,152
Round Valley School	N/A	114,858	145,003	153,352	246,232	255,526
Clinton Township Middle School	N/A	101,240	158,257	169,418	313,273	283,730
Grand Total		<u>\$402,511</u>	<u>\$455,111</u>	<u>\$541,111</u>	<u>\$882,154</u>	<u>\$868,153</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Spruce Run School	N/A	\$128,950	\$148,348	\$ 89,468	\$ 97,921	\$128,679
Patrick McGaheran School	N/A	135,398	235,331	109,119	119,429	156,943
Round Valley School	N/A	212,769	200,304	168,522	190,395	250,200
Clinton Township Middle School	N/A	167,636	206,332	188,935	217,702	286,084
Grand Total		<u>\$644,753</u>	<u>\$790,315</u>	<u>\$556,044</u>	<u>\$625,447</u>	<u>\$821,906</u>

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

Source: School District records

CLINTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

	Coverage	Deductible
<u>NJ Schools Insurance Group</u>		
School Commercial Package Policy-		
NJ Schools Insurance Group		
Property - Building Blanket and Contents	\$ 500,000,000	\$ 5,000
Electronic Data Processing	1,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Comprehensive General Liability	11,000,000	
Comprehensive Auto Liability	11,000,000	
Crime Coverage	1,000,000	1,000
3rd Party Bodily Injury & Property Damage	30,000,000	
School Board Legal Liability-		
NJ Schools Insurance Group		
Directors and Officers Policy	11,000,000	5,000
Environmental Impairment Policy-		
NJ Schools Insurance Group		
Through Steadfast Insurance	1,000,000	50,000
Workers Compensation-		
NJ Schools Insurance Group		
Employer's Liability		
Bodily Injury by Accident- Each Accident	3,000,000	
Bodily Injury by Disease- Each Employee	3,000,000	
Bodily Injury by Disease- Policy Limit	3,000,000	
Supplemental Indemnity - Chubb Insurance Company		
Benefit period	52 weeks	
Student Accident Insurance		
Base Policy - United States Fire Insurance Company		
Per Injury	25,000	
Catastrophic Policy - National Union Fire Insurance Company		
Maximum for all Accident Medical Benefits	7,500,000	
Maximum Amount - Catastrophic Cash Benefit	500,000	
Public Employees' Faithful Performance-		
NJ Schools Insurance Group		
School Board Secretary/Business Administrator	250,000	1,000
Treasurer of School Monies	250,000	1,000

Source: Clinton Township Board of Education Insurance Broker

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton Township School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
December 30, 2022

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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



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Report on Compliance For Each Major Federal and State Program
 and Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Clinton Township School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over

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

compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
December 30, 2022

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Carryover/ Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Accounts Receivable	Balance at June 30, 2022		Amount Provided to Subrecipients
			From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor						Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	
U.S. Department of Education - Passed-through State Department of Education: Special Revenue Fund: Elementary and Secondary Education Act:															
Title I															
Title I	84-010A	ESEA-0920-21	7/1/2020	9/30/2021	\$ 23,914	\$ (11,550)		\$ 11,550							
Title I	84.010A	ESEA-0920-22	7/1/2021	9/30/2022	31,689			10,286	\$ (22,264)			\$ 502	\$ (11,978)		
Title IA	84.367A	ESEA-0920-21	7/1/2020	9/30/2021	19,743	(502)									
Title IA	84.367A	ESEA-0920-22	7/1/2021	9/30/2022	29,908			4,721	(18,662)				(13,941)		
Title III	84.365	ESEA-0920-22	7/1/2021	9/30/2022	949			949	(949)						
Title IV	84.424	ESEA-0920-21	7/1/2020	9/30/2021	10,000	(1,787)						1,787	(9,023)		
Title IV	84.424	ESEA-0920-22	7/1/2021	9/30/2022	11,787			2,062	(11,085)						
						(13,859)		29,568	(52,960)			2,289	(34,942)		
Special Education Cluster:															
ID.E.A. Basic	84.027	IDEA-0920-21	7/1/2020	9/30/2021	438,678										
ID.E.A. Basic	84.027	IDEA-0920-22	7/1/2021	9/30/2022	417,766		(44,822)								
COVID 19 - ARP - ID.E.A. Basic	84.027X	IDEA-0920-22	7/1/2021	9/30/2022	65,418		44,822	331,751	(388,030)				(11,457)		
ID.E.A. Preschool	84.173	IDEA-0920-19	7/1/2018	9/30/2019	17,138			56,306	(56,306)						
ID.E.A. Preschool	84.173	IDEA-0920-21	7/1/2020	9/30/2021	17,373		\$ 210							\$ 210	
ID.E.A. Preschool	84.173	IDEA-0920-21	7/1/2020	9/30/2021	17,373		(2,391)								
ID.E.A. Preschool	84.173	IDEA-0920-22	7/1/2021	9/30/2022	16,024		2,391	2,845	(8,357)				(3,121)		
Total Special Education Cluster						47,213	210	390,902	(452,693)				(14,578)		210
Education Stabilization Fund:															
COVID 19 - CARES Emergency Relief Grant	84.425D	S425D210027	3/13/2020	9/30/2023	17,682			3,447							
COVID 19 - CRRSA - ESSER II	84.425D	S425D210027	3/13/2020	9/30/2023	70,178	(3,447)		20,068	(30,530)				(10,472)		
COVID 19 - CRRSA Learning Acceleration	84.425D	S425D210027	3/13/2020	9/30/2023	25,000			5,261	(5,262)				(1)		
COVID 19 - CRRSA Mental Health Grant	84.425D	S425D210027	3/13/2020	9/30/2023	45,000			23,000	(23,170)				(170)		
COVID 19 - Nonpublic Technology	84.425D	N/A	7/16/2020	10/31/2020	10,310					\$ (182)					
ARP - ESSER III	84.425U	S425U210027	3/13/2020	9/30/2024	157,720			50,000	(63,984)				(13,984)		
ARP - ESSER Beyond School Day	84.425U	S425U210027	3/13/2020	9/30/2024	40,000				(1,458)				(1,458)		
ARP - ESSER Mental Health Support	84.425U	S425U210027	3/13/2020	9/30/2024	45,000				(34,000)				(34,000)		
Total Education Stabilization Fund						(3,447)	182	101,766	(158,404)	(182)			(60,085)		
Total U.S. Department of Education						29,927	392	522,236	(664,057)	(182)	2,289		(109,605)		210
Federal Communication Commission: Emergency Connectivity Fund (ECF)															
Total Special Revenue Fund						29,927	392	786,009	(927,850)	(182)	2,289		(109,605)		210

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Due to Grantor	Carryover/ Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Accounts Receivable	Balance at June 30, 2022		Amount Provided to Subrecipients
			From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Budgetary (Accounts Receivable)							Budgetary Unearned Revenue	Due to Grantor	
	U.S. Department of Agriculture - Passed-through State Department of Agriculture: Enterprise Fund															
	Child Nutrition Cluster:															
	Food Distribution Program															
10.555	Food Distribution Program	N/A	7/1/2021	6/30/2022	\$ 37,758				\$ 37,758	\$ (35,120)				\$ 2,638		
10.555	Food Distribution Program	N/A	7/1/2020	6/30/2021	27,949	\$ 5,512				(5,512)						
	COVID-19 Emergency Operational Cost															
	Reimbursement Program															
10.555	COVID-19 Seamless Summer Option: After School Snack	N/A	7/1/2021	6/30/2022	5,990				5,990	(5,990)						
10.555	After School Snack	N/A	7/1/2020	6/30/2021	444	(175)				175						
10.555	School Breakfast Program	N/A	7/1/2021	6/30/2022	4,809					(4,809)						
10.553	School Breakfast Program	N/A	7/1/2020	6/30/2021	44,273	(12,519)				12,519						
10.553	School Breakfast Program	N/A	7/1/2021	6/30/2022	10,818					(10,818)						
10.555	Lunch	N/A	7/1/2020	6/30/2021	301,092	(24,813)				24,813						
10.555	Lunch	N/A	7/1/2021	6/30/2022	470,751				426,070	(470,751)				(44,681)		
	Total Child Nutrition Cluster					(31,995)			522,704	(533,000)				(44,929)	2,638	
	COVID-19 Pandemic P-EBT Administrative Costs															
10.649	COVID-19 Pandemic P-EBT Administrative Costs	N/A	7/1/2021	6/30/2022	1,242				1,242	(1,242)						
	Total U.S. Department of Agriculture/Total Enterprise Fund					(31,995)			523,946	(534,242)				(44,929)	2,638	
	TOTAL FEDERAL AWARDS					\$ (2,068)	\$ 392	\$ -0-	\$ 1,309,955	\$ (1,462,072)	\$ (182)	\$ 2,289	\$ (154,534)	\$ 2,638	\$ 210	\$ -0-

N/A - Not Available/Applicable

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

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	22-495-034-5120-089	7/1/2021	6/30/2022	\$ 1,109,963		\$ 1,007,309	\$ (1,109,963)			\$ (102,654)		\$ 1,109,963	
Categorical Security Aid	22-495-034-5120-084	7/1/2021	6/30/2022	95,566		86,728	(95,566)			(8,838)		95,566	
Categorical Transportation Aid	22-495-034-5120-014	7/1/2021	6/30/2022	655,670		595,031	(655,670)			(20,880)		655,670	
Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/2021	6/30/2022	20,880			(20,880)					20,880	
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/2021	6/30/2022	1,291,400			(1,291,400)			(1,291,400)		1,291,400	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/2021	6/30/2022	863,847		820,888	(863,847)			(42,959)		863,847	
On-Behalf TPAF Post Retirement Medical Contributions	22-495-034-5094-001	7/1/2021	6/30/2022	918,235		918,235	(918,235)					918,235	
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/2021	6/30/2022	3,875,444		3,875,444	(3,875,444)					3,875,444	
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/2021	6/30/2022	54,677		54,677	(54,677)					54,677	
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5120-089	7/1/2021	6/30/2022	1,344		1,344	(1,344)					1,344	
Categorical Special Education Aid	21-495-034-5120-084	7/1/2020	6/30/2021	1,024,729	\$ (96,938)	969,388	(1,024,729)					1,024,729	
Categorical Security Aid	21-495-034-5120-084	7/1/2020	6/30/2021	95,566	(9,041)	9,041	(95,566)					95,566	
School Choice Aid	21-495-034-5120-068	7/1/2020	6/30/2021	66,290	(6,270)	6,270	(66,290)					66,290	
Categorical Transportation Aid	21-495-034-5120-014	7/1/2020	6/30/2021	655,670	(62,026)	62,026	(655,670)					655,670	
Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/2020	6/30/2021	17,110	(17,110)	17,110	(17,110)					17,110	
Securing Our Children's Future Bond Act	N/A	7/1/2020	6/30/2021	65,255	(65,255)	65,255	(65,255)					65,255	
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/2020	6/30/2021	1,368,114	(1,368,114)	1,368,114	(1,368,114)					1,368,114	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/2020	6/30/2021	977,682	(42,876)	42,876	(977,682)					977,682	
Total General Fund State Aid					(1,667,630)	9,027,286	(8,887,026)			(1,355,239)		13,157,442	
State Department of Community Affairs:													
Special Revenue Fund:													
Local Recreational Improvement	2022-495-022-8030-668-FFF-6120	2/1/2022	8/31/2023	10,000			(10,000)			(10,000)		10,000	
New Jersey School Development Authority:													
Special Revenue Fund													
Emergent and Capital Maintenance Needs	N/A	7/1/2021	6/30/2022	28,326		28,326	(28,326)					28,326	
State Department of Education:													
Special Revenue Fund:													
Nonpublic Textbook Aid	22-100-034-5120-064	7/1/2021	6/30/2022	15,306		15,306	(15,306)					15,306	
Nonpublic Textbook Aid	21-100-034-5120-064	7/1/2020	6/30/2021	14,478		30	(14,478)				\$ 30	13,891	
Nonpublic Compensatory Education	22-100-034-5120-067	7/1/2021	6/30/2022	32,248		32,248	(32,248)				4,568	27,680	
Nonpublic Examination and Classification	22-100-034-5120-066	7/1/2021	6/30/2022	43,980		43,980	(43,980)				2,661	41,319	
Nonpublic Examination and Classification	21-100-034-5120-066	7/1/2020	6/30/2021	38,829			(38,829)				(11,697)	27,132	
Nonpublic Supplementary Instruction	22-100-034-5120-066	7/1/2021	6/30/2022	29,984		29,984	(29,984)				248	29,736	
Nonpublic Supplementary Instruction	21-100-034-5120-066	7/1/2020	6/30/2021	24,284			(24,284)					21,390	
Nonpublic Corrective Speech	22-100-034-5120-066	7/1/2021	6/30/2022	21,390		21,390	(21,390)					21,390	
Nonpublic Corrective Speech	21-100-034-5120-066	7/1/2020	6/30/2021	21,874			(21,874)				(20,051)	1,823	

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor		Budgetary Receivable
State Department of Education:													
Special Revenue Fund:													
Nonpartic Technology Initiative	22-100-034-5120-373	7/1/2021	6/30/2022	\$ 10,710		\$ 10,710	\$ (10,710)					\$	
Nonpublic Security Aid	22-100-034-5120-509	7/1/2021	6/30/2022	44,625		44,625	(44,625)					10,710	
Nonpublic Security Aid	21-100-034-5120-509	7/1/2020	6/30/2021	41,474		\$ 954		\$ (954)				44,625	
Nonpublic Nursing Aid	22-100-034-5120-070	7/1/2021	6/30/2022	28,560		28,560	(28,560)					40,520	
Nonpublic Nursing Aid	21-100-034-5120-070	7/1/2020	6/30/2021	24,174		1,605		(1,605)				28,560	
Total Special Revenue Fund						255,159	(257,652)	(59,178)		\$ (10,000)	\$ 7,507	\$ (10,000)	363,587
Total State Department of Education						9,282,445	(9,144,678)	(59,178)		(1,365,239)	7,507	(1,537,370)	13,521,029
State Department of Agriculture:													
Enterprise Fund:													
COVID-19 - Seamless Summer Option	22-100-010-3350-024	7/1/2021	6/30/2022	11,059		10,031	(11,059)			(1,028)		(1,028)	11,059
COVID-19 - Seamless Summer Option	21-100-010-3350-024	7/1/2020	6/30/2021	13,988		1,767							13,988
Total State Department of Agriculture						11,798	(11,059)			(1,028)		(1,028)	25,047
Total Enterprise Fund						11,798	(11,059)			(1,028)		(1,028)	25,047
Total State Awards Subject to Single Audit Determination						9,294,243	(9,155,737)	(59,178)		(1,366,267)	7,507	(1,538,398)	13,546,076
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/2021	6/30/2022	918,235			918,235						918,235
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/2021	6/30/2022	3,875,444			3,875,444						3,875,444
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/2021	6/30/2022	54,677			54,677						54,677
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/2021	6/30/2022	1,344			1,344						1,344
Subtotal - On-Behalf TPAF Pension System Contributions							4,849,700						4,849,700
Total State Awards Subject to Single Audit Major Program Determination							(4,306,037)						(4,306,037)

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Clinton Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,144 for the general fund and (\$11,722) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,889,088	\$ 8,889,088
Special Revenue Fund	\$ 917,120	256,640	1,173,760
Food Service Enterprise Fund	<u>534,242</u>	<u>11,059</u>	<u>545,301</u>
Total Financial Assistance	<u>\$ 1,451,362</u>	<u>\$ 9,156,787</u>	<u>\$ 10,608,149</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The Clinton Township School District had no loan balances outstanding at June 30, 2022.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

<u>State:</u>	<u>State Grant Numbers</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Categorical Special Education Aid	22-495-034-5120-089	7/1/21- 6/30/22	\$ 1,109,963	\$ 1,109,963
Categorical Security Aid	22-495-034-5120-084	7/1/21- 6/30/22	95,566	95,566

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

- The District's programs tested as major federal programs for the current fiscal year consisted of the following awards:

<u>Federal:</u>	<u>Assistance Listing Numbers</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Child Nutrition Cluster:</u>				
Food Distribution Program	10.555	7/1/21- 6/30/22	\$ 37,758	\$ 35,120
Food Distribution Program	10.555	7/1/20- 6/30/21	27,949	5,512
<u>COVID 19:</u>				
Seamless Summer Option - Lunch	10.555	7/1/21- 6/30/22	470,751	470,751
Seamless Summer Option - Breakfast	10.553	7/1/21- 6/30/22	10,818	10,818
After School Snack	10.555	7/1/21- 6/30/22	4,809	4,809
Emergency Operational Cost Reimbursement Program	10.555	7/1/21- 6/30/22	5,990	5,990
<u>Special Education Cluster:</u>				
I.D.E.A. Basic	84.027	7/1/21- 9/30/22	417,766	388,030
I.D.E.A. Preschool	84.173	7/1/21- 9/30/22	16,024	8,357
ARP - I.D.E.A. Basic	84.027X	7/1/21- 9/30/22	65,418	56,306

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.