

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2016

**Prepared by
Clinton-Glen Gardner School District
Department of Administration**

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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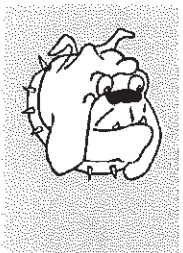
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BOARD OF EDUCATION**

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Clinton Public School

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Jenine Kastner, *Supervisor of Special Services*
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November 15, 2016

Honorable President and
Members of the Board of Education
Clinton Public School
Clinton, NJ 08809

Dear Board Members:

The Comprehensive Annual Financial Report of the Clinton-Glen Gardner School District for the fiscal year ending June 30, 2016, 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 (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 financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions 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 the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES: The Clinton-Glen Gardner School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The

Clinton-Glen Gardner Board of Education and one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels, preschool through grade eight. These include regular, as well as, special education programs for disabled students. The District completed the 2015-2016 fiscal year with an enrollment of 455.8. The following depicts district enrollment variations over the past 10 years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2006-2007	555.8	1.5%
2007-2008	542.2	(2.4%)
2008-2009	533.6	(1.6%)
2009-2010	521.4	(2.3%)
2010-2011	508.9	(2.4%)
2011-2012	496.0	(2.5%)
2012-2013	480.0	(3.2%)
2013-2014	475.4	(0.9%)
2014-2015	483.9	1.8%
2015-2016	455.8	(5.81%)

2.) ECONOMIC CONDITION AND OUTLOOK: The communities of Clinton and Glen Gardner have seen a decline in student enrollments in recent years. Although there has been no growth due to the national economic decline in the housing market, it appears that the Town of Clinton and Borough of Glen Gardner remain attractive to parents with school age children.

3.) MAJOR INITIATIVES: Clinton Public School has a long history of over 125 years of continuous operation. The school is located on a 9.6 acre site situated at the crest of the School Street hill just east of Leigh Street in the Town of Clinton. The current brick structure was built in September, 1923, and additions were constructed in 1963 and in 1969. A third addition in 1995 included a full size gymnasium, art and computer rooms, a modern science lab, several classrooms and offices. Another addition in 2000 accommodated the classrooms and students that had been displaced to substandard areas. In 2014 the district replaced the fire alarm system, the roof and a several large HVAC units. A new Johnson Controls system was installed to better control the HVAC system.

During its history, Clinton Public School has been recognized for its progressive educational programs. Offerings for children with special needs, opportunities for the gifted, a commitment to the arts, advanced technology opportunities, before school, and after school child care programs, and a world language program are but a few of the areas that have been provided for our students.

Our students have consistently scored above the State averages on standardized tests and have achieved success with their high school education. Our staff has demonstrated their dedication to

our students in numerous ways. While a majority of our staff has advanced degrees, they continue to search for innovative ways to challenge their students.

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

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

5.) BUDGETARY CONTROLS: In addition to internal account controls, the District maintains budgetary control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 reservations of fund balance at June 30, 2016.

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

7.) DEBT ADMINISTRATION: On March 11, 2014, the District successfully passed a Bond Referendum in the amount of \$2,104,000. The bonds were issued in August, 2014, at an interest rate of 2.1 % payable over 10 years. The District received a AA Rating from Standard and Poor's Rating agency. The Debt from the 1996 referendum will be paid off as these new bonds come on. As a result of this timing, we are able to minimize the tax impact to the community. Projects included in the Referendum include replacement of the 1996 Roof, HVAC equipment and controls and installation of a new Fire Alarm System.

In June 1994, the District issued general obligation bonds in the amount of \$4,985,000 at an interest rate of 5.625%. The proceeds of this bond issue were placed in the District's debt service fund for use to provide funds for a third addition and building improvements to the District's present buildings. In 2002, the District refunded these bonds and issued \$3,335,000 in new debt at an interest rate range of 3.75-5.0% which were paid off in 2014-15. The building renovations included installation of fire doors, a sprinkler system, three new classrooms, a health suite and a child study team office, while the addition contained four classrooms, plus computer and science rooms, a gymnasium, and a physical education office. The most recent building project was completed in September, 2001. This project was financed from bonds totaling \$2,070,000 at an interest rate range of 4.8-4.25%, a state grant of \$1,580,000, and interest on invested principal. In January 2010, the District refunded these bonds and issued \$1,505,000 in new debt at an interest rate range of 3.0-4.0%. This project added a wing of 5 new classrooms, updated heating and air conditioning, and renovated and expanded school office areas.

8.) CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Notes 1 and 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

10.) OTHER INFORMATION:

Elimination of Glen-Gardner Non-Op

On June 30, 2009, pursuant to P.L. 2007, Chapter 63, and A-4141, the State eliminated thirteen Non-Operating Districts including Glen Gardner. The Sending/Receiving Agreement between Clinton and Glen Gardner was dissolved, and the two districts were merged as one entity. A report filed on June 30, 2009 by Assistant Commissioner of Field Services, Dr. Gerald Vernotica provided the details of the merger.

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bedard, Kurowicki, and Co., CPA's, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to single audit are included in the single audit section of this report.

Awards

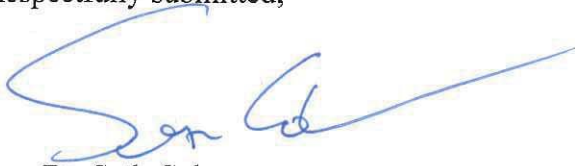
The Clinton Public School was chosen as a recipient of a 2016 Exxon Mobil Science Education Grant of \$2,600 based upon a proposal for a walking literacy project and a \$600 grant from First Energy for creating flipped mathematics lessons. Our athletics teams consistently perform well and have a history placing in the top three of the North Hunterdon Voorhees sending district athletic cluster. We have increased our community partnerships and are working on aquatic based projects with Hunterdon Health and Wellness Center and the Raritan Headwater Association.

Technology

We at Clinton Public School believe that modern technology and telecommunication are essential resources for the classroom. We provide resources to our students and classrooms that are not normally found within the walls of a traditional school. Our board of education has made a commitment to invest in personnel, equipment and training to implement this vision. The Board began an initiative in 2013 to use IPADs in middle school classrooms. All students in grades 7 and 8 are assigned a personal IPAD for use in all subjects. In addition to the IPAD, students in grades 7 and 8 will complete a programmable robotics unit aligned with current technology standards. Students in grades 5 and 6 have individual Chromebooks and students in grades K-4 have access to a full computer lab and multiple laptop carts.

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

Respectfully submitted,

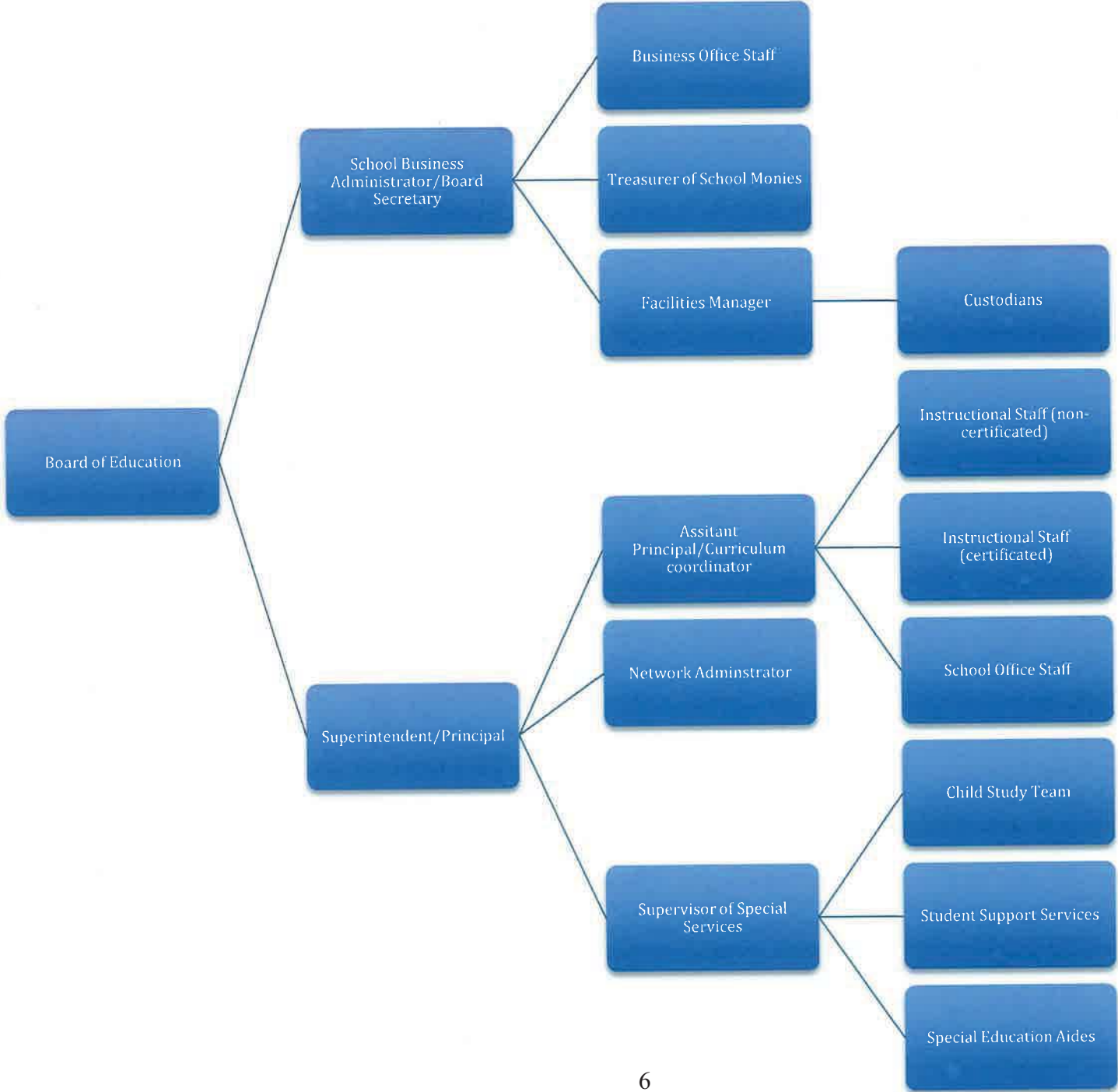


Dr. Seth Cohen
Superintendent



Lisa Craft
Business Administrator

Clinton-Glen Gardner Board of Education Organizational Chart



CLINTON-GLEN GARDNER SCHOOL DISTRICT

**ROSTER OF OFFICIALS
JUNE 30, 2016**

Members of Board of Education

Year Term Expires

Brendan McIsaac	2018	President
Craig Sowell	2016	Vice President
Lorraine Linfante	2017	
Carl Sabatino	2018	
Charles Sampson	2017	

Other Officials

Dr. Seth Cohen	Superintendent/Principal
Lisa Craft	Business Administrator
Kathleen Olsen	Treasurer
Matthew Giacobbe	Attorney

CLINTON-GLEN GARDNER SCHOOL DISTRICT

**CONSULTANTS AND ADVISORS
JUNE 30, 2016**

FINANCIAL

Bedard, Kurowicki & Co (Auditor)
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Bordentown, NJ 08505

ARCHITECT

Gianforcaro, Architects, Engineers & Planners
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Chester, NJ 08930

ATTORNEY

Cleary, Giacobbe, Alfieri & Jacobs (General Counsel)
5 Ravine Drive
Matawan, NJ 07747

Wilenz, Goldman & Spitzer (Bond Counsel)
90 Woodbridge Center Drive
Woodbridge, NJ 07095

OFFICIAL DEPOSITORY

Investors Bank
55 Old Highway 22
Clinton, NJ 08809



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Clinton-Glen Gardner School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Clinton-Glen Gardner School District, (the District) in the County of Hunterdon, the State of New Jersey, as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton-Glen Gardner School District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information, Schedule of the District's Proportionate Share of Net Pension Liability, and Schedule of the District's Pension Contributions, as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.


In our opinion, the combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2016 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


William M. Colantano, Jr.
Public School Accountant
No. CS 0128

November 15, 2016
Flemington, New Jersey

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

The discussion and analysis of the Clinton-Glen Gardner School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the school district's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the school district's financial performance

Financial Highlights

- Pursuant to P.L. 2009, c.78, signed into law on June 30, 2009, the non-operating Glen Gardner Borough School District was merged with the Town of Clinton School District effective July 1, 2009. A report was issued by the Assistant Commissioner that provided guidance on the implementation. The budgets were merged, and Surplus of \$226,510 was returned to the Borough of Glen Gardner. Final accumulated tuition adjustments were settled through an agreement to reallocate taxes of \$50,710 for 5 years to Clinton Town from the Borough of Glen Gardner utilizing the "Other" line on the Tax Certification. Equalized Values were phased to 100% over a 5-year period for the purpose of calculating the tax apportionment among the two communities. The Clinton-Glen Gardner Board of Education was reduced to 5 members, eliminating the former Glen Gardner Representative position. Elections will now be held at large between the two communities, with no guaranteed representation.

Key financial highlights for 2016 are as follows:

- In total, net position decreased \$6,071 which represents a 0.11% decrease from 2015.
- General revenues accounted for \$10,494,038, or 95.99% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$441,905 or 4.04% of total revenues of \$10,935,943.
- Total assets of governmental activities decreased by \$223,442 as cash and cash equivalents decreased by \$541,920 receivables and other assets increased by \$29,917 and capital assets increased by \$288,561.
- The school district had \$10,942,014 in expenses; only \$441,905 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,494,038 were adequate to provide for these programs.
- The General Fund had \$8,813,561 in revenues and \$8,793,331 in expenditures and a transfer in of \$2,384. The General Fund's balance increased \$22,614 over 2015.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the school district's net position and changes in position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the school district have improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the school district's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities – All of the school district's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Child Care Enterprise Funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The school district's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The school district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole.

Table 1 provides a summary of the school district's net position for 2016 with net position comparisons to fiscal year 2015.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Table 1
Net Position

	6/30/2016	6/30/2015	Variance	
			Dollars	Percent
ASSETS				
Current & Other Assets	\$ 1,711,472	\$ 2,202,158	\$ (490,686)	-22.28%
Capital Assets	8,031,145	7,737,505	293,640	3.80%
Total Assets	<u>9,742,617</u>	<u>9,939,663</u>	<u>(197,046)</u>	-1.98%
Deferred Outflows of Resources	<u>651,120</u>	<u>292,449</u>	<u>358,671</u>	122.64%
LIABILITIES				
Long Term Liabilities	5,025,637	4,766,632	259,005	5.43%
Other Liabilities	<u>49,721</u>	<u>79,491</u>	<u>(29,770)</u>	-37.45%
Total Liabilities	<u>5,075,358</u>	<u>4,846,123</u>	<u>229,235</u>	4.73%
Deferred Inflows of Resources	<u>34,417</u>	<u>95,956</u>	<u>(61,539)</u>	-64.13%
NET POSITION				
Net Investment in Capital Assets	5,247,145	4,678,505	568,640	12.15%
Restricted	1,303,263	1,725,179	(421,916)	-24.46%
Unrestricted	<u>(1,266,446)</u>	<u>(1,113,651)</u>	<u>(152,795)</u>	13.72%
Total Net Position	<u>\$ 5,283,962</u>	<u>\$ 5,290,033</u>	<u>\$ (6,071)</u>	-0.11%

Total assets decreased by \$197,046. Cash and cash equivalents decreased by \$541,920 receivables and other assets increased by \$29,917 and capital assets increased by \$288,561. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District, decreased by \$152,795 primarily due to increase in the District's PERS net pension liability.

The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Table 2 shows the changes in net position from fiscal year 2015.

Table 2
Changes in Net Position

	6/30/2016	6/30/2015	Variance	
			Dollars	Percent
REVENUES				
Program Revenues:				
Charges for Services	\$ 225,736	\$ 258,717	\$ (32,981)	-12.75%
Operating Grants & Contributions	220,374	219,235	1,139	0.52%
General Revenues:				
Property Taxes	6,844,497	6,801,726	42,771	0.63%
Unrestricted Grants	3,632,374	3,082,105	550,269	17.85%
Other	12,962	33,769	(16,602)	-61.62%
Total Revenues	<u>10,935,943</u>	<u>10,395,552</u>	<u>540,391</u>	5.20%
PROGRAM EXPENSES				
Instruction:				
Regular	4,584,497	3,995,146	589,351	14.75%
Special	2,213,199	1,738,146	475,053	27.33%
Other	103,495	94,110	9,385	9.97%
Support Services:				
Tuition	246,464	243,486	2,978	1.22%
Student & Instructional Related Services	1,730,507	1,674,594	55,913	3.34%
General & Business Administration	495,027	501,297	(6,270)	-1.25%
School Administration	421,853	359,739	62,114	17.27%
Maintenance	572,807	626,109	(53,302)	-8.51%
Transportation	257,418	289,391	(31,973)	-11.05%
Food Service	132,856	124,270	8,586	6.91%
Child Care Service	99,986	96,710		
Interest on Long Term Debt	83,905	99,843	(15,938)	-15.96%
Total Expenses	<u>10,942,014</u>	<u>9,842,841</u>	<u>1,095,897</u>	11.13%
Increase (decrease) in net position	<u>\$ (6,071)</u>	<u>\$ 552,711</u>	<u>\$ (558,782)</u>	-101.10%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Governmental Activities

Property taxes made up 62.59% of revenues for governmental activities for the Clinton-Glen Gardner School District for fiscal year 2016.

Instruction comprises 63.07% of district expenses. Support services expenses make up 36.93% of district expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Instruction	\$ 6,901,191	\$ 5,827,402	\$ 6,761,631	\$ 5,769,195
Support Services:				
Tuition	246,464	243,486	246,464	150,477
Student & Instructional Staff	1,730,507	1,674,594	1,679,921	1,621,388
General & Business Administration	495,027	501,297	495,027	501,297
School Administration	421,853	359,739	421,853	359,739
Plant Operations & Maintenance	572,807	626,109	568,602	621,934
Pupil Transportation	257,418	289,391	257,418	289,391
Food Service	132,856	124,270	6,671	(233)
Child Care Service	99,986	96,710	(25,588)	(48,142)
Interest on Long-Term Debt	83,905	99,843	83,905	99,843
	<u>\$ 10,942,014</u>	<u>\$ 9,842,841</u>	<u>\$ 10,495,904</u>	<u>\$ 9,364,889</u>

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

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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

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

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

The dependence upon tax revenue is apparent. For all activities general revenue support is 95.99%. The communities, as a whole, are the primary support for the Clinton-Glen Gardner School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$9,362,733 and expenditures of \$9,864,208.

General Fund Budgeting Highlights

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

The school district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2016, the school district amended its General Fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the General Fund, budget revenue and other financing sources was \$7,908,842, \$119,226 over original budgeted estimates of \$7,789,616. This difference was due primarily to additional state revenues.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

Capital Assets

At the end of the fiscal year 2016, the school district had \$8,031,145 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

Table 4
Capital Assets at Year End (Net of Depreciation)

	6/30/2016	6/30/2015	Variance	
			Dollars	Percent
Land	\$ 320,100	\$ 320,100		
Construction in Progress	1,655,455	1,130,367	\$ 525,088	46.45%
Land Improvements	76,379	82,294	(5,915)	-7.19%
Buildings & Improvements	5,906,122	6,106,229	(200,107)	-3.28%
Machinery & Equipment	73,089	98,515	(25,426)	-25.81%
	<u>\$ 8,031,145</u>	<u>\$ 7,737,505</u>	<u>\$ 293,640</u>	3.80%

Overall capital assets increased \$293,640 from fiscal year 2015 to fiscal year 2016. Increases in capital assets of \$532,318 were offset by depreciation expenses of \$238,678 for the year. A complete fixed asset inventory report was completed for the entire district in 2015.

Long-term liabilities

At June 30, 2016, the School District had \$5,025,637 of long-term liabilities. This amount is detailed in Table 5 below.

At June 30, 2016, the legal debt limit is \$16,100,929. General obligation debt at June 30, 2016 is \$2,784,000 resulting in a legal debt margin of \$13,316,929.

Table 5
Long-Term Liabilities at Year End

	6/30/2016	6/30/2015	Variance	
			Dollars	Percent
Refunding Bonds of 2009	\$ 835,000	\$ 955,000	\$ (120,000)	-12.57%
Bond Issue of 2014	1,949,000	2,104,000	(155,000)	-7.37%
Compensated absences	100,997	97,480	3,517	3.61%
PERS Liability	2,140,640	1,610,152	530,488	32.95%
	<u>\$ 5,025,637</u>	<u>\$ 4,766,632</u>	<u>\$ 259,005</u>	5.43%

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

For the Future

It is the opinion of the Superintendent and Business Administrator that the Clinton-Glen Gardner School District is presently in good financial condition. However, future finances are not without challenges as the state continues to impose unfunded mandates on schools while simultaneously restricting the ability to fiscally manage school budgets.

The Town of Clinton and Borough of Glen Gardner are primarily residential communities, with very few ratables; thus the tax burden is focused on homeowners.

In conclusion, the Clinton-Glen Gardner School District has committed itself to an excellent system for financial planning, budgeting and internal financial controls. The school district plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or need additional information, please contact Lisa Craft, School Business Administrator at the Clinton-Glen Gardner Board of Education, 10 School Street, Clinton, NJ 08809 or email at lcraft@cpsnj.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 153,095	\$ 126,831	\$ 279,926
Due from other funds	7,383	4,212	11,595
Receivables, net	106,903	3,132	110,035
Inventory	-	4,269	4,269
Restricted assets	1,305,647	-	1,305,647
Capital assets, net (Note 4)			
Land	320,100	-	320,100
Capital assets not being depreciated	1,655,455	-	1,655,455
Other capital assets, net of depreciation	6,034,016	21,574	6,055,590
Total assets	<u>9,582,599</u>	<u>160,018</u>	<u>9,742,617</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>651,120</u>	<u>-</u>	<u>651,120</u>
Liabilities			
Accounts payable	-	5,135	5,135
Due to other funds	7,595	-	7,595
Accrued interest	27,786	-	27,786
Unearned revenue	5,860	3,345	9,205
Long-term liabilities (Note 5)			
Due within one year	320,000	-	320,000
Due beyond one year	4,705,637	-	4,705,637
Total liabilities	<u>5,066,878</u>	<u>8,480</u>	<u>5,075,358</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>34,417</u>	<u>-</u>	<u>34,417</u>
Net position			
Net investment in capital assets	5,225,571	21,574	5,247,145
Restricted for			
Capital reserve	655,614	-	655,614
Emergency reserve	75,515	-	75,515
Maintenance reserve	100,000	-	100,000
Capital projects	471,135	-	471,135
Debt Service	999	-	999
Unrestricted	<u>(1,396,410)</u>	<u>129,964</u>	<u>(1,266,446)</u>
Total net position	<u>\$ 5,132,424</u>	<u>\$ 151,538</u>	<u>\$ 5,283,962</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,612,392	\$ 1,972,105	\$ 15,840	\$ -	\$ -	\$ (4,568,657)	\$ -	\$ (4,568,657)
Special education	1,029,853	923,474	-	97,288	-	(1,856,039)	-	(1,856,039)
Other special education	250,530	9,342	-	26,432	-	(233,440)	-	(233,440)
Other instruction	99,775	3,720	-	-	-	(103,495)	-	(103,495)
Support services								
Tuition	246,464	-	-	-	-	(246,464)	-	(246,464)
Students & instruction related services	1,145,571	584,936	-	50,586	-	(1,679,921)	-	(1,679,921)
General & business administration services	329,784	165,243	-	-	-	(495,027)	-	(495,027)
School administration services	268,494	153,359	-	-	-	(421,853)	-	(421,853)
Plant operations & maintenance	500,443	72,364	4,205	-	-	(568,602)	-	(568,602)
Pupil transportation	257,418	-	-	-	-	(257,418)	-	(257,418)
Interest on long-term debt	83,905	-	-	-	-	(83,905)	-	(83,905)
Total governmental activities	<u>6,824,629</u>	<u>3,884,543</u>	<u>20,045</u>	<u>174,306</u>	<u>-</u>	<u>(10,514,821)</u>	<u>-</u>	<u>(10,514,821)</u>
Business-type activities								
Food service	132,856	-	80,117	46,068	-	-	(6,671)	(6,671)
Childcare	99,986	-	125,574	-	-	-	25,588	25,588
Total business-type activities	<u>232,842</u>	<u>-</u>	<u>205,691</u>	<u>46,068</u>	<u>-</u>	<u>-</u>	<u>18,917</u>	<u>18,917</u>
Total primary government	<u>\$ 7,057,471</u>	<u>\$ 3,884,543</u>	<u>\$ 225,736</u>	<u>\$ 220,374</u>	<u>\$ -</u>	<u>(10,514,821)</u>	<u>18,917</u>	<u>(10,495,904)</u>
			General revenues, special items & transfers					
						6,547,034	-	6,547,034
						297,463	-	297,463
						3,632,374	-	3,632,374
						6,483	-	6,483
						6,479	-	6,479
						<u>10,489,833</u>	<u>-</u>	<u>10,489,833</u>
						(24,988)	18,917	(6,071)
						5,157,412	132,621	5,290,033
						<u>\$ 5,132,424</u>	<u>\$ 151,538</u>	<u>\$ 5,283,962</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 148,315	\$ 4,780	\$ -	\$ -	\$ 153,095
Due from other funds	6,384	-	-	999	7,383
Receivables from other governments					
State	106,903	-	-	-	106,903
Restricted cash & cash equivalents	831,129	-	474,518	-	1,305,647
Total assets	\$ 1,092,731	\$ 4,780	\$ 474,518	\$ 999	\$ 1,573,028
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 4,212	\$ -	\$ 3,383	\$ -	\$ 7,595
Unearned revenue	1,080	4,780	-	-	5,860
Total liabilities	5,292	4,780	3,383	-	13,455

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 471,135	\$ -	\$ 471,135
Committed fund balance					
Capital reserve	655,614	-	-	-	655,614
Emergency reserve	75,515	-	-	-	75,515
Maintenance reserve	100,000	-	-	-	100,000
Assigned fund balance					
Encumbrances	43,591	-	-	-	43,591
Debt service fund balance	-	-	-	999	999
Unassigned fund balance	<u>212,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,719</u>
Total fund balances	<u>1,087,439</u>	<u>-</u>	<u>471,135</u>	<u>999</u>	<u>1,559,573</u>
 Total liabilities and fund balances	 <u>\$ 1,092,731</u>	 <u>\$ 4,780</u>	 <u>\$ 474,518</u>	 <u>\$ 999</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$12,995,755 and the accumulated depreciation is \$4,986,184	8,009,571
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	616,703
Long-term liabilities, including bonds payable and compensated absences are not due & payable in the current period & therefore are not reported as liabilities in the funds	(5,025,637)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	<u>(27,786)</u>
Total net position of governmental activities	<u>\$ 5,132,424</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 471,135	\$ -	\$ 471,135
Committed fund balance					
Capital reserve	655,614	-	-	-	655,614
Emergency reserve	75,515	-	-	-	75,515
Maintenance reserve	100,000	-	-	-	100,000
Assigned fund balance					
Encumbrances	43,591	-	-	-	43,591
Debt service fund balance	-	-	-	999	999
Unassigned fund balance	<u>212,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,719</u>
Total fund balances	<u>1,087,439</u>	<u>-</u>	<u>471,135</u>	<u>999</u>	<u>1,559,573</u>
Total liabilities and fund balances	<u>\$ 1,092,731</u>	<u>\$ 4,780</u>	<u>\$ 474,518</u>	<u>\$ 999</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$12,995,755 and the accumulated depreciation is \$4,986,184	8,009,571
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	<u>(27,786)</u>
Total net position of governmental activities	<u>\$ 5,132,424</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 6,547,034	\$ -	\$ -	\$ 297,463	\$ 6,844,497
Tuition charges					
individuals	15,840	-	-	-	15,840
Interest on investments	6,483	-	-	-	6,483
Rents and royalties	4,205	-	-	-	4,205
Miscellaneous	4,095	3,663	2,384	-	10,142
	<u>6,577,657</u>	<u>3,663</u>	<u>2,384</u>	<u>297,463</u>	<u>6,881,167</u>
State sources	2,235,904	-	-	75,019	2,310,923
Federal sources	-	170,643	-	-	170,643
Total revenues	<u>8,813,561</u>	<u>174,306</u>	<u>2,384</u>	<u>372,482</u>	<u>9,362,733</u>
Expenditures					
Current					
Instructional					
Regular instruction	2,612,392	-	-	-	2,612,392
Special education instruction	932,565	97,288	-	-	1,029,853
Other special instruction	224,098	26,432	-	-	250,530
Other instruction	99,775	-	-	-	99,775
Support service & undistributed costs					
Tuition	246,464	-	-	-	246,464
Student & instruction related services	1,094,985	50,586	-	-	1,145,571
General & business administrative services	329,784	-	-	-	329,784
School administrative services	268,494	-	-	-	268,494
Plant operations & maintenance	500,443	-	-	-	500,443
Pupil transportation	257,418	-	-	-	257,418
Unallocated benefits	2,212,770	-	-	-	2,212,770

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ -	\$ -	\$ 525,088	\$ -	\$ 525,088
Debt service					
Principal	-	-	-	275,000	275,000
Interest & other charges	14,143	-	-	96,483	110,626
Total expenditures	<u>8,793,331</u>	<u>174,306</u>	<u>525,088</u>	<u>371,483</u>	<u>9,864,208</u>
Excess (deficit) of revenues over (under) expenditures	<u>20,230</u>	<u>-</u>	<u>(522,704)</u>	<u>999</u>	<u>(501,475)</u>
Other financing sources (uses)					
Transfers in	2,384	-	-	-	2,384
Transfers out	-	-	(2,384)	-	(2,384)
Total other financing sources (uses)	<u>2,384</u>	<u>-</u>	<u>(2,384)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	22,614	-	(525,088)	999	(501,475)
Fund balances, July 1	<u>1,064,825</u>	<u>-</u>	<u>996,223</u>	<u>-</u>	<u>2,061,048</u>
Fund balances, June 30	<u>\$ 1,087,439</u>	<u>\$ -</u>	<u>\$ 471,135</u>	<u>\$ 999</u>	<u>\$ 1,559,573</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER 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, 2016

Total net changes in fund balances - Governmental fund (from B-2) \$ (501,475)

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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 525,088	
Depreciation expense	<u>(236,527)</u>	288,561

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of Activities:

Debt principal payments	275,000
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Governmental funds report District pension contributions as expenditures.

However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(110,278)

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2016

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 26,721
In the Statement of Activities, compensated absences & early retirement benefits 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.	<u>(3,517)</u>
Change in net position of governmental activities	<u><u>\$ (24,988)</u></u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Statement of Fund Net Position
Proprietary Funds
June 30, 2016

	Food Service Fund	Child Care Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 25,282	\$ 101,549	\$ 126,831
Receivables from other governments			
State	135	-	135
Federal	2,997	-	2,997
Due from other funds	4,212	-	4,212
Inventory	4,269	-	4,269
Total current assets	36,895	101,549	138,444
Noncurrent assets			
Capital assets	114,756	-	114,756
Less: accumulated depreciation	93,182	-	93,182
Total noncurrent assets	21,574	-	21,574
Total assets	58,469	101,549	160,018
Liabilities			
Current liabilities			
Unearned revenues - commodities	1,639	-	1,639
Unearned revenues - prepaid sales	1,706	-	1,706
Accounts payable	5,135	-	5,135
Total liabilities	8,480	-	8,480
Net position			
Net investment in capital assets	21,574	-	21,574
Unrestricted	28,415	101,549	129,964
Total net position	\$ 49,989	\$ 101,549	\$ 151,538

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - Reimbursable programs	\$ 59,952	\$ -	\$ 59,952
Daily sales - Non-reimbursable programs	20,165	-	20,165
Child care revenues	-	125,574	125,574
Total operating revenues	<u>80,117</u>	<u>125,574</u>	<u>205,691</u>
Operating expenses			
Cost of sales - Reimbursable programs	48,608	-	48,608
Cost of sales - Non-reimbursable programs	16,349	-	16,349
Salaries	35,181	55,987	91,168
Support services - Employee benefits	5,290	20,684	25,974
Purchased professional/technical services	2,160	-	2,160
Purchased property services	5,725	-	5,725
Other purchased services			
Insurance	3,568	-	3,568
Management fee	7,696	-	7,696
Supplies and materials	5,683	23,315	28,998
Depreciation	2,151	-	2,151
Miscellaneous expenditures	445	-	445
Total operating expenses	<u>132,856</u>	<u>99,986</u>	<u>232,842</u>
Operating income (loss)	<u>(52,739)</u>	<u>25,588</u>	<u>(27,151)</u>
Non-operating revenues (expenses)			
State sources			
State School Lunch Program	1,305	-	1,305
Federal sources	-	-	-
National School Lunch Program	-	-	-
Cash assistance	32,159	-	32,159
Non cash assistance (commodities)	12,604	-	12,604
Total non-operating revenues (expenses)	<u>46,068</u>	<u>-</u>	<u>46,068</u>
Change in net position	(6,671)	25,588	18,917
Net position, beginning	<u>56,660</u>	<u>75,961</u>	<u>132,621</u>
Net position, ending	<u>\$ 49,989</u>	<u>\$ 101,549</u>	<u>\$ 151,538</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 81,822	\$ 125,574	\$ 207,396
Payments to Food Service Management Co.	(96,178)	-	(96,178)
Payments to employees	-	(55,987)	(55,987)
Payments to employee benefits	-	(20,684)	(20,684)
Payments to vendors (net)	(7,250)	(23,315)	(30,565)
Net cash provided by (used for) operating activities	<u>(21,606)</u>	<u>25,588</u>	<u>3,982</u>
Cash flows from non-capital financing activities			
State sources	1,360	-	1,360
Federal sources	32,251	-	32,251
Net interfund transactions	5,614	-	5,614
Net cash provided by (used for) noncapital financing activities	<u>39,225</u>	<u>-</u>	<u>39,225</u>
Cash flows from capital financing activities			
Acquisition of equipment	(7,230)	-	(7,230)
Net increase (decrease) in cash and cash equivalents	10,389	25,588	35,977
Cash and cash equivalents, beginning	<u>14,893</u>	<u>75,961</u>	<u>90,854</u>
Cash and cash equivalents, ending	<u>\$ 25,282</u>	<u>\$ 101,549</u>	<u>\$ 126,831</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (52,739)	\$ 25,588	\$ (27,151)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	2,151	-	2,151
Federal Food Donation Program	12,604	-	12,604
(Increase) decrease in accounts receivable	10,297	-	10,297
Increase (decrease) in accounts payable	5,135	-	5,135
(Increase) decrease in inventory	(1,398)	-	(1,398)
Increase (decrease) in unearned revenue	2,344	-	2,344
Net cash provided by (used for) operating activities	<u>\$ (21,606)</u>	<u>\$ 25,588</u>	<u>\$ 3,982</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2016

	<u>Unemployment Compensation Fund</u>	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
Assets			
Cash and cash equivalents	\$ 59,330	\$ 52,923	\$ 15,296
Due from other funds	1,238	-	-
Total assets	<u>\$ 60,568</u>	<u>\$ 52,923</u>	<u>\$ 15,296</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ 5,238
Due to student groups	-	52,923	-
Payroll deductions and withholdings	-	-	10,058
Total liabilities	<u>-</u>	<u>\$ 52,923</u>	<u>\$ 15,296</u>
Net position			
Held in trust for unemployment claims & other purposes	<u>\$ 60,568</u>		

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 8,031
Investment earnings - interest	<u>32</u>
Total additions	8,063
 Deductions	
Unemployment claims	<u>3,711</u>
 Change in net position	4,352
 Net position, beginning of the year	<u>56,216</u>
 Net position, end of the year	<u><u>\$ 60,568</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2016 of 456 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its Governmental Funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major Governmental Funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

Enterprise Fund - The Enterprise 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the Child Care Program.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Equipment	12 Years
Light trucks & vehicles	4 Years
Heavy trucks & vehicles	6 Years

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District:

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

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 budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. 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 reservations of 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 revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2015-2016 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable/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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Vehicles	4 - 8
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (i.e., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." 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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 issuance are reported as other financing uses.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Fund balances - Governmental Funds

In the fund financial statements, Governmental Funds report the following classifications of fund balance:

- Non-Spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative data/reclassifications

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

P. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local School Districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School 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.

NJSA 17:9-41 e.t. 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 public 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 saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits at June 30, 2016 appear in the financial statements as summarized below:

Cash		<u>\$ 1,713,122</u>
	<u>Ref.</u>	
Cash		
Governmental Funds, Balance Sheet	B-1	\$ 1,458,742
Enterprise Funds, Statement of Net Position	B-4	126,831
Fiduciary Funds, Statement of Net Position	B-7	<u>127,549</u>
Total cash		<u>\$ 1,713,122</u>

Deposits - The District's carrying amount of bank deposits at June 30, 2016 is \$1,713,122 and the bank balance is \$1,947,085. Of the bank balance, \$250,000 is covered by Federal Depository Insurance and \$ 1,697,085 is insured by GUDPA.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

GASB Statement No. 40 “Deposit and Investment Risk Disclosures” requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - Deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government’s name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent but not in the government’s name
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the District has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the District has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the District has no such investments this disclosure is not applicable.

Concentration of credit risk

The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer. As of June 30, 2016, the District had no investments.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 320,100	\$ -	\$ -	\$ 320,100
Construction in progress	1,130,367	525,088	-	1,655,455
Total	<u>1,450,467</u>	<u>525,088</u>	<u>-</u>	<u>1,975,555</u>
Capital assets, being depreciated				
Land improvements	206,106	-	-	206,106
Building & improvements	10,221,477	-	-	10,221,477
Furniture & equipment	764,478	-	171,861	592,617
Total	<u>11,192,061</u>	<u>-</u>	<u>171,861</u>	<u>11,020,200</u>
Accumulated depreciation				
Land improvements	123,812	5,915	-	129,727
Building & improvements	4,115,248	200,107	-	4,315,355
Furniture & equipment	682,458	30,505	171,861	541,102
Total	<u>4,921,518</u>	<u>236,527</u>	<u>171,861</u>	<u>4,986,184</u>
Total capital assets, being depreciated, net	<u>6,270,543</u>	<u>(236,527)</u>	<u>-</u>	<u>6,034,016</u>
Governmental activities capital assets, net	<u>\$ 7,721,010</u>	<u>\$ 288,561</u>	<u>\$ -</u>	<u>\$ 8,009,571</u>
Business type activities				
Furniture & equipment	\$ 107,526	\$ 7,230	\$ -	\$ 114,756
Less: accumulated depreciation	91,031	2,151	-	93,182
Business type activities capital assets, net	<u>\$ 16,495</u>	<u>\$ 5,079</u>	<u>\$ -</u>	<u>\$ 21,574</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction		
Regular	\$	118,298
Special education		38,402
Other special instruction		9,342
Other instruction		3,720
Support services		
Student & instruction		42,717
General & business administration		12,297
School administration		10,012
Plant maintenance		1,739
Total depreciation expense, governmental activities	\$	<u>236,527</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 3,059,000	\$ -	\$ 275,000	\$ 2,784,000	\$320,000
PERS net pension liability	1,610,152	726,981	196,493	2,140,640	-
Compensated absences payable	<u>97,480</u>	<u>3,517</u>	<u>-</u>	<u>100,997</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 4,766,632</u>	<u>\$ 730,498</u>	<u>\$ 471,493</u>	<u>\$ 5,025,637</u>	<u>\$320,000</u>

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's General Fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 including interest payments are listed as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 320,000	\$ 67,989	\$ 387,989
2018	335,000	59,439	394,439
2019	350,000	50,382	400,382
2020	350,000	41,476	391,476
2021	355,000	32,289	387,289
2022	360,000	22,826	382,826
2023	230,000	15,801	245,801
2024	235,000	11,201	246,201
2025	249,000	5,914	254,914
Total	<u>\$ 2,784,000</u>	<u>\$ 307,317</u>	<u>\$ 3,091,317</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$1,505,000 - 2009 general obligation school building bonds, due in annual installments of \$100,000 to \$140,000, beginning August 15, 2010, through August 15, 2021, interest at 3.00% to 4.00%.	\$ 835,000
\$2,104,000 - 2014 general obligation school building bonds, due in annual installments of \$155,000 to \$249,000, beginning February 15, 2016, through February 15, 2025, interest at 2.00% to 2.375%.	1,949,000
	\$ 2,784,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2016 is \$16,100,929. General obligation debt at June 30, 2016 is \$2,784,000, resulting in a legal debt margin of \$13,316,929.

Note 6 - Operating Leases

The District has future minimum rental commitments for technology equipment and supplies, accounted for as an operating lease at June 30, 2016 as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 40,527	\$ 3,146	\$ 43,673
2018	81,054	1,748	82,802
2019	81,054	350	81,404
Total	\$ 202,635	\$ 5,244	\$ 207,879

Note 7 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership Tiers for PERS:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members 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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2015 and 2014, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

	2015	2014
Total pension liability	\$ 4,110,928	\$ 3,360,139
Plan fiduciary net position	1,970,288	1,749,987
Net pension liability	\$ 2,140,640	\$ 1,610,152

Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%
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The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		3.04%
Salary increases (based on age)		
2012 - 2021		2.15% - 4.40%
Thereafter		3.15% - 5.40%
Investment rate of return		7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grad Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2015
At current discount rate (4.90%)	2,140,640
At a 1% lower rate (3.90%)	2,660,554
At a 1% higher rate (5.90%)	1,704,748
	2014
At current discount rate (5.39%)	1,610,152
At a 1% lower rate (4.39%)	2,025,626
At a 1% higher rate (6.39%)	1,261,259

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,068	\$ -
Changes of assumptions	229,888	-
Net difference between projected and actual earnings on pension plan investments	-	34,417
Changes in proportion and differences between District contributions and proportionate share of contributions	288,180	-
District contributions subsequent to the measurement date	81,984	-
Total	\$ 651,120	\$ 34,417

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) of \$81,984, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Collective deferred inflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources				
Changes of assumptions	\$ 56,143	\$ 284,950	\$ 60,137	\$ 280,956
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	106,399	(56,727)	15,255	34,417
Net of deferred outflows/(inflows)				\$ 246,539

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year ending June 30,

2016	\$ 44,882
2017	44,882
2018	44,883
2019	71,483
2020	40,409
Total	\$ 246,539

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the year ended June 30, 2016, the District recognized net pension expense of \$192,262, which represents the District's proportionate share of allocable plan pension expense of \$140,426, plus the net amortization of deferred amounts from changes in proportion of \$62,919, and less other adjustments to the net pension liability of \$11,083. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2015 are as follows:

Service cost	\$ 84,111
Interest on total pension liability	200,450
Member contributions	(46,527)
Administrative expense	1,563
Expected investment return net of investment expense	(143,222)
Pension expense related to specific liabilities of individual employers	(832)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	49,317
Amortization of expected versus actual experience	10,820
Amortization of projected versus actual investment	
Earnings on pension plan investments	(15,254)
Pension expense	\$ 140,426

B. Teacher's 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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership Tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members 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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit 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.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 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 non-employer 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 non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2015 and 2014 is as follows:

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Special funding situation (continued)

	2015	2014
Net pension liability	\$ 21,642,198	\$ 18,983,034
Employer pension expense and related revenue	1,321,451	1,021,465
Non-employer contribution	184,024	150,875
Allocable proportionate percentage	0.0342416698%	0.0355176620%

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2016) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

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

Contribution requirements

The contribution policy is set by state Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011, will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011, the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Three-year trend information for TPAF (paid on behalf of the District):

<u>Year Funding</u>	<u>TPAF Benefit Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 610,581	100%
06/30/15	479,006	100%
06/30/14	396,616	100%

Three-year trend information for PERS:

<u>Year Funding</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 81,984	100%
06/30/15	70,897	100%
06/30/14	54,000	100%

During the year ended June 30, 2016, the State of New Jersey contributed \$331,869 to the TPAF for post-retirement medical benefits, \$13,225 for non-contributory insurance premiums and \$265,487 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$288,777 during the year ended June 30, 2016 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

Note 8 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. In fiscal year 2015, the State paid \$214.1 million toward Ch. 126 benefits for 19,056 eligible retired members.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Post-retirement benefits (continued)

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description - The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The School District adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

Note 9 - 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:

Equitable
Vanguard
VALIC
Syracusa

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Interfund receivable and payables

The composition of Interfund balances as of June 30, 2016 is as follows:

Fund	Receivable	Payable
General Fund	\$ 6,384	\$ 4,212
Capital Projects Fund	-	3,383
Debt Service Fund	999	-
Payroll Agency	-	5,238
Unemployment	1,238	-
Food Service Fund	4,212	-
	\$ 12,833	\$ 12,833

The balance due from the Payroll Agency Fund to the General Fund of \$4,000 represents a loan for the flexible spending account. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$1,238 represents employee withholdings for the unemployment trust not yet transferred at year end. The balance due from the General Fund to the Food Service Fund of \$4,212 represents cafeteria child nutrition receipts not turned over by year end.

Note 11 - Inventory

Inventory in the Food Service Fund as of June 30, 2016 consisted of the following:

Food	\$ 3,540
Supplies	729
Total	\$ 4,269

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Note 12 - Contingent liabilities

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - 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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Trust Fund for the current and previous two years:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance
2015 - 2016	\$ -	\$ 32	\$ 8,031	\$ 3,711	\$ 60,568
2014 - 2015	-	-	8,196	5,878	56,216
2013 - 2014	-	67	7,989	28,168	53,898

Note 14 - Legal reserve accounts

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 Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the 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. 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Legal reserve accounts (continued)

Beginning in fiscal year 2008, districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$100,000 to their Capital Reserve Account and \$10,000 to their maintenance reserve account by board resolution in June 2016 as summarized in the following schedule. The following schedule is a summarization of the legal reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 553,709	\$ 100,000	\$ 1,905	\$ -	\$ -	\$ 655,614
Maintenance	100,000	10,000	-	-	10,000	100,000
Emergency	75,247	-	268	-	-	75,515
Total	<u>\$ 728,956</u>	<u>\$ 110,000</u>	<u>\$ 2,173</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 831,129</u>

Note 15 - Fund balances - Budgetary basis

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund balance on June 30, 2016 and 2015 is as follows:

	2016	2015
Committed		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 655,614	\$ 553,709
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA. (NJSA18A:76-9).	100,000	100,000
Emergency Reserve - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	75,515	75,247
Assigned		
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	43,591	196,739
Unassigned		
Undesignated - Represents fund balance which has not been restricted or designated.	335,039	266,811
Total fund balance	\$ 1,209,759	\$ 1,192,506

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Calculation of excess surplus

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved 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 reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

Note 17 - Subsequent events

The District has evaluated subsequent events through November 15, 2016, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

Note 18 - Recent accounting pronouncements not yet effective

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "*Tax Abatement Disclosures*". This statement, which is effective for reporting periods beginning after December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "*Pension's Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". This statement, which is effective for reporting periods beginning June 15, 2016, is not expected to have a material impact on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67 and No. 73*". This statement is effective for reporting periods beginning June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 18 - Recent accounting pronouncements not yet effective (continued)

In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement is not expected to have a material impact on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

Note 19 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2016 of \$(1,396,410) on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 6,547,034	\$ -	\$ 6,547,034	\$ 6,547,034	\$ -
Tuition from individuals	10,800	-	10,800	15,840	5,040
Rents and royalties	5,000	-	5,000	4,205	(795)
Unrestricted miscellaneous revenues	1,800	-	1,800	8,405	6,605
Interest earned on current expense emergency reserve	200	-	200	268	68
Interest earned on maintenance reserve	200	-	200	-	(200)
Interest earned on capital reserve funds	300	-	300	1,905	1,605
Total	6,565,334	-	6,565,334	6,577,657	12,323
State Sources					
School choice aid	26,394	-	26,394	26,394	-
Categorical transportation aid	25,514	-	25,514	25,514	-
Extraordinary aid	-	-	-	104,383	104,383
Categorical special education aid	230,446	-	230,446	230,446	-
Equalization aid	613,561	-	613,561	613,561	-
Categorical security aid	26,469	-	26,469	26,469	-
Adjustment aid	292,658	-	292,658	292,658	-
Other State aids	9,240	-	9,240	11,760	2,520
TPAF Pension (on-behalf)	-	-	-	278,712	278,712
TPAF Social Security (reimbursed)	-	-	-	288,777	288,777
TPAF Post retirement benefits	-	-	-	331,869	331,869
Total	1,224,282	-	1,224,282	2,230,543	1,006,261
Total revenues	\$ 7,789,616	\$ -	\$ 7,789,616	\$ 8,808,200	\$ 1,018,584
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 148,252	\$ 6,266	\$ 154,518	\$ 154,518	\$ -
Grades 1-5	1,074,419	226,559	1,300,978	1,300,978	-
Grades 6-8	1,016,978	(152,005)	864,973	864,973	-
General supplies	16,851	(16,851)	-	-	-
Home instruction					
Salaries of teacher	3,200	1,453	4,653	4,653	-
Purchased professional - educational services	300	800	1,100	-	1,100
Regular programs - undistributed instruction					
Unused vacation payment to terminated/retired staff	14,081	(14,081)	-	-	-
Other purchased services	139,653	2,343	141,996	141,352	644
General supplies	177,860	(31,771)	146,089	142,487	3,602
Textbooks	5,500	(2,169)	3,331	3,330	1
Other objects	-	101	101	101	-
Total	2,597,094	20,645	2,617,739	2,612,392	5,347
Special education					
Multiple disabilities					
Salaries of teachers	60,666	3,859	64,525	64,525	-
Other salaries for instruction	35,690	(4,275)	31,415	31,415	-
General supplies	2,100	424	2,524	2,524	-
Total	98,456	8	98,464	98,464	-

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Resource room/resource center					
Salaries of teachers	\$ 429,195	\$ 18,494	\$ 447,689	\$ 447,689	\$ -
Other salaries for instruction	114,961	(1,734)	113,227	113,227	-
General supplies	10,500	(2,145)	8,355	8,355	-
Textbooks	-	680	680	680	-
Total	<u>554,656</u>	<u>15,295</u>	<u>569,951</u>	<u>569,951</u>	<u>-</u>
Autism					
Salaries of teachers	56,592	1,273	57,865	57,865	-
Other salaries for instruction	53,484	1,330	54,814	54,814	-
General supplies	2,500	667	3,167	3,167	-
Total	<u>112,576</u>	<u>3,270</u>	<u>115,846</u>	<u>115,846</u>	<u>-</u>
Preschool disabilities - part-time					
Salaries of teachers	88,782	938	89,720	89,720	-
Other salaries for instruction	53,340	2,319	55,659	55,659	-
General supplies	1,500	1,425	2,925	2,925	-
Total	<u>143,622</u>	<u>4,682</u>	<u>148,304</u>	<u>148,304</u>	<u>-</u>
Total special education	<u>909,310</u>	<u>23,255</u>	<u>932,565</u>	<u>932,565</u>	<u>-</u>
Basic skills/remedial					
Salaries of teachers	169,364	12,191	181,555	181,555	-
General supplies	3,000	4,526	7,526	7,526	-
Total	<u>172,364</u>	<u>16,717</u>	<u>189,081</u>	<u>189,081</u>	<u>-</u>
Bilingual education - instruction					
Salaries of teachers	33,681	1,306	34,987	34,987	-
General supplies	200	(170)	30	30	-
Total	<u>33,881</u>	<u>1,136</u>	<u>35,017</u>	<u>35,017</u>	<u>-</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	38,900	8,097	46,997	46,043	954
Supplies and materials	450	-	450	98	352
Total	<u>39,350</u>	<u>8,097</u>	<u>47,447</u>	<u>46,141</u>	<u>1,306</u>
School-sponsored athletics - instruction					
Salaries	24,000	478	24,478	24,477	1
Purchased services	6,000	-	6,000	6,000	-
Supplies and materials	3,500	(102)	3,398	3,179	219
Total	<u>33,500</u>	<u>376</u>	<u>33,876</u>	<u>33,656</u>	<u>220</u>
Summer school - instruction					
Salaries of teachers	18,500	1,478	19,978	19,978	-
Total	<u>18,500</u>	<u>1,478</u>	<u>19,978</u>	<u>19,978</u>	<u>-</u>
Total summer school	<u>18,500</u>	<u>1,478</u>	<u>19,978</u>	<u>19,978</u>	<u>-</u>
Total instruction regular	<u>\$ 3,803,999</u>	<u>\$ 71,704</u>	<u>\$ 3,875,703</u>	<u>\$ 3,868,830</u>	<u>\$ 6,873</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 3,545	\$ 9,236	\$ 12,781	\$ 12,781	\$ -
Tuition to cssd & regional day schools	-	1,736	1,736	1,736	-
Tuition to priv. school for the disabled w/i State	272,088	(37,110)	234,978	231,947	3,031
Total	275,633	(26,138)	249,495	246,464	3,031
Undistributed expenditures - health services					
Salaries	82,253	5,999	88,252	88,252	-
Purchased professional and technical services	1,750	1,115	2,865	2,865	-
Other purchased services	250	(165)	85	85	-
Supplies and materials	6,000	(1,838)	4,162	4,162	-
Other objects	58	145	203	203	-
Total	90,311	5,256	95,567	95,567	-
Undistributed expenditures - speech, ot, pt & related services					
Salaries	120,075	(6,346)	113,729	113,729	-
Purchased professional - educational services	35,000	1,282	36,282	36,282	-
Supplies and materials	1,000	43	1,043	1,043	-
Total	156,075	(5,021)	151,054	151,054	-
Undistributed expend - other supp. service stds. - extra service					
Salaries	2,800	6,132	8,932	8,932	-
Purchased professional - educational services	106,000	74,110	180,110	171,027	9,083
Total	108,800	80,242	189,042	179,959	9,083
Undistributed expenditures- guidance					
Salaries of other professional staff	89,748	(931)	88,817	88,817	-
Supplies and materials	500	(51)	449	449	-
Total	90,248	(982)	89,266	89,266	-
Undistributed expenditures - child study teams					
Salaries of other professional staff	204,943	18,818	223,761	223,761	-
Salaries of secretarial and clerical assistants	62,739	(336)	62,403	61,579	824
Purchased professional - educational services	10,000	(7,338)	2,662	2,662	-
Supplies and materials	10,500	(1,366)	9,134	9,134	-
Total	288,182	9,778	297,960	297,136	824
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	36,720	500	37,220	37,220	-
Salaries of other professional staff	35,914	2,019	37,933	27,933	10,000
Salaries of facilitators, math & literacy coaches	40,022	1,454	41,476	41,476	-
Total	112,656	3,973	116,629	106,629	10,000
Undistributed expenditures - edu. media service/sch. library					
Salaries	85,977	(1,602)	84,375	84,375	-
Salaries of technology coordinators	65,239	652	65,891	65,891	-
Supplies and materials	8,500	(4,045)	4,455	4,415	40
Total	159,716	(4,995)	154,721	154,681	40

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	\$ -	\$ 2,694	\$ 2,694	\$ 2,194	\$ 500
Other purchased services	3,000	11,149	14,149	11,149	3,000
Supplies and materials	7,600	(250)	7,350	7,350	-
Total	10,600	13,593	24,193	20,693	3,500
Undistributed expend. - support service - general admin.					
Salaries	80,966	7,459	88,425	78,460	9,965
Legal services	21,438	(6,438)	15,000	12,237	2,763
Audit fees	15,000	-	15,000	14,000	1,000
Architectural/engineering services	2,500	-	2,500	-	2,500
Other purchased professional services	4,040	10,000	14,040	14,040	-
Communications/telephone	11,500	4,100	15,600	12,187	3,413
BOE other purchased services	1,500	-	1,500	-	1,500
Misc purch services	12,000	-	12,000	7,314	4,686
General supplies	4,500	1,200	5,700	3,263	2,437
BOE in-house training/meeting supplies	250	-	250	-	250
Miscellaneous expenditures	6,500	348	6,848	4,268	2,580
BOE membership dues and fees	6,600	(348)	6,252	4,850	1,402
Total	166,794	16,321	183,115	150,619	32,496
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	166,960	1,368	168,328	168,328	-
Salaries of secretarial and clerical assistants	52,499	550	53,049	52,999	50
Other purchased services	1,000	(1,000)	-	-	-
Supplies and materials	500	(339)	161	-	161
Other objects	800	700	1,500	1,500	-
Total	221,759	1,279	223,038	222,827	211
Undistributed expenditures - central services					
Salaries	174,457	470	174,927	174,927	-
Purchased professional services	500	150	650	650	-
Miscellaneous purchased services	1,000	-	1,000	576	424
Supplies and materials	1,200	-	1,200	852	348
Other objects	2,800	-	2,800	2,160	640
Total	179,957	620	180,577	179,165	1,412
Undistributed expenditures - admin. info. technology					
Salaries	7,249	72	7,321	7,321	-
Purchased technical services	26,175	1,911	28,086	19,966	8,120
Supplies and materials	-	18,380	18,380	18,380	-
Total	33,424	20,363	53,787	45,667	8,120
Undistributed expend. - required maint. for school facilities					
Salaries	78,030	(10,539)	67,491	67,491	-
Cleaning, repair, and maintenance services	58,390	54,709	113,099	76,306	36,793
General supplies	21,250	(13,027)	8,223	8,223	-
Other objects	100	(100)	-	-	-
Total	157,770	31,043	188,813	152,020	36,793

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 130,669	\$ (3,225)	\$ 127,444	\$ 127,444	\$ -
Salaries of non-instructional aides	-	1,792	1,792	1,792	-
Purchased professional and technical services	5,000	(5,000)	-	-	-
Cleaning, repair, and maintenance service	9,200	7,202	16,402	16,402	-
Other purchased property services	9,100	(447)	8,653	8,653	-
Insurance	46,717	1,627	48,344	48,344	-
General supplies	18,000	7,233	25,233	25,233	-
Energy (natural gas)	40,000	(16,829)	23,171	23,171	-
Energy (electricity)	110,000	(24,939)	85,061	85,061	-
Other objects	175	280	455	455	-
Total	<u>368,861</u>	<u>(32,306)</u>	<u>336,555</u>	<u>336,555</u>	<u>-</u>
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	3,900	634	4,534	4,534	-
General supplies	2,600	(444)	2,156	1,473	683
Total	<u>6,500</u>	<u>190</u>	<u>6,690</u>	<u>6,007</u>	<u>683</u>
Undistributed expenditures - security					
Purchased professional and technical services	492	156	648	648	-
Cleaning, repair, and maintenance service	5,588	(375)	5,213	5,213	-
Total	<u>6,080</u>	<u>(219)</u>	<u>5,861</u>	<u>5,861</u>	<u>-</u>
Undistributed expenditures - student transportation service					
Management fee - esc & ctsa trans. program	2,500	-	2,500	2,500	-
Contract service-aid in lieu pymts - non-public schools	20,300	(1,348)	18,952	17,977	975
Contract serv-aid in lieu pymts - choice school students	3,000	1,420	4,420	4,420	-
Contr service (oth. than between home & school) - vend	9,750	(3,492)	6,258	4,851	1,407
Contract service (reg. students) - escs & ctsas	146,385	(1,936)	144,449	144,449	-
Contract service (spl. ed. students) - escs & ctsas	111,000	(17,936)	93,064	83,221	9,843
Total	<u>292,935</u>	<u>(23,292)</u>	<u>269,643</u>	<u>257,418</u>	<u>12,225</u>
Unallocated benefits - employee benefits					
Social Security contributions	95,000	(9,236)	85,764	85,764	-
Other retirement contributions - PERS	80,000	1,984	81,984	81,984	-
Other retirement contributions - regular	4,500	(1,929)	2,571	2,571	-
Workmen's compensation	45,650	(8,191)	37,459	37,459	-
Health benefits	1,179,262	(117,777)	1,061,485	1,059,163	2,322
Tuition reimbursement	20,000	7,576	27,576	25,671	1,905
Other employee benefits	16,800	4,000	20,800	20,800	-
Total	<u>1,441,212</u>	<u>(123,573)</u>	<u>1,317,639</u>	<u>1,313,412</u>	<u>4,227</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 278,712	\$ (278,712)
On-behalf TPAF post retirement medical benefits	-	-	-	331,869	(331,869)
Reimbursed TPAF Social Security contribution	-	-	-	288,777	(288,777)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>899,358</u>	<u>(899,358)</u>
 Total undistributed expenditures	<u>\$ 4,167,513</u>	<u>\$ (33,868)</u>	<u>\$ 4,133,645</u>	<u>\$ 4,910,358</u>	<u>\$ (76,713)</u>
 Total current	<u>\$ 7,971,512</u>	<u>\$ 37,836</u>	<u>\$ 8,009,348</u>	<u>\$ 8,779,188</u>	<u>\$ (769,840)</u>
 Capital outlay					
Facilities acquisition and construction service					
Construction services	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -
Assessment for debt service on SDA funding	14,143	-	14,143	14,143	-
Total facilities acquisition and construction service	<u>114,143</u>	<u>(100,000)</u>	<u>14,143</u>	<u>14,143</u>	<u>-</u>
 Total capital outlay	<u>\$ 114,143</u>	<u>\$ (100,000)</u>	<u>\$ 14,143</u>	<u>\$ 14,143</u>	<u>\$ -</u>
 Total expenditures	<u>\$ 8,085,655</u>	<u>\$ (62,164)</u>	<u>\$ 8,023,491</u>	<u>\$ 8,793,331</u>	<u>\$ (769,840)</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>\$ (296,039)</u>	<u>\$ 62,164</u>	<u>\$ (233,875)</u>	<u>\$ 14,869</u>	<u>\$ 1,788,424</u>
 Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-	-	2,384	2,384
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,384</u>	<u>2,384</u>
 Excess (deficiency) of revenues & other financing sources					
Over (under) expenditures & other financing uses	(296,039)	62,164	(233,875)	17,253	1,790,808
 Fund balances, July 1	1,192,506	-	1,192,506	1,192,506	-
Fund balances, June 30	<u>\$ 896,467</u>	<u>\$ 62,164</u>	<u>\$ 958,631</u>	<u>\$ 1,209,759</u>	<u>\$ 1,790,808</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (196,739)	\$ -	\$ (196,739)	\$ (196,739)	\$ -
Increase in capital reserve	-	100,000	100,000	100,000	-
Interest deposit to capital reserve	300	-	300	1,905	1,605
Withdrawal from capital reserve	(100,000)	100,000	-	-	-
Interest earned on emergency reserve	200	-	200	268	68
Increase in maintenance reserve	-	10,000	10,000	10,000	-
Interest earned on maintenance reserve	200	-	200	-	(200)
Withdrawal from maintenance reserve	-	(10,000)	(10,000)	(10,000)	-
Budgeted fund balance	-	(137,836)	(137,836)	111,819	1,789,335
Total	\$ (296,039)	\$ 62,164	\$ (233,875)	\$ 17,253	\$ 1,790,808
Recapitulation of fund balance					
Committed fund balance					
Capital reserve				\$ 655,614	
Emergency reserve				75,515	
Maintenance reserve				100,000	
Assigned fund balance					
Year-end encumbrances				43,591	
Unassigned fund balance				<u>335,039</u>	
Fund balance per budgetary basis				1,209,759	
Reconciliation to governmental statements (GAAP)					
Last State aid payments not recognized on GAAP basis				<u>(122,320)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 1,087,439</u>	

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 5,043	\$ 3,400	\$ 8,443	\$ 3,663	\$ (4,780)
Federal sources	170,643	-	170,643	170,643	-
Total revenues	<u>\$ 175,686</u>	<u>\$ 3,400</u>	<u>\$ 179,086</u>	<u>\$ 174,306</u>	<u>\$ (4,780)</u>
Expenditures					
Instruction					
Salaries	\$ 20,978	\$ -	\$ 20,978	\$ 20,978	\$ -
Other purchased services	97,288	-	97,288	97,288	-
Total	<u>118,266</u>	<u>-</u>	<u>118,266</u>	<u>118,266</u>	<u>-</u>
Support services					
Employee benefits	5,454	-	5,454	5,454	-
Purchased professional & technical services	43,440	-	43,440	43,440	-
Other purchased services	2,918	-	2,918	2,918	-
Supplies	5,608	3,400	9,008	4,228	4,780
Total	<u>57,420</u>	<u>3,400</u>	<u>60,820</u>	<u>56,040</u>	<u>4,780</u>
Total expenditures	<u>\$ 175,686</u>	<u>\$ 3,400</u>	<u>\$ 179,086</u>	<u>\$ 174,306</u>	<u>\$ 4,780</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison Schedule

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,808,200	\$ 174,306
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	127,681	-
State aid receivable current year	<u>(122,320)</u>	<u>-</u>
Total revenues (GAAP Basis)	<u>\$ 8,813,561</u>	<u>\$ 174,306</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 8,793,331</u>	<u>\$ 174,306</u>
Total expenditures (GAAP Basis)	<u>\$ 8,793,331</u>	<u>\$ 174,306</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - Percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - Value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	21,642,198	18,983,034	18,666,978	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 21,642,198	\$ 18,983,034	\$ 18,666,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Pension Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 278,712	\$ 185,123	\$ 150,255	\$ 238,660	\$ 121,289	\$ 12,026	\$ 12,878	\$ 12,327	\$ 274,059	\$ 271,063
Contributions in relation to the contractually required contribution	<u>(278,712)</u>	<u>(185,123)</u>	<u>(150,255)</u>	<u>(238,660)</u>	<u>(121,289)</u>	<u>(12,026)</u>	<u>(12,878)</u>	<u>(12,327)</u>	<u>(274,059)</u>	<u>(271,063)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 3,858,459	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	\$ 3,319,279	\$ 3,588,518	\$ 3,714,805	\$ 3,718,056	\$ 3,555,985	\$ 3,273,334
Contributions as a percentage of covered employee payroll	7.22%	5.28%	4.45%	6.80%	3.65%	0.34%	0.35%	0.33%	7.71%	8.28%

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.0095359971%	0.0085999806%	0.0075412794%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,140,640	\$ 1,610,152	\$ 1,441,288	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	595,102	604,752	530,988	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	359.71%	266.25%	271.44%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Pension Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 81,984	\$ 70,897	\$ 56,822	\$ 59,103	\$ 65,728	\$ 56,659	\$ 45,882	\$ 37,236	\$ 26,924	\$ 15,808
Contributions in relation to the contractually required contribution	(81,984)	(70,897)	(56,822)	(59,103)	(65,728)	(56,659)	(45,882)	(37,236)	(26,924)	(15,808)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 622,818	\$ 595,102	\$ 604,752	\$ 530,988	\$ 500,491	\$ 527,257	\$ 574,952	\$ 521,240	\$ 476,807	\$ 510,530
Contributions as a percentage of covered employee payroll	13.16%	11.91%	9.40%	11.13%	13.13%	10.75%	7.98%	7.14%	5.65%	3.10%

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2016

Note 1 - Special funding situation - TPAF

The participating employer allocations included in the Supplemental Schedule of Employer Special Funding Allocations and the Supplemental Schedule of Special Funding amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>NCLB Title IA</u>	<u>NCLB Title IIA</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Local Grants</u>	<u>Total</u>
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 3,663	\$ 3,663
Federal sources	7,372	30,543	127,288	5,440	-	170,643
Total revenues	<u>\$ 7,372</u>	<u>\$ 30,543</u>	<u>\$ 127,288</u>	<u>\$ 5,440</u>	<u>\$ 3,663</u>	<u>\$ 174,306</u>
Expenditures						
Instruction						
Salaries	\$ -	\$ 20,978	\$ -	\$ -	\$ -	\$ 20,978
Other purchased services	-	-	97,288	-	-	97,288
Total	<u>-</u>	<u>20,978</u>	<u>97,288</u>	<u>-</u>	<u>-</u>	<u>118,266</u>
Support services						
Employee benefits	5,454	-	-	-	-	5,454
Purchased professional and technical services	-	8,000	30,000	5,440	-	43,440
Other purchased services	1,918	1,000	-	-	-	2,918
Supplies	-	565	-	-	3,663	4,228
Total	<u>7,372</u>	<u>9,565</u>	<u>30,000</u>	<u>5,440</u>	<u>3,663</u>	<u>56,040</u>
Total expenditures	<u>\$ 7,372</u>	<u>\$ 30,543</u>	<u>\$ 127,288</u>	<u>\$ 5,440</u>	<u>\$ 3,663</u>	<u>\$ 174,306</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2016**

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/16
			Prior Years	Current Year	
Facilities improvement project	1/7/14	\$ 2,104,250	\$ 1,111,283	\$ 525,088	\$ 467,879
		<u>\$ 2,104,250</u>	<u>\$ 1,111,283</u>	<u>\$ 525,088</u>	<u>\$ 467,879</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

Revenues	
Interest earned on investments	\$ 2,384
Total revenues	<u>2,384</u>
Expenditures	
Purchased professional services	24,051
Construction services	463,525
Other purchased services	37,512
Total expenditures	<u>525,088</u>
Other financing sources (uses)	
Transfer to general fund	<u>(2,384)</u>
Excess (deficiency) of revenues and other financing sources	
Over (under) expenditures and other financing uses	(525,088)
Net position - beginning	<u>996,223</u>
Net position - ending	<u><u>\$ 471,135</u></u>
Analysis of balance	
Capital project fund balance	\$ 467,629
Interest earnings	3,506
	<u><u>\$ 471,135</u></u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Facilities Improvement Project
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - bond proceeds	\$ 2,104,000	\$ -	\$ 2,104,000	\$ 2,104,000
Other	-	-	-	250
Total revenues	<u>2,104,000</u>	<u>-</u>	<u>2,104,000</u>	<u>2,104,250</u>
Expenditures and other financing uses				
Construction services				
Exterior closure	541,573	-	541,573	800,000
HVAC	426,597	461,329	887,926	850,000
Miscellaneous	3,581	2,196	5,777	135,000
Purchased professional services	81,149	24,051	105,200	90,000
Bonding/legal fees	58,383	-	58,383	25,000
Construction management	-	37,512	37,512	50,000
Testing consulting fees	-	-	-	15,000
Permit fees	-	-	-	50,000
Construction contingency	-	-	-	89,250
Total expenditures	<u>1,111,283</u>	<u>525,088</u>	<u>1,636,371</u>	<u>2,104,250</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 992,717</u>	<u>\$ (525,088)</u>	<u>\$ 467,629</u>	<u>\$ -</u>

Additional project information

Project number	0910-030-14-2000
Grant date	N/A
Bond authorization date	1/7/2014
Bonds authorized	\$ 2,104,250
Bonds issued	\$ 2,104,000
Original authorized cost	\$ 2,104,250
Additional authorized cost	-
Revised authorized cost	\$ 2,104,250
Percentage completion	77.77%

See independent auditors' report.

PROPRIETARY FUND

DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Schedule of Fund Net Position
Enterprise Fund
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Child Care Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 25,282	101,549	126,831
Receivables from other governments			
State	135	-	135
Federal	2,997	-	2,997
Due from general fund	4,212	-	4,212
Inventory	4,269	-	4,269
Total current assets	<u>36,895</u>	<u>101,549</u>	<u>138,444</u>
Noncurrent assets			
Capital assets	114,756	-	114,756
Less: accumulated depreciation	93,182	-	93,182
Total noncurrent assets	<u>21,574</u>	<u>-</u>	<u>21,574</u>
Total assets	<u>58,469</u>	<u>101,549</u>	<u>160,018</u>
Liabilities			
Current liabilities			
Accounts payable	5,135	-	5,135
Unearned revenues - commodities	1,639	-	1,639
Unearned revenues - prepaid sales	1,706	-	1,706
Total liabilities	<u>8,480</u>	<u>-</u>	<u>8,480</u>
Net position			
Net investment in capital assets	21,574	-	21,574
Unrestricted	28,415	101,549	129,964
Total net position	<u>\$ 49,989</u>	<u>\$ 101,549</u>	<u>\$ 151,538</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Schedule of Revenues, Expenses, and
Changes in Fund Net Position
Enterprise Fund
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - Reimbursable programs	\$ 59,952	\$ -	59,952
Daily sales - Non-reimbursable programs	20,165	-	20,165
Child care revenues	-	125,574	125,574
Total operating revenues	<u>80,117</u>	<u>125,574</u>	<u>205,691</u>
Operating expenses			
Cost of sales - Reimbursable programs	48,608	-	48,608
Cost of sales - Non-reimbursable programs	16,349	-	16,349
Salaries	35,181	55,987	91,168
Support services - employee benefits	5,290	20,684	25,974
Purchased professional/technical services	2,160	-	2,160
Purchased property services	5,725	-	5,725
Other purchased services			
Insurance	3,568	-	3,568
Management fee	7,696	-	7,696
Supplies and materials	5,683	23,315	28,998
Depreciation	2,151	-	2,151
Miscellaneous expenditures	445	-	445
Total operating expenses	<u>132,856</u>	<u>99,986</u>	<u>232,842</u>
Operating income (loss)	<u>(52,739)</u>	<u>25,588</u>	<u>(27,151)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	1,305	-	1,305
Federal sources			
National school lunch program			
Cash assistance	32,159	-	32,159
Non-cash assistance (commodities)	12,604	-	12,604
Total non-operating revenues (expenses)	<u>46,068</u>	<u>-</u>	<u>46,068</u>
Change in net position	(6,671)	25,588	18,917
Net position, beginning	<u>56,660</u>	<u>75,961</u>	<u>132,621</u>
Net position, ending	<u>\$ 49,989</u>	<u>\$ 101,549</u>	<u>\$ 151,538</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Combining Schedule of Cash Flows
Enterprise Fund
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers	\$ 81,822	\$ 125,574	207,396
Payments to Food Service Management Co.	(96,178)	-	(96,178)
Payments to employees	-	(55,987)	(55,987)
Payments to employee benefits	-	(20,684)	(20,684)
Payments to vendors (net)	(7,250)	(23,315)	(30,565)
Net cash provided by operating activities	<u>(21,606)</u>	<u>25,588</u>	<u>3,982</u>
Cash flows from noncapital financing activities			
State sources	1,360	-	1,360
Federal sources	32,251	-	32,251
Net interfund transactions	5,614	-	5,614
Net cash provided by (used for) noncapital financing activities	<u>39,225</u>	<u>-</u>	<u>39,225</u>
Cash flows from capital financing activities:			
Acquisition of equipment	(7,230)	-	(7,230)
Net cash provided by (used for) investing activities	<u>(7,230)</u>	<u>-</u>	<u>(7,230)</u>
Net increase in cash and cash equivalents	10,389	25,588	35,977
Cash and cash equivalents, July 1	14,893	75,961	90,854
Cash and cash equivalents, June 30	<u>\$ 25,282</u>	<u>\$ 101,549</u>	<u>\$ 126,831</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ (52,739)	\$ 25,588	(27,151)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities			
Depreciation	2,151	-	2,151
Federal Food Donation Program	12,604	-	12,604
(Increase) decrease in accounts receivable	10,297	-	10,297
Increase (decrease) in accounts payable	5,135	-	5,135
(Increase) decrease in inventory	(1,398)	-	(1,398)
Increase (decrease) in unearned revenue	2,344	-	2,344
Net cash provided by (used for) operating activities	<u>\$ (21,606)</u>	<u>\$ 25,588</u>	<u>\$ 3,982</u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Combining Schedule of Net Position in Fiduciary Funds
June 30, 2016

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 59,330	\$ 52,923	\$ 15,296	\$ 127,549
Due from other funds	1,238	-	-	1,238
Total assets	\$ 60,568	\$ 52,923	\$ 15,296	\$ 128,787
Liabilities				
Due to other funds	-	-	5,238	5,238
Due to students groups	-	52,923	-	52,923
Payroll deductions & withholdings	-	-	10,058	10,058
Total liabilities	-	52,923	15,296	68,219
Net position				
Held in trust for unemployment claims & other purposes	\$ 60,568	-	-	\$ 60,568

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Fund
Additions	
Contributions	
Employee withholdings	\$ 8,031
Investment earnings - interest	32
Total additions	8,063
Deductions	
Unemployment claims	3,711
Change in net position	4,352
Net position, beginning of the year	56,216
Net position, end of the year	\$ 60,568

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/16</u>
Assets				
Cash and cash equivalents	\$ 51,696	\$ 70,076	\$ 68,849	\$ 52,923
Total assets	<u>\$ 51,696</u>	<u>\$ 70,076</u>	<u>\$ 68,849</u>	<u>\$ 52,923</u>
Liabilities				
Due to student groups	\$ 51,696	\$ 70,076	\$ 68,849	\$ 52,923
Total liabilities	<u>\$ 51,696</u>	<u>\$ 70,076</u>	<u>\$ 68,849</u>	<u>\$ 52,923</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/16</u>
Assets				
Cash and cash equivalents	\$ 3,848	\$ 5,695,113	\$ 5,683,665	\$ 15,296
Total assets	<u>\$ 3,848</u>	<u>\$ 5,695,113</u>	<u>\$ 5,683,665</u>	<u>\$ 15,296</u>
Liabilities				
Due to other funds	\$ 4,020	\$ 1,218	\$ -	\$ 5,238
Payroll deductions and withholdings	(172)	2,343,767	2,333,537	10,058
Net payroll	<u>-</u>	<u>3,350,128</u>	<u>3,350,128</u>	<u>-</u>
Total liabilities	<u>\$ 3,848</u>	<u>\$ 5,695,113</u>	<u>\$ 5,683,665</u>	<u>\$ 15,296</u>

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/2015	Issued	Retired	Balance 6/30/2016
			Date	Amount					
Refunding school bonds of 2009	08/15/09	\$1,505,000	08/15/16	\$ 130,000	3.00%	\$ -	\$ -	\$ -	\$ -
			08/15/17	140,000	4.00%	-	-	-	-
			08/15/18	145,000	3.25%	-	-	-	-
			08/15/19	140,000	3.50%	-	-	-	-
			08/15/20	140,000	3.63%	-	-	-	-
			08/15/21	140,000	3.75%	955,000	-	120,000	835,000
								-	-
School bonds of 2014	08/15/14	\$ 2,104,000	02/15/17	190,000	2.00%	-	-	-	-
			02/15/18	195,000	2.00%	-	-	-	-
			02/15/19	205,000	2.00%	-	-	-	-
			02/15/20	210,000	2.00%	-	-	-	-
			02/15/21	215,000	2.00%	-	-	-	-
			02/15/22	220,000	2.00%	-	-	-	-
			02/15/23	230,000	2.00%	-	-	-	-
			02/15/24	235,000	2.25%	-	-	-	-
			02/15/25	249,000	2.38%	2,104,000	-	155,000	1,949,000
								\$ 3,059,000	\$ -

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy - pre-merger debt	\$ 297,463	\$ -	\$ 297,463	\$ 297,463	\$ -
Sate sources					
Debt service aid type II	75,019	-	75,019	75,019	-
Total revenues	<u>372,482</u>	<u>-</u>	<u>372,482</u>	<u>372,482</u>	<u>-</u>
EXPENDITURES					
Regular debt service					
Redemption of principal	275,000	-	275,000	275,000	-
Interest	97,482	-	97,482	96,483	999
Total expenditures	<u>372,482</u>	<u>-</u>	<u>372,482</u>	<u>371,483</u>	<u>999</u>
Excess (deficiency) of revenues					
Over (under) expenditures	-	-	-	999	999
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 999</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
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 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend 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 to 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	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net investment in capital assets	\$ 3,683,929	\$ 3,839,597	\$ 3,982,503	\$ 4,128,574	\$ 4,371,285	\$ 4,537,465	\$ 4,893,462	\$ 5,385,724	\$ 4,662,010	\$ 5,225,571
Restricted	139	139	40,140	102,774	167,217	197,547	397,671	577,993	1,725,179	1,303,263
Unrestricted	139,065	71,661	61,887	21,637	182,420	422,659	237,414	(1,310,609)	(1,229,777)	(1,396,410)
Total governmental activities	<u>\$ 3,823,133</u>	<u>\$ 3,911,397</u>	<u>\$ 4,084,530</u>	<u>\$ 4,252,985</u>	<u>\$ 4,720,922</u>	<u>\$ 5,157,671</u>	<u>\$ 5,528,547</u>	<u>\$ 4,653,108</u>	<u>\$ 5,157,412</u>	<u>\$ 5,132,424</u>
Business-type activities										
Net investment in capital assets	\$ 40,534	\$ 39,422	\$ 32,523	\$ 25,920	\$ 19,570	\$ 13,217	\$ 11,526	\$ 7,779	\$ 16,495	\$ 21,574
Unrestricted	100,750	103,787	25,184	82,823	131,618	174,323	65,802	76,435	116,126	129,964
Total business-type activities	<u>\$ 141,284</u>	<u>\$ 143,209</u>	<u>\$ 57,707</u>	<u>\$ 108,743</u>	<u>\$ 151,188</u>	<u>\$ 187,540</u>	<u>\$ 77,328</u>	<u>\$ 84,214</u>	<u>\$ 132,621</u>	<u>\$ 151,538</u>
District-wide										
Net investment in capital assets	\$ 3,724,463	\$ 3,879,019	\$ 4,015,026	\$ 4,154,494	\$ 4,390,855	\$ 4,550,682	\$ 4,904,988	\$ 5,393,503	\$ 4,678,505	\$ 5,247,145
Restricted	139	139	40,140	102,774	167,217	197,547	397,671	577,993	1,725,179	1,303,263
Unrestricted	239,815	175,448	87,071	104,460	314,038	596,982	303,216	(1,234,174)	(1,113,651)	(1,266,446)
Total district-wide	<u>\$ 3,964,417</u>	<u>\$ 4,054,606</u>	<u>\$ 4,142,237</u>	<u>\$ 4,361,728</u>	<u>\$ 4,872,110</u>	<u>\$ 5,345,211</u>	<u>\$ 5,605,875</u>	<u>\$ 4,737,322</u>	<u>\$ 5,290,033</u>	<u>\$ 5,283,962</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,442,154	\$ 3,569,937	\$ 3,564,328	\$ 3,424,234	\$ 3,064,929	\$ 3,282,752	\$ 3,307,290	\$ 3,215,086	\$ 3,995,146	\$ 4,584,497
Special education	1,230,670	1,374,904	1,187,652	1,397,612	1,557,303	1,537,296	1,650,654	1,626,623	1,738,146	2,213,199
Other instruction	77,265	91,294	80,667	98,492	74,827	75,067	84,814	86,365	94,110	103,495
Support services										
Tuition	117,067	120,312	176,784	242,911	181,942	258,451	244,655	266,197	243,486	246,464
Student & instruction related services	943,654	1,085,543	1,280,294	1,442,001	1,346,673	1,250,154	1,392,448	1,348,496	1,674,594	1,730,507
General & business administrative services	512,815	588,641	583,662	568,098	553,444	678,237	569,239	501,436	501,297	495,027
School administration	214,526	242,139	236,339	269,045	268,637	244,835	273,660	299,817	359,739	421,853
Plant operations & maintenance	550,439	559,551	587,830	582,103	536,418	567,423	671,284	581,535	626,109	572,807
Pupil transportation	97,408	85,674	104,463	310,020	294,709	314,598	273,342	274,744	289,391	257,418
Interest on long-term debt	203,497	189,502	179,431	128,690	142,942	128,355	102,179	82,234	99,843	83,905
Total governmental activities expenses	<u>7,389,495</u>	<u>7,907,497</u>	<u>7,981,450</u>	<u>8,463,206</u>	<u>8,021,824</u>	<u>8,337,168</u>	<u>8,569,565</u>	<u>8,282,533</u>	<u>9,621,861</u>	<u>10,709,172</u>
Business-type activities										
Food service	119,300	132,969	135,927	125,742	127,014	124,732	129,346	126,646	124,270	132,856
Child care	118,049	121,767	145,249	133,131	142,781	139,139	123,450	126,384	96,710	99,986
Total business-type activities	<u>237,349</u>	<u>254,736</u>	<u>281,176</u>	<u>258,873</u>	<u>269,795</u>	<u>263,871</u>	<u>252,796</u>	<u>253,030</u>	<u>220,980</u>	<u>232,842</u>
Total district expenses	<u>\$ 7,626,844</u>	<u>\$ 8,162,233</u>	<u>\$ 8,262,626</u>	<u>\$ 8,722,079</u>	<u>\$ 8,291,619</u>	<u>\$ 8,601,039</u>	<u>\$ 8,822,361</u>	<u>\$ 8,535,563</u>	<u>\$ 9,842,841</u>	<u>\$ 10,942,014</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Governmental activities										
Charges for services	\$ 2,296,557	\$ 2,307,758	\$ 2,438,090	\$ 172,761	\$ 143,409	\$ 73,900	\$ 27,742	\$ 34,607	\$ 28,250	\$ 20,045
Operating grants & contributions	201,794	225,534	217,793	261,008	197,376	167,463	181,008	170,529	180,347	174,306
Capital grants & contributions	-	-	-	-	-	64,576	10,124	-	-	-
Total governmental activities program revenues	<u>2,498,351</u>	<u>2,533,292</u>	<u>2,655,883</u>	<u>433,769</u>	<u>340,785</u>	<u>305,939</u>	<u>218,874</u>	<u>205,136</u>	<u>208,597</u>	<u>194,351</u>
Business-type activities										
Charges for services										
Food service	97,512	105,742	98,162	104,785	101,467	95,156	85,273	87,708	85,615	80,117
Child care	130,280	122,783	109,159	178,063	181,453	178,671	110,082	134,188	144,852	125,574
Operating grants & contributions	24,770	27,790	28,258	26,969	29,152	26,255	37,174	37,972	38,888	46,068
Total business-type activities program revenues	<u>252,562</u>	<u>256,315</u>	<u>235,579</u>	<u>309,817</u>	<u>312,072</u>	<u>300,082</u>	<u>232,529</u>	<u>259,868</u>	<u>269,355</u>	<u>251,759</u>
Total district-program revenues	<u>\$ 2,750,913</u>	<u>\$ 2,789,607</u>	<u>\$ 2,891,462</u>	<u>\$ 743,586</u>	<u>\$ 652,857</u>	<u>\$ 606,021</u>	<u>\$ 451,403</u>	<u>\$ 465,004</u>	<u>\$ 477,952</u>	<u>\$ 446,110</u>
Net (expense) revenues										
Governmental activities	\$ (4,891,144)	\$ (5,374,205)	\$ (5,325,567)	\$ (8,029,437)	\$ (7,681,039)	\$ (8,031,229)	\$ (8,350,691)	\$ (8,077,397)	\$ (9,413,264)	\$ (10,514,821)
Business-type activities	15,213	1,579	(45,597)	50,944	42,277	36,211	(20,267)	6,838	48,375	18,917
Total district-wide net expenses	<u>\$ (4,875,931)</u>	<u>\$ (5,372,626)</u>	<u>\$ (5,371,164)</u>	<u>\$ (7,978,493)</u>	<u>\$ (7,638,762)</u>	<u>\$ (7,995,018)</u>	<u>\$ (8,370,958)</u>	<u>\$ (8,070,559)</u>	<u>\$ (9,364,889)</u>	<u>\$ (10,495,904)</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 3,714,408	\$ 3,910,915	\$ 4,086,329	\$ 5,790,375	\$ 5,979,490	\$ 6,055,296	\$ 6,055,296	\$ 6,176,403	\$ 6,299,930	\$ 6,547,034
Taxes levied for debt service	551,123	568,356	553,625	538,505	509,311	526,121	532,545	537,661	501,796	297,463
Unrestricted grants & contributions	941,125	972,218	813,646	1,865,231	1,651,392	1,883,405	1,986,350	1,861,933	3,082,105	3,632,374
Investment earnings	11,997	10,386	1,686	1,931	3,590	3,073	1,689	1,390	6,916	6,483
Miscellaneous income	-	594	3,414	1,850	5,193	83	441	9,037	26,821	6,479
Special item - proceeds on disposition of assets	-	-	-	-	-	-	55,286	-	-	-
Operating transfer	-	-	40,000	-	-	-	90,000	-	-	-
Total governmental activities	<u>5,218,653</u>	<u>5,462,469</u>	<u>5,498,700</u>	<u>8,197,892</u>	<u>8,148,976</u>	<u>8,467,978</u>	<u>8,721,607</u>	<u>8,586,424</u>	<u>9,917,568</u>	<u>10,489,833</u>
Business-type activities										
Investment earnings	\$280	\$346	\$95	\$92	\$168	\$141	\$55	\$48	\$32	-
Operating transfer	-	-	(40,000)	-	-	-	(90,000)	-	-	-
Total business-type activities	<u>280</u>	<u>346</u>	<u>(39,905)</u>	<u>92</u>	<u>168</u>	<u>141</u>	<u>(89,945)</u>	<u>48</u>	<u>32</u>	<u>-</u>
Total district-wide	<u>\$ 5,218,933</u>	<u>\$ 5,462,815</u>	<u>\$ 5,458,795</u>	<u>\$ 8,197,984</u>	<u>\$ 8,149,144</u>	<u>\$ 8,468,119</u>	<u>\$ 8,631,662</u>	<u>\$ 8,586,472</u>	<u>\$ 9,917,600</u>	<u>\$ 10,489,833</u>
Change in net position										
Governmental activities	\$ 327,509	\$ 88,264	\$ 173,133	\$ 168,455	\$ 467,937	\$ 436,749	\$ 370,916	\$ 509,027	\$ 504,304	\$ (24,988)
Business-type activities	15,493	1,925	(85,502)	51,036	42,445	36,352	(110,212)	6,886	48,407	18,917
Total district	<u>\$ 343,002</u>	<u>\$ 90,189</u>	<u>\$ 87,631</u>	<u>\$ 219,491</u>	<u>\$ 510,382</u>	<u>\$ 473,101</u>	<u>\$ 260,704</u>	<u>\$ 515,913</u>	<u>\$ 552,711</u>	<u>\$ (6,071)</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Restricted	\$ 8,631	\$ -	\$ -	\$ -	\$ 2,862	\$ 2,862	\$ -	\$ -	\$ -	\$ -
Committed	20,139	139	40,140	70,276	167,217	197,547	397,671	577,993	728,956	831,129
Assigned	65,452	3,576	-	-	4,311	316,332	176,262	29,479	196,739	43,591
Unassigned	118,249	148,114	140,435	25,594	189,267	193,869	144,850	131,317	139,130	212,719
Total general fund	<u>\$ 212,471</u>	<u>\$ 151,829</u>	<u>\$ 180,575</u>	<u>\$ 95,870</u>	<u>\$ 363,657</u>	<u>\$ 710,610</u>	<u>\$ 718,783</u>	<u>\$ 738,789</u>	<u>\$ 1,064,825</u>	<u>\$ 1,087,439</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 996,223	\$ 471,135
Debt service fund	-	-	-	32,498	-	-	-	-	-	999
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,223</u>	<u>\$ 472,134</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 4,265,531	\$ 4,479,271	\$ 4,639,954	\$ 6,328,880	\$ 6,488,801	\$ 6,581,417	\$ 6,587,841	\$ 6,714,064	\$ 6,801,726	\$ 6,844,497
Tuition charges	2,296,557	2,307,758	2,438,090	167,641	142,369	64,450	26,650	23,072	21,331	15,840
Interest earnings	11,997	10,386	1,686	1,931	3,590	3,073	1,669	1,390	6,916	6,483
Miscellaneous	2,500	594	3,414	6,970	15,597	18,745	19,739	30,603	43,169	10,142
Rents and royalties	-	-	-	-	-	-	-	-	-	4,205
State sources	942,613	972,218	813,646	1,744,283	1,626,274	1,860,552	1,986,350	1,861,933	2,060,640	2,310,923
State sources - capital projects	-	-	-	-	-	64,576	-	-	-	-
Federal sources	197,806	225,534	217,793	381,956	213,130	181,104	172,926	160,499	170,918	170,643
Total revenues	7,717,004	7,995,761	8,114,583	8,631,661	8,489,761	8,773,917	8,795,175	8,791,561	9,104,700	9,362,733
Expenditures										
Instruction										
Regular instruction	2,259,424	2,398,807	2,505,608	2,350,284	2,167,949	2,140,059	2,297,341	2,315,569	2,351,082	2,612,392
Special education instruction	579,784	632,853	634,331	860,755	861,954	813,675	851,116	891,693	881,981	932,565
Other special instruction	180,375	200,480	112,272	148,018	182,015	192,768	218,102	197,423	190,695	224,098
School sponsored/other instructional	72,779	87,107	76,656	93,907	71,266	71,386	80,908	82,361	89,750	99,775
Support services										
Tuition	117,067	120,312	176,784	96,486	95,361	166,803	142,727	171,096	150,477	246,464
Student & inst related services	684,543	733,736	854,322	964,733	872,713	820,473	912,176	944,721	959,368	1,094,985
General administration	273,163	281,301	265,808	231,371	221,784	219,939	242,270	221,603	131,529	150,619
School administration services	145,882	163,362	166,327	194,046	177,960	183,410	186,453	187,559	211,005	222,827
Central services	158,005	143,074	159,785	157,272	147,860	151,469	152,881	157,048	175,520	179,165
Administrative information technology	-	6,784	6,166	13,582	24,364	27,914	31,597	28,904	41,886	45,667
Plant operations & maintenance	548,746	558,031	579,231	572,610	535,505	566,606	674,443	510,361	505,893	500,443
Pupil transportation	97,408	85,674	104,463	310,020	294,709	314,598	273,342	274,744	289,391	257,418
Employee benefits	1,097,901	1,143,407	1,172,060	1,378,060	1,288,745	1,274,384	1,280,565	1,217,177	1,247,043	1,313,412
On-behalf TPAF pension & Social Security contribution	669,706	703,327	539,398	544,550	547,095	624,779	781,792	652,189	824,236	899,358
Capital outlay	4,300	3,000	225,000	-	-	240,000	67,743	195,772	28,099	-
Capital projects	-	-	-	-	-	153,845	-	-	1,111,283	525,088
Special revenue funds	201,794	225,534	217,793	261,008	197,376	167,463	191,132	170,529	180,347	174,306
Debt service										
Principal	350,000	380,000	380,000	380,000	405,000	415,000	440,000	465,000	450,000	275,000
Interest & other charges	202,639	189,614	174,833	127,166	137,816	122,393	107,680	87,806	66,856	110,626
Total expenditures	7,643,516	8,056,403	8,350,837	8,683,868	8,229,472	8,666,964	8,932,268	8,771,555	9,886,441	9,864,208

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ 73,488	\$ (60,642)	\$ (236,254)	\$ (52,207)	\$ 260,289	\$ 106,953	\$ (137,093)	\$ 20,006	\$ (781,741)	\$ (501,475)
Other financing sources (uses)										
Capital leases (non-budgeted)	-	-	225,000	-	-	240,000	-	-	-	-
Proceeds from bond issue	-	-	-	1,445,000	-	-	-	-	2,104,000	-
Payments to refunding bond escrow agent	-	-	-	(1,445,000)	-	-	-	-	-	-
Insurance claim proceeds for storm damage	-	-	-	-	-	-	55,266	-	-	-
Transfers in (out)	-	-	40,000	-	(25,000)	-	90,000	-	-	-
Total other financing sources (uses)	-	-	265,000	-	(25,000)	240,000	145,266	-	2,104,000	-
Net change in fund balances	\$ 73,488	\$ (60,642)	\$ 28,746	\$ (52,207)	\$ 235,289	\$ 346,953	\$ 8,173	\$ 20,006	\$ 1,322,259	\$ (501,475)
Debt service as a percentage of non-capital exp	7.80%	7.61%	7.33%	6.20%	7.06%	6.95%	6.59%	6.89%	6.28%	4.31%

Source: District records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest income	\$ 11,997	\$ 10,386	\$ 1,686	\$ 1,931	\$ 3,590	\$ 3,156	\$ 1,669	\$ 1,390	\$ 3,410	\$ 6,483
Tuition	2,296,557	2,307,758	2,438,090	167,641	142,369	64,450	26,650	23,072	21,331	15,840
Refunds	-	-	-	-	-	-	-	800	-	-
Rental	-	512	-	5,120	1,040	9,450	943	8,045	4,175	4,205
Prior year										
Refunds	-	-	-	1,800	1,651	-	440	1,025	20,680	657
Outstanding checks canceled	-	-	3,414	-	-	-	-	692	-	-
Insurance recovery	-	-	-	-	3,542	-	-	3,750	-	-
Workshop fee	-	-	-	-	-	-	150	3,490	2,745	-
Ipad insurance	-	-	-	-	-	-	-	2,657	6,140	3,438
Miscellaneous	-	82	-	50	-	-	-	114	-	-
Annual totals	<u>\$ 2,308,554</u>	<u>\$ 2,318,738</u>	<u>\$ 2,443,190</u>	<u>\$ 176,542</u>	<u>\$ 152,192</u>	<u>\$ 77,056</u>	<u>\$ 29,852</u>	<u>\$ 45,035</u>	<u>\$ 58,481</u>	<u>\$ 30,623</u>

Source: District records

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
By Constituent District-Town of Clinton
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 4,204,500	\$ 4,979,800	\$ 4,964,760	\$ 5,158,160	\$ 5,158,160	\$ 4,891,560	\$ 6,798,400	\$ 5,995,800	\$ 6,050,500	\$ 5,149,900
Residential	321,691,200	318,996,900	319,427,500	318,510,000	318,264,300	314,374,900	268,505,400	265,511,000	266,926,800	270,059,300
Farm regular	214,700	211,800	211,800	211,800	-	-	-	119,750	119,750	119,750
Q farm	73,800	59,300	59,300	59,300	38,200	38,200	38,200	53,850	45,700	46,500
Commercial	84,436,500	89,817,400	90,159,550	89,984,350	89,369,300	81,246,500	75,335,700	73,645,300	73,680,100	72,417,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	7,829,100	10,990,800	10,990,800	10,990,800	9,638,600	9,638,600	8,694,800	8,401,300	8,401,300	9,791,600
Total assessed value	418,449,800	425,056,000	425,813,710	424,914,410	422,468,560	410,189,760	359,372,500	353,727,000	355,224,150	357,584,850
Public utilities (a)	1,012,182	884,156	753,165	1,056,564	1,150,337	1,207,689	1,207,689	-	-	-
Net valuation taxable	\$ 419,461,982	\$ 425,940,156	\$ 426,566,875	\$ 425,970,974	\$ 423,618,897	\$ 411,397,449	\$ 360,580,189	\$ 353,727,000	\$ 355,224,150	\$ 357,584,850
Estimated actual county equalized value	\$ 452,680,802	\$ 442,351,393	\$ 420,954,544	\$ 419,286,974	\$ 401,632,430	\$ 390,744,000	\$ 378,185,031	\$ 381,523,007	\$ 382,454,942	\$ 382,402,791
Percentage of net valuation to estimated actual equalized value	92.66%	96.29%	101.33%	101.59%	105.47%	105.29%	95.34%	92.71%	92.88%	93.51%
Total direct school tax rate (b)	\$ 1.040	\$ 1.070	\$ 1.108	\$ 1.150	\$ 1.165	\$ 1.200	\$ 1.379	\$ 1.425	\$ 1.443	\$ 1.424

Source: Municipal tax assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
By Constituent District-Borough of Glen Gardner
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 1,363,104	\$ 1,363,104	\$ 1,363,103	\$ 1,363,103	\$ 1,363,103	\$ 1,331,803	\$ 1,239,203	\$ 1,325,403	\$ 1,241,203	\$ 1,241,203
Residential	128,664,600	128,991,800	128,763,800	129,175,200	128,684,700	128,702,700	128,632,500	129,138,100	129,097,500	129,471,200
Farm regular	2,430,300	2,430,300	2,430,300	2,430,300	2,430,300	2,430,300	2,479,000	1,965,400	1,960,900	1,960,900
Q farm	50,937	50,937	50,937	50,937	50,687	50,687	50,687	38,542	44,758	44,758
Commercial	4,920,800	4,748,000	4,869,500	4,869,500	4,869,500	4,869,500	4,869,500	4,823,300	4,823,300	4,823,300
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,212,500	1,212,500
Total assessed value	139,203,541	139,357,941	139,251,440	139,662,840	139,172,090	139,158,790	139,044,690	139,064,545	138,948,761	139,322,461
Public utilities (a)	286,934	251,474	251,474	251,474	289,166	289,166	-	-	-	-
Net valuation taxable	\$ 139,490,475	\$ 139,609,415	\$ 139,502,914	\$ 139,914,314	\$ 139,461,256	\$ 139,447,956	\$ 139,044,690	\$ 139,064,545	\$ 138,948,761	\$ 139,322,461
Estimated actual county equalized value	\$ 207,045,626	\$ 205,175,078	\$ 198,633,379	\$ 188,971,251	\$ 181,519,271	\$ 171,924,493	\$ 162,454,364	\$ 157,585,366	\$ 155,042,135	\$ 154,510,881
Percentage of net valuation to estimated actual equalized value	67.37%	68.04%	70.23%	74.04%	76.83%	81.11%	85.59%	88.25%	89.62%	90.17%
Total direct school tax rate (b)	\$ 1.060	\$ 1.100	\$ 1.087	\$ 1.115	\$ 1.176	\$ 1.192	\$ 1.220	\$ 1.212	\$ 1.266	\$ 1.327

Source: Municipal tax assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts Combined
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 5,567,604	\$ 6,342,904	\$ 6,327,863	\$ 6,521,263	\$ 6,521,263	\$ 6,223,363	\$ 8,037,603	\$ 7,321,203	\$ 7,291,703	\$ 6,391,103
Residential	450,355,800	447,988,700	448,191,300	447,685,200	446,949,000	443,077,600	397,137,900	394,649,100	396,024,300	399,530,500
Farm regular	2,645,000	2,642,100	2,642,100	2,642,100	2,430,300	2,430,300	2,479,000	2,085,150	2,080,650	2,080,650
Q farm	124,737	110,237	110,237	110,237	88,887	88,887	88,887	92,392	90,458	91,258
Commercial	89,357,300	94,565,400	95,029,050	94,853,850	94,238,800	86,116,000	80,205,200	78,468,600	78,503,400	77,241,100
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	9,034,300	12,196,000	12,196,000	12,196,000	10,843,800	10,843,800	9,900,000	9,606,500	9,613,800	11,004,100
Total assessed value	557,653,341	564,413,941	565,065,150	564,577,250	561,640,650	549,348,550	498,417,190	492,791,545	494,172,911	496,907,311
Public utilities (a)	1,299,116	1,135,630	1,004,639	1,308,038	1,439,503	1,496,855	1,207,689	-	-	-
Net valuation taxable	\$ 558,952,457	\$ 565,549,571	\$ 566,069,789	\$ 565,885,288	\$ 563,080,153	\$ 550,845,405	\$ 499,624,879	\$ 492,791,545	\$ 494,172,911	\$ 496,907,311
Estimated actual county equalized value	\$ 659,726,428	\$ 647,526,471	\$ 619,587,923	\$ 608,258,225	\$ 583,151,701	\$ 562,668,493	\$ 540,639,395	\$ 539,108,373	\$ 537,497,077	\$ 536,913,672
Percentage of net valuation to estimated actual equalized value	84.72%	87.34%	91.36%	93.03%	96.56%	97.90%	92.41%	91.41%	91.94%	92.55%
Total direct school tax rate (b)	\$ 2.100	\$ 2.170	\$ 2.195	\$ 2.265	\$ 2.341	\$ 2.392	\$ 2.599	\$ 2.637	\$ 2.709	\$ 2.751

Source: Municipal tax assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
By Constituent District-Town of Clinton
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County	
			Total Direct School Tax Rate					
2007	\$ 0.900	\$ 0.140	\$ 1.040	\$ 0.470	\$ 0.420	\$ 0.360	\$ 2.290	
2008	0.940	0.130	1.070	0.470	0.440	0.350	2.330	
2009	0.980	0.130	1.110	0.500	0.440	0.340	2.390	
2010	1.030	0.120	1.150	0.510	0.460	0.340	2.460	
2011	1.040	0.120	1.160	0.520	0.460	0.320	2.460	
2012	1.080	0.120	1.200	0.530	0.480	0.330	2.540	
2013	* 1.230	0.150	1.380	0.590	0.630	0.370	2.970	
2014	1.270	0.150	1.420	0.570	0.690	0.400	3.080	
2015	1.367	0.073	1.440	0.540	0.740	0.400	3.120	
2016	1.350	0.074	1.424	0.544	0.789	0.398	3.155	

Sources: Municipal tax collector

NOTE: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

* Revalued/Reassessed

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
By Constituent District-Borough of Glen Gardner
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2007	\$ 1.060	\$ -	\$ 1.060	\$ 0.680	\$ 0.450	\$ 0.490	\$ 2.680
2008	1.100	-	1.100	0.750	0.450	0.490	2.790
2009	1.090	-	1.090	0.790	0.460	0.490	2.830
2010	1.110	-	1.120	0.760	0.480	0.460	2.820
2011	1.180	-	1.180	0.740	0.490	0.450	2.860
2012	1.190	-	1.190	0.690	0.500	0.440	2.820
2013	1.220	-	1.220	0.690	0.530	0.420	2.860
2014	1.210	-	1.210	0.740	0.580	0.420	2.950
2015	1.240	0.030	1.270	0.650	0.620	0.420	2.960
2016	1.297	0.030	1.327	0.673	0.630	0.509	3.139

Sources: Municipal tax collector

NOTE: NJSIA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

* Revalued/Reassessed

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Principal Property Taxpayers,
By Constituent District-Town of Clinton
Current Year and Nine Years Ago

	2016			2007		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
SNG Properties LLC	\$ 4,260,000	1	1.19%	\$ -	-	-
FMCD Realty LP C/O M Lazowsky	3,900,000	2	1.09%	1,963,000	9	0.47%
Highway 22 Grocery Owners LLC	3,860,400	3	1.08%	-	-	-
Unity Bancorp Inc	3,281,500	4	0.92%	-	-	-
Goldstar Property LLC	3,257,800	5	0.91%	3,358,200	3	0.80%
Clinton Garden Associates	2,950,000	6	0.82%	2,750,000	6	0.66%
Rowland House LLC/ Clinton II	2,750,000	7	0.77%	-	-	-
Park Valley Clinton LLC	1,750,000	8	0.49%	-	-	-
Chrisellan Investors, Partnership	1,725,300	9	0.48%	2,114,200	8	0.50%
Leigh Street LLC	1,641,700	10	0.46%	-	-	-
Clinton Hotel Associates	-	-	-	7,250,000	1	1.73%
Clinton Unity Group	-	-	-	3,725,900	2	0.89%
Clinton Management Group LLC	-	-	-	2,884,900	4	0.69%
Great Atlantic & Pacific Tea Co	-	-	-	2,777,000	5	0.66%
Clinton Manor Associates	-	-	-	2,250,000	7	0.54%
Individual Property Owner	-	-	-	1,500,200	10	0.36%
	<u>\$ 29,376,700</u>		<u>8.22%</u>	<u>\$ 30,573,400</u>		<u>7.29%</u>

Source: Municipal tax assessor

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Principal Property Taxpayers,
By Constituent District-Borough of Glen Gardner
Current Year and Nine Years Ago**

	2016			2007		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Individual Property Owner	\$ 990,400	1	0.71%	\$ -	-	-
Individual Property Owner	940,100	2	0.67%	-	-	-
Eastern Concrete Materials	794,500	3	0.57%	794,500	3	0.57%
Individual Property Owner	604,900	4	0.43%	-	-	-
Individual Property Owner	595,700	5	0.43%	-	-	-
Glen Gardner Partnership	585,500	6	0.42%	765,100	4	0.55%
NEC Holdings LLC	584,000	7	0.42%	-	-	-
Individual Property Owner	535,400	8	0.38%	-	-	-
Individual Property Owner	531,600	9	0.38%	-	-	-
Terminus Occidentalis	531,200	10	0.38%	531,200	10	0.38%
Individual Property Owner	-	-	-	1,216,700	1	0.87%
Individual Property Owner	-	-	-	866,200	2	0.62%
Individual Property Owner	-	-	-	653,468	5	0.47%
Heartland Incorporated	-	-	-	584,000	6	0.42%
Individual Property Owner	-	-	-	553,300	7	0.40%
Individual Property Owner	-	-	-	542,900	8	0.39%
Individual Property Owner	-	-	-	535,400	9	0.38%
	<u>\$ 6,693,300</u>		<u>4.80%</u>	<u>\$ 7,042,768</u>		<u>5.05%</u>

Source: Municipal tax assessor

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Local Tax Levy By Constituent District
Last Six Fiscal Years

Fiscal Year Ended June 30,	Total	Town of Clinton		Borough of Glen Gardner	
		General	Debt Service	General	Debt Service
2011	\$ 6,488,801	\$ 4,418,753	\$ 509,311	\$ 1,560,737	\$ -
2012	6,581,417	4,415,494	526,121	1,639,802	-
2013	6,587,841	4,392,907	532,545	1,662,389	-
2014	6,714,064	4,478,679	537,661	1,697,724	-
2015	6,801,726	4,614,245	501,796	1,685,685	-
2016	6,844,497	4,828,040	258,100	1,718,994	39,363

Source: District records

- (a) Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Property Tax Levies and Collections
By Constituent District-Town of Clinton
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2006	\$ 9,275,600	\$ 9,045,726	97.52%
2007	9,598,684	9,401,251	97.94%
2008	9,917,195	9,686,129	97.67%
2009	10,209,913	9,926,875	97.23%
2010	10,456,542	10,188,834	97.44%
2011	10,638,767	10,040,857	94.38%
2012	10,461,890	10,193,519	97.43%
2013	10,703,566	10,453,171	97.66%
2014	10,903,891	10,726,501	98.37%
2015	11,082,578	10,866,902	98.05%

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

- (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.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Property Tax Levies and Collections
By Constituent District-Borough of Glen Gardner
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2006	\$ 3,748,187	\$ 3,627,812	96.79%
2007	3,743,444	3,664,547	97.89%
2008	3,898,996	3,847,017	98.67%
2009	3,952,336	3,861,141	97.69%
2010	3,943,892	3,865,672	98.02%
2011	3,983,013	3,912,840	98.24%
2012	3,934,219	3,861,396	98.15%
2013	3,979,459	3,935,405	98.89%
2014	4,109,027	4,047,839	98.51%
2015	4,117,833	4,068,542	98.80%

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

- (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.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	\$ 4,210,000	\$ -	\$ -	\$ -	\$ -	\$4,210,000	2.52%	\$ 1,633
2008	3,830,000	-	-	-	-	3,830,000	2.18%	1,488
2009	3,450,000	-	\$ 198,983	-	-	3,648,983	2.06%	1,423
2010	3,130,000	-	121,478	-	-	3,251,478	3.53%	1,267
2011	2,725,000	-	41,205	-	-	2,766,205	1.53%	1,018
2012	2,310,000	-	200,834	-	-	2,510,834	1.32%	930
2013	1,870,000	-	121,974	-	-	1,991,974	0.99%	742
2014	1,405,000	-	41,158	-	-	1,446,158	0.73%	540
2015	3,059,000	-	-	-	-	3,059,000	1.47%	1,146
2016	2,784,000	-	-	-	-	2,784,000	N/A	1,048

NOTES: (1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (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.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 4,210,000	\$ -	\$ 4,210,000	1.00%	\$ 1,636
2008	3,830,000	-	3,830,000	0.90%	1,488
2009	3,450,000	-	3,450,000	0.81%	1,346
2010	3,130,000	-	3,130,000	0.55%	1,628
2011	2,725,000	-	2,725,000	0.48%	620
2012	2,310,000	-	2,310,000	0.42%	529
2013	1,870,000	-	1,870,000	0.37%	430
2014	1,870,000	-	1,870,000	0.38%	431
2015	3,059,000	-	3,059,000	0.86%	708
2016	2,784,000	-	2,784,000	0.56%	N/A

NOTES: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-7 for property tax data.
Population data can be found in Exhibit J-21.

Effective for the school year 2009-2010 the School Districts of the Town of Clinton and the Borough of Glen Gardner were merged to operated as one entity. Information prior to the school year 2009-2010 is based only on the Town of Clinton

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
By Constituent District-Town of Clinton
As of December 31, 2015

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental unit			
Debt repaid with property taxes			
Municipality	\$ 3,771,286	100%	\$ 3,771,286
Regional High School	1,475,000	5.00%	73,750
County general obligation debt	62,494,492	1.83%	<u>1,143,649</u>
Subtotal, overlapping debt			4,988,685
School District direct debt			<u>3,059,000</u>
Total direct and overlapping debt			<u><u>\$ 8,047,685</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
By Constituent District-Borough of Glen Gardner
As of December 31, 2015

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental unit			
Debt repaid with property taxes			
Municipality	\$ 2,056,362	100%	\$ 2,056,362
Regional High School	1,475,000	2.00%	29,500
County general obligation debt	62,494,492	0.75%	<u>465,753</u>
Subtotal, overlapping debt			2,551,615
School district direct debt			<u>3,059,000</u>
Total direct and overlapping debt			<u><u>\$ 5,610,615</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2016

		Equalized valuation basis	
	2015	\$	536,057,893
	2014		537,000,992
	2013		537,033,971
			\$ 1,610,092,856
Average equalized valuation of taxable property		\$	536,697,619
Debt limit (3.0% of average equalization value)		(a) \$	16,100,929
Total net debt applicable to limit			2,784,000
Legal debt margin		\$	13,316,929

		Fiscal Year				
		2012	2013	2014	2015	2016
Debt limit		\$ 17,813,780	\$ 17,007,105	\$ 16,530,684	\$ 16,170,134	\$ 16,100,929
Total net debt applicable		2,310,000	1,870,000	3,509,000	3,059,000	2,784,000
Legal debt margin		\$ 15,503,780	\$ 15,137,105	\$ 13,021,684	\$ 13,111,134	\$ 13,316,929
Total net debt applicable to the limit as a percentage of debt limit		12.97%	11.00%	21.23%	18.92%	17.29%

		Fiscal Year				
		2007	2008	2009	2010	2011
Debt limit		\$ 11,327,610	\$ 12,290,248	\$ 12,832,722	\$ 18,724,350	\$ 18,243,612
Total net debt applicable		4,210,000	3,830,000	3,450,000	3,130,000	2,725,000
Legal debt margin		\$ 7,117,610	\$ 8,460,248	\$ 9,382,722	\$ 15,594,350	\$ 15,518,612
Total net debt applicable to the limit as a percentage of debt limit		37.17%	31.16%	26.88%	16.72%	14.94%

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

(a) Limit Set by NJSA 18A:24-19

Note: Effective for the school year 2009-2010 the School Districts of the Town of Clinton and the Borough of Glen Gardner were merged to operated as one entity. Information prior to the school year 2009-2010 is based only on the Town of Clinton.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Demographic and Economic Statistics
By Constituent District-Town-of-Clinton
Last Ten Fiscal Years

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2007	2,574	\$ 175,539,078	\$ 68,197	2.3%
2008	2,564	177,059,584	69,056	3.0%
2009	2,567	92,232,310	35,930	5.5%
2010	2,718	180,521,406	66,417	5.6%
2011	2,699	189,720,807	70,293	5.5%
2012	2,684	200,285,448	74,622	5.7%
2013	2,678	199,130,724	74,358	7.6%
2014	2,669	208,032,536	77,944	4.6%
2015	2,657	N/A	N/A	3.7%
2016	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by county estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Demographic and Economic Statistics
By Constituent District-Borough of Glen Gardner
Last Ten Fiscal Years

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2007	1,964	\$ 133,938,908	\$ 68,197	2.2%
2008	1,958	135,211,648	69,056	2.8%
2009	1,961	70,458,730	35,930	5.2%
2010	1,705	113,240,985	66,417	5.3%
2011	1,694	119,076,342	70,293	5.2%
2012	1,682	125,514,204	74,622	5.4%
2013	1,675	124,549,650	74,358	4.9%
2014	1,668	130,010,592	77,944	5.1%
2015	1,663	N/A	N/A	4.3%
2016	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce
- (b) Personal income has been estimated based upon the municipal population and per
- (c) Per capita personal income by county estimated based upon the 2010 census
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Principial Employers
Current Year and Nine Years Ago**

2016

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2007

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Instruction										
Regular	50.2	45.7	39.3	35.2	33.2	29.8	33.2	34.2	35.5	40.0
Special education	8.5	12.0	22.0	19.0	19.0	18.0	19.0	19.5	18.0	18.0
Support services										
Student and instruction related services	8.6	10.0	11.2	12.4	12.9	12.9	11.9	10.9	9.4	9.4
General administration	2.2	2.2	2.2	1.5	1.5	1.5	1.5	1.5	0.9	0.9
School administration services	2.0	2.0	2.5	3.3	2.3	2.3	2.3	2.3	2.5	2.5
Central services	2.3	2.3	1.8	1.9	1.9	1.9	1.8	1.8	2.0	2.0
Plant operations and maintenance	-	-	-	0.9	-	-	-	5.0	4.6	4.6
Total	<u>73.8</u>	<u>74.2</u>	<u>79.0</u>	<u>74.2</u>	<u>70.8</u>	<u>66.4</u>	<u>69.7</u>	<u>75.2</u>	<u>72.9</u>	<u>77.4</u>

Source: District personnel records

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	555	\$ 7,086,577	\$ 12,769	5.75%	47	1 to 11.81	555.8	532.3	1.53%	95.77%
2008	542	7,483,789	13,808	8.14%	47	1 to 11.61	542.2	518.6	-2.45%	95.65%
2009	532	7,571,004	14,231	3.07%	49	1 to 10.80	533.6	511.0	-1.59%	95.76%
2010	517	8,176,702	15,816	11.13%	44	1 to 11.80	521.4	498.6	-2.29%	95.63%
2011	507	7,686,656	15,161	-4.14%	42	1 to 12.06	508.9	484.2	-2.40%	95.15%
2012	496	7,735,726	15,596	2.87%	42	1 to 11.75	492.1	472.7	-3.30%	96.06%
2013	477	8,316,845	17,436	11.79%	43	1 to 11.25	477.1	457.4	-3.05%	95.87%
2014	478	8,022,977	16,784	-3.74%	43	1 to 11.12	475.4	455.5	-0.36%	95.81%
2015	480	8,230,203	17,146	2.16%	44	1 to 11.00	483.9	464.5	1.80%	95.98%
2016	460	8,953,494	19,464	13.52%	46	1 to 11.10	455.8	436.8	-5.81%	95.83%

Source: District records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary (1923)										
Square feet	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668
Capacity (students)	605	605	605	605	605	605	605	605	605	605
Enrollment	555	542	532	517	507	496	477	478	480	456

Number of schools at June 30, 2016

 Elementary 1

Source: District facilities office

N/A = Not available

NOTE: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October District count.

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Amount</u>	<u>Total</u>
2007	\$ 87,825	\$ 87,825
2008	61,246	61,246
2009	66,116	66,116
2010	75,229	75,229
2011	45,886	45,886
2012	144,525	144,525
2013	153,784	153,784
2014	160,104	160,104
2015	149,592	149,592
2016	152,020	152,020
	<hr/>	<hr/>
Total school facilities	<u>\$ 1,096,327</u>	<u>\$ 1,096,327</u>

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

Source: District records

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School commercial package policy - NJ School Boards Assoc.		
Insurance group		
Property - Building blanket and contents (fund limit)	\$ 400,000,000	\$ 5,000
General liability	16,000,000	-
Workmen's compensation	2,000,000	-
School Board legal liability	16,000,000	5,000
Crime/Dishonesty	1,000,000	1,000
Student Accident - Bollinger Insurance Co.		
Student accident policy	5,000,000	-
Catastrophe - Fireman's fund	50,000,000	-
Public employees' faithful performance - Selective insurance		
Treasurer	180,000	-
School Board Secretary	175,000	-

Source: District records

See independent auditors' report.



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

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

Honorable President and
Members of the Board of Education
Clinton-Glen Gardner School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, and the aggregate remaining fund information of the Clinton-Glen Gardner School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2016.

Internal Control over Financial Reporting

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

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

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


Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


William M. Colantano, Jr.
Public School Accountant
No. CS 0128

November 15, 2016
Flemington, New Jersey



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey
OMB Circular Letter 15-08**

Honorable President and
Members of the Board of Education
Clinton-Glen Gardner School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal Program and State Program

We have audited the Clinton-Glen Gardner School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2016. Clinton-Glen Gardner School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and New Jersey programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Programs

In our opinion, the Clinton-Glen Gardner School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and New Jersey programs for the year ended June 30, 2016.

Report on Internal Control over Compliance


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

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

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

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

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


William M. Colantano, Jr.
Public School Accountant
No. CS 0128

November 15, 2016
Flemington, New Jersey

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/15	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2016					
	CFDA Number				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor			
U.S. Department of Education passed through State Department of Education																		
Special Revenue Fund																		
NCLB Title I A	84.010A	S010S150030	NCLB-0910-15	\$ 27,454	07/01/14	06/30/15	\$ (15,094)	\$ -	\$ 15,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
NCLB Title I A	84.010A	S010S150030	NCLB-0910-16	28,350	07/01/15	06/30/16	-	-	28,350	28,350	-	-	-	-	-			
NCLB Title II A	84.367A	S367A150029	NCLB-0910-15	9,663	07/01/14	06/30/15	(2,670)	-	2,670	-	-	-	-	-	-			
NCLB Title II A	84.367A	S367A150029	NCLB-0910-16	9,565	07/01/15	06/30/16	-	-	9,565	9,565	-	-	-	-	-			
IDEA basic	84.027	H027A150100	IDEA-0910-15	122,709	07/01/14	06/30/15	(32,430)	-	32,430	-	-	-	-	-	-			
IDEA basic	84.027	H027A150100	IDEA-0910-16	127,288	07/01/15	06/30/16	-	-	127,288	127,288	-	-	-	-	-			
IDEA preschool	84.173	H173S150114	IDEA-0910-15	5,317	07/01/14	06/30/15	(5,317)	-	5,317	-	-	-	-	-	-			
IDEA preschool	84.173	H173S150114	IDEA-0910-16	5,440	07/01/15	06/30/16	-	-	5,440	5,440	-	-	-	-	-			
Total Special Revenue fund							<u>(55,511)</u>	<u>-</u>	<u>226,154</u>	<u>170,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
U.S. Department of Agriculture passed through State Department of Agriculture																		
Enterprise fund																		
Child Nutrition Center																		
National School Lunch Program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	8,677	07/01/14	06/30/15	1,001	-	-	1,001	-	-	-	-	-			
National School Lunch Program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	13,242	07/01/15	06/30/16	-	-	13,242	11,603	-	-	-	1,639	-			
National School Lunch Program cash assistance	10.555	16161NJ304N1099	N/A	28,383	07/01/14	06/30/15	(3,088)	-	3,088	-	-	-	-	-	-			
National School Lunch Program cash assistance	10.555	16161NJ304N1099	N/A	32,159	07/01/15	06/30/16	-	-	29,162	32,159	-	-	(2,997)	-	-			
Total Enterprise fund							<u>(2,087)</u>	<u>-</u>	<u>45,492</u>	<u>44,763</u>	<u>-</u>	<u>-</u>	<u>(2,997)</u>	<u>1,639</u>	<u>-</u>			
Total Federal financial assistance							<u>\$ (57,598)</u>	<u>\$ -</u>	<u>\$ 271,646</u>	<u>\$ 215,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,997)</u>	<u>\$ 1,639</u>	<u>\$ -</u>			

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments/Repayments	Balance June 30, 2016			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General fund														
Special Education Categorical Aid	16-495-034-5120-089	\$ 230,446	07/01/15	06/30/16	\$ -	\$ -	\$ 207,422	\$ 230,446	\$ -	\$ -	\$ -	\$ -	\$ (23,024)	\$ 230,446
Equalization Aid	16-495-034-5120-078	613,561	07/01/15	06/30/16	-	-	552,259	613,561	-	-	-	-	(61,302)	613,561
Security Aid	16-495-034-5120-084	26,469	07/01/15	06/30/16	-	-	23,825	26,469	-	-	-	-	(2,644)	26,469
Adjustment Aid	16-495-034-5120-085	292,658	07/01/15	06/30/16	-	-	263,418	292,658	-	-	-	-	(29,240)	292,658
Transportation Aid	16-495-034-5120-014	25,514	07/01/15	06/30/16	-	-	22,965	25,514	-	-	-	-	(2,549)	25,514
PARCC Readiness Aid	16-495-034-5120-098	4,620	07/01/15	06/30/16	-	-	4,158	4,620	-	-	-	-	(462)	4,620
Per Pupil Growth Aid	16-495-034-5120-097	4,620	07/01/15	06/30/16	-	-	4,158	4,620	-	-	-	-	(462)	4,620
School Choice Aid	16-495-034-5120-068	26,394	07/01/15	06/30/16	-	-	23,757	26,394	-	-	-	-	(2,637)	26,394
Extraordinary Aid	16-100-034-5120-473	104,383	07/01/15	06/30/16	-	-	-	104,383	-	(104,383)	-	-	-	104,383
Extraordinary Aid	15-100-034-5120-473	18,917	07/01/14	06/30/15	(18,917)	-	18,917	-	-	-	-	-	-	18,917
Non-public Transportation Aid	16-495-034-5120-014	2,520	07/01/15	06/30/16	-	-	-	2,520	-	(2,520)	-	-	-	2,520
Non-public Transportation Aid	15-495-034-5120-014	2,317	07/01/14	06/30/15	(2,317)	-	2,317	-	-	-	-	-	-	2,317
On behalf TPAF pension contribution - Teachers' Pension & Annuity fund	16-495-034-5094-002	265,487	07/01/15	06/30/16	-	-	265,487	265,487	-	-	-	-	-	265,487
On behalf TPAF pension contribution - Non-contributory insurance	16-495-034-5094-004	13,225	07/01/15	06/30/16	-	-	13,225	13,225	-	-	-	-	-	13,225
On behalf TPAF pension contribution - Post retirement medical	16-495-034-5094-001	331,869	07/01/15	06/30/16	-	-	331,869	331,869	-	-	-	-	-	331,869
Reimbursed TPAF Social Security contribution	16-495-034-5094-003	288,777	07/01/15	06/30/16	-	-	288,777	288,777	-	-	-	-	-	288,777
Reimbursed TPAF Social Security contribution	15-495-034-5094-003	345,230	07/01/14	06/30/15	(13,089)	-	13,089	-	-	-	-	-	-	345,230
Total General fund					<u>(34,323)</u>	<u>-</u>	<u>2,035,643</u>	<u>2,230,543</u>	<u>-</u>	<u>(106,903)</u>	<u>-</u>	<u>-</u>	<u>(122,320)</u>	<u>2,597,007</u>
State Department of Education														
Debt Service fund														
Debt Service Aid - State support	16-495-034-5120-017	75,019	07/01/15	06/30/16	-	-	75,019	75,019	-	-	-	-	-	75,019
Total Debt Service fund					<u>-</u>	<u>-</u>	<u>75,019</u>	<u>75,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,019</u>
State Department of Agriculture														
Enterprise fund														
State School Lunch program	16-100-010-3350-023	1,305	07/01/15	06/30/16	-	-	1,170	1,305	-	(135)	-	-	-	1,305
State School Lunch program	15-100-010-3350-023	1,348	07/01/14	06/30/15	(190)	-	190	-	-	-	-	-	-	1,348
Total Enterprise fund					<u>(190)</u>	<u>-</u>	<u>1,360</u>	<u>1,305</u>	<u>-</u>	<u>(135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,653</u>
Total State financial assistance					<u>\$ (34,513)</u>	<u>\$ -</u>	<u>\$ 2,112,022</u>	<u>2,306,867</u>	<u>\$ -</u>	<u>\$ (107,038)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(122,320)</u>	<u>\$ 2,674,679</u>
Less: On behalf TPAF Pension System contributions								<u>(610,581)</u>						
Total for State financial assistance - major program determination								<u>\$ 1,696,286</u>						

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

Note 1 - General

The accompanying Schedules of Financial Assistance present the activity of all Federal and State financial assistance programs of the Board of Education, Clinton-Glen Gardner School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from Federal agencies, as well as federal financial assistance passed through other government agencies, is included on the Schedule of Federal Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

Note 3 - Relationship of financial statements

The financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules 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 state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,361 for the General Fund and \$0 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ -	\$ 2,235,904	\$ 2,235,904
Special Revenue Fund	170,643	-	170,643
Food Service Fund	40,910	1,305	42,215
	\$ 211,553	\$ 2,237,209	\$ 2,448,762

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

- Note 4 - Relationship to Federal and State financial reports
Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.
- Note 5 - Other
Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

- Note 4 - Relationship to Federal and State financial reports
Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.
- Note 5 - Other
Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report issued	<u>Unmodified</u>
Internal Control Over Financial Reporting:	
1. Were material weakness(es) identified?	_____ Yes <u>X</u> No
2. Were reportable conditions identified that are not considered to be material weaknesses?	_____ Yes <u>X</u> No
Noncompliance material to General - Were purpose financial statements noted?	_____ Yes <u>X</u> No

Federal Awards

Internal Control Over Major Programs:	<u>Not Applicable</u>
1. Were material weakness(es) identified?	_____ Yes _____ No
2. Were reportable conditions identified that are not considered to be material weaknesses?	_____ Yes _____ No
What was the type of Auditor's Report Issued on Compliance for Major Programs?	_____
Were any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes _____ No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? _____

Did the auditee qualify as a low-risk auditee? _____ Yes _____ No

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

What was the type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were reportable conditions identified that are not considered to be material weaknesses? Yes X No

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
<u>16-495-034-5120-078</u>	<u>\$ 613,561</u>	<u>Equalization Aid</u>
<u>16-495-034-5094-003</u>	<u>288,777</u>	<u>Social Security Aid</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2016.

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

There were no findings or questioned costs for the year ended June 30, 2016.

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CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.