

CLEMENTON SCHOOL DISTRICT



**CLEMENTON BOARD OF EDUCATION
CAMDEN COUNTY, NEW JERSEY**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

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INTRODUCTORY SECTION

Clementon School District

CLEMENTON BOARD OF EDUCATION
4 Audubon Avenue
Clementon, New Jersey 08021-4499

Telephone: (856) 783-2300
Fax: (856) 783-8929

CLEMENTON ELEMENTARY SCHOOL
4 Audubon Avenue
Clementon, New Jersey 08021-4499

Telephone: (856) 783-2300
Fax: (856) 783-8929

November 29, 2017

Honorable President and
Members of the Board of Education
Clementon School District
County of Camden, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Clementon School District ("District") for the fiscal year ended June 30, 2017, 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 operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo a Single Audit in conformity with the provisions of the State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

BOARD OF EDUCATION

1. REPORTING ENTITY AND ITS SERVICES: Clementon School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Clementon Board of Education and its school constitute the District's reporting entity.

The District provided educational services for grades Pre-Kindergarten through grade 8 in our building. Through a send/receive relationship with the Pine Hill School District, we provide programs for our students in grades 9-12, including Special Education. The District completed the 2016-2017 fiscal year with an average enrollment of 446 students. The following details the changes in the student enrollment of the District over the last twelve (12) years.

AVERAGE DISTRICT ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2016-2017	446	-18	4.2
2015-2016	465	36	8.6
2014-2015	428	-26	5.0
2013-2014	454	2	.01
2012-2013	452	-4	.01
2011-2012	456	-22	.05
2010-2011	478	-18	.04
2009-2010	496	-23	.05
2008-2009	519	6	0.1
2007-2008	513	-20	2.2
2006-2007	533	- 45	1.1
2005-2006	578	- 34	.06

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Clementon is considered to be small in size with an area of only two square miles. The Borough comprised approximately 1280 acres and is estimated to be 90% developed with 85% of the developed area being residential, 10% commercial and 5% industrial.

The history of the Borough of Clementon centers on its six lakes. In the early 1900's it was a favorite spot for summer vacationers with a bustling downtown area and its famed amusement park, Clementon Lake Park. Today, however, many of the stores and businesses have left the Borough in favor of shopping malls and large commercial office buildings. This has resulted in the majority of the land becoming residential. Population estimates of the Borough and the 2000 census reveal a decrease in the number of residents in recent years. Estimates of July 1, 1998 place the population at 5,399, while the 2000 census shows 4,850, a decrease of 10.1%. Borough officials cite the possibility of an inaccurate accounting from apartment residents as a cause for the decrease. An indication of this can be seen in the increase of students enrolled at Clementon School District. The average District enrollment has increased due to the dissolution of the Lower Camden County Regional School District Number One.

2. **ECONOMIC CONDITION AND OUTLOOK (CONT'D):** Clementon now educates students through high school, entering into a send/receive relationship with the Pine Hill School District for our 9th through 12th graders. Our enrollment of Pre-K - 8th grade students has decreased by 18 for the 2016-2017 school year. Clementon students enrolled at Overbrook High School in Pine Hill number 120. Clementon students enrolled at Camden County Vocational School number 52.

3. **MAJOR INITIATIVES:** The District is utilizing the Marzano Teacher Evaluation System and is following the requirements of ACHIEVE NJ. In addition, the District has implemented Student Growth Objectives (SGOs) that get linked to the teacher's overall summative evaluation. Some of the programs we use for assessing students include IRLA, NJ State Benchmarks, STAR, and Study Island. These programs allow teachers to identify students that need remediation with academic skills. All of these programs are aligned with the state standards.

4. **INTERNAL ACCOUNTING 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 statements in conformity with generally accepted accounting principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized 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 these 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 accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance account 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 an assignment of fund balance at June 30, 2017.

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

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. 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 Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit section of the report.

10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Clementon Board of Education for their concern in providing fiscal accountability to the citizens and taxpayer of the school district and thereby contributing full support to the development and maintenance of our financial operation.

Respectfully submitted,

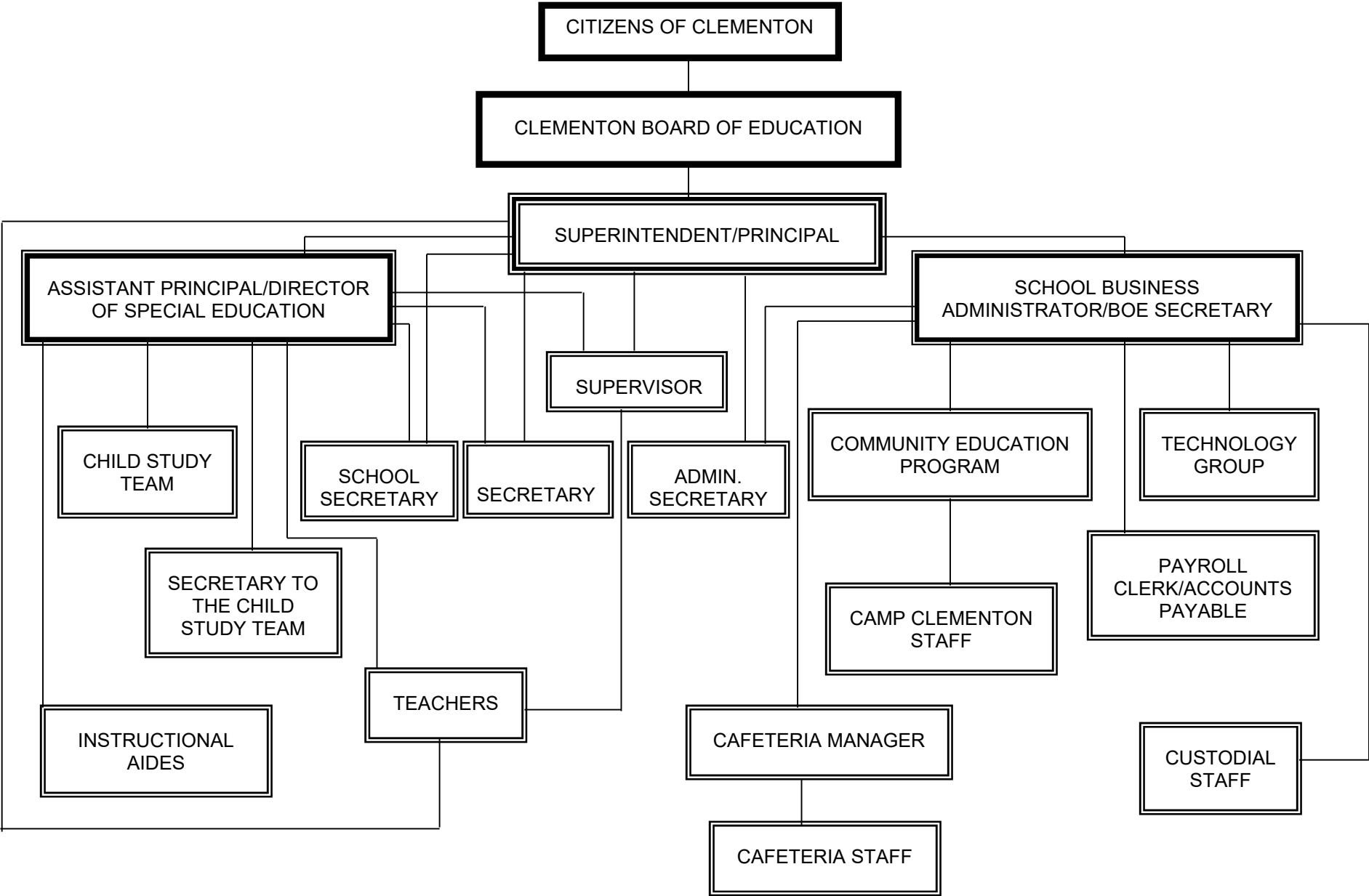


Kathleen Haines
Superintendent



Joanne E. Clement
School Business Administrator /
Board Secretary

**CLEMENTON BOARD OF EDUCATION
Organizational Chart**



**CLEMENTON SCHOOL DISTRICT
CLEMENTON, NJ**

Roster of Officials

June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ellen Suckle, President	2019
Randall Freiling, Vice President	2017
Danielle Aubry	2020
Katherine Anderson	2017
William Dilworth	2017
Christopher McKelvey	2019
Christy Weaver	2019
Amanda McCourt	2020
William Weyland	2017

Other Officials

Mary Bakey, Treasurer of School Moneys

Kathleen Haines, Superintendent of Schools

Joanne Clement, School Business Administrator / Board Secretary

Frank Cavallo, Jr., Esq., Attorney

**CLEMENTON SCHOOL DISTRICT
CLEMENTON, NJ**

Consultants and Advisors

June 30, 2017

Auditor

L. Jarred Corn, CPA, RMA, PSA
Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043-2493

Attorney

Frank Cavallo, Jr., Esq.
Greentree Center, Suite 401
Route 73 & Greentree Road
Marlton, New Jersey 08053

Official Depository

TD Bank, N.A.
1701 Route 70 Ease
Cherry Hill, New Jersey 08034

Medical

Family Medicine Association
979 N. Black Horse Pike
Williamstown, New Jersey 08094

Insurance Broker

Brown & Brown Consulting Group
24 Arnett Avenue
Lambertville, New Jersey 08530

Burlington County Joint Insurance Pool
6000 Sagemore Drive, Suite 6203
P.O. Box 489
Marlton, New Jersey 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Clementon School District
Clementon, New Jersey 08021

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 Clementon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clementon School District, in the County of Camden, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's 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 Clementon School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2017 on our consideration of the Clementon School 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 Clementon School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
November 29, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Clementon School District
Clementon, New Jersey 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clementon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clementon 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clementon School 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 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 Clementon School 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 Division of Administration and 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 Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

L. Jarred Corn

L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
November 29, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

As management of the Clementon School District (hereafter referred to as the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal years ended June 30, 2017 and 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 information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The net position of the School District, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, totaled \$6,345,318.83 at the close of the current fiscal year. Of this amount, \$6,097,571.69 represents net position of governmental activities and \$247,747.14 for business-type activities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$4,082,051.77, an increase of \$1,232,886.06, or forty-three percent (43%), in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$300,499.10, which represents an eight percent (8%) increase from that of the prior fiscal year. Maintaining fund balance is vital for the School District's cash flow. Additional information as to the cause of this unassigned deficit fund balance can be found in note 16 to the financial statements.
- The School District's total bonded debt decreased by \$432,000.00 as a result of budgeted debt payments.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This comprehensive annual financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds.

Reporting the School District as a Whole

One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)

Reporting the School District as a Whole (Cont'd)

These two statements report the School District's net position and changes in it. You can think of the School District's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School District's property tax base and the condition of the School District's capital assets, to assess the overall health of the School District.

In the statement of net position and the statement of activities, we divide the School District into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where all of the School District's basic services are reported and are supported from property taxes and intergovernmental revenues. The business-type activities of the School District include a food service program and a Camp Clementon Community Education program and are supported from user fees and charges.

Reporting the School District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund, which are all considered to be major funds.

The School District adopts an annual budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Proprietary Funds - The School District maintains one type of proprietary fund; that being an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses an enterprise fund to account for its food service and Camp Clementon Community Education programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service and Camp Clementon Community Education school programs, which are all considered to be major funds.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)

Reporting the School District's Most Significant Funds (Cont'd)

Fiduciary Funds - fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

THE SCHOOL DISTRICT AS A WHOLE

During fiscal year 2017, the School District's net position increased by \$1,579,115.13, increasing from \$4,766,203.70 in fiscal year 2016 to \$6,345,318.83 in fiscal year 2017. Our analysis that follows focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental-type activities and business-type activities.

TABLE 1 NET POSITION								
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2017	2016	2017	2016	2017	2016	Change	% Change
Current and Other Assets	\$ 4,485,377.23	\$ 3,094,369.59	\$ 209,360.64	\$ 168,239.80	\$ 4,694,737.87	\$ 3,262,609.39	\$ 1,432,128.48	43.9%
Capital Assets	4,262,918.06	4,339,225.30	42,580.00	39,957.00	4,305,498.06	4,379,182.30	(73,684.24)	-1.7%
Total Assets	8,748,295.29	7,433,594.89	251,940.64	208,196.80	9,000,235.93	7,641,791.69	1,358,444.24	17.8%
Deferred Outflows of Resources	585,971.85	315,231.98	-	-	585,971.85	315,231.98	270,739.87	85.9%
Other Liabilities	458,342.60	306,190.02	4,193.50	5,342.68	462,536.10	311,532.70	151,003.40	48.5%
Long-Term Liabilities Outstanding	2,576,279.85	2,739,653.27	-	-	2,576,279.85	2,739,653.27	(163,373.42)	-6.0%
Total Liabilities	3,034,622.45	3,045,843.29	4,193.50	5,342.68	3,038,815.95	3,051,185.97	(12,370.02)	-0.4%
Deferred Inflows of Resources	202,073.00	139,634.00	-	-	202,073.00	139,634.00	62,439.00	44.7%
Net Investment in Capital Assets	3,824,343.91	3,482,552.28	42,580.00	39,957.00	3,866,923.91	3,522,509.28	344,414.63	9.8%
Restricted	3,427,861.70	2,871,048.01	-	-	3,427,861.70	2,871,048.01	556,813.69	19.4%
Unrestricted (Deficit)	(1,154,633.92)	(1,790,250.71)	205,167.14	162,897.12	(949,466.78)	(1,627,353.59)	677,886.81	41.7%
Net Position	\$ 6,097,571.69	\$ 4,563,349.58	\$ 247,747.14	\$ 202,854.12	\$ 6,345,318.83	\$ 4,766,203.70	\$ 1,579,115.13	33.1%

In total, assets increased by \$1,358,444.24, deferred outflows of resources increased by \$270,739.87, liabilities increased by \$52,099.76, and deferred inflows of resources increased by \$62,439.00. The increase in assets was primarily attributable to two factors. The first is an increase of \$549,519.10 of cash on hand at fiscal year-end. The second is an increase in accounts receivable due from the fiduciary fund for \$838,786.32. The net increase in deferred outflows of resources and the increase in deferred inflows of resources were primarily attributable to the changes in the School District's pension liabilities (see note 7 to the financial statements). The net increase in liabilities was primarily attributable to the change in the bond payable (see note 6 to the financial statements).

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

The largest portion, sixty-one percent (61%), or \$3,866,923.91, of the School District's total net position at the end of the current fiscal year reflects its net investment in capital assets (i.e., land, buildings, equipment). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional component of the School District's net position, approximately fifty-four percent (54%), or \$3,427,861.70, represents resources that are restricted. These amounts consist of amounts restricted for debt service, tuition, emergencies, maintenance, excess surplus, and capital projects. Additional information on the School District's restricted net position can be found in note 17 in the notes to the financial statements.

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position. At the end of the current fiscal year, the School District's unrestricted net position was in a deficit in the amount of \$949,466.78. The deficit is primarily due to the delay of the June state aid payments and the recording of long-term liabilities for early retirement incentive, compensated absences, and net pension liability. Such long-term liabilities are funded by the School District on a pay-as-you-go basis. See note 6 in the notes to the financial statements for further detail regarding long-term liabilities.

The following table illustrates the changes in net position of the School District's governmental-type activities and business-type activities.

	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2017	2016	2017	2016	2017	2016	Change	% Change
REVENUES:								
Program Revenues:								
Charges for Services	\$ 164,803.78	\$ 129,958.73	\$ 176,640.23	\$ 158,871.36	\$ 341,444.01	\$ 288,830.09	\$ 52,613.92	18.2%
Operating Grants and Contributions	3,067,622.78	2,371,018.47	179,632.78	181,049.17	3,247,255.56	2,552,067.64	695,187.92	27.2%
General Revenues:								
Property Taxes:								
Levied for General Purposes	4,159,197.03	4,118,079.04			4,159,197.03	4,118,079.04	41,117.99	1.0%
Levied for Debt Service	446,537.01	432,389.00			446,537.01	432,389.00	14,148.01	3.3%
Federal and State Aid - Unrestricted	6,497,913.76	6,450,408.88			6,497,913.76	6,450,408.88	47,504.88	0.7%
Interest and Investment Earnings - Unrestricted	6,276.89				6,276.89	-	6,276.89	100.0%
Miscellaneous	955,244.75	230,609.99			955,244.75	230,609.99	724,634.76	314.2%
Total Revenues	15,297,596.00	13,732,464.11	356,273.01	339,920.53	15,653,869.01	14,072,384.64	1,581,484.37	11.2%
EXPENSES:								
Instruction	3,784,841.79	3,688,028.15			3,784,841.79	3,688,028.15	96,813.64	2.6%
Support Services	9,755,478.26	9,175,716.12			9,755,478.26	9,175,716.12	579,762.14	6.3%
Transfer of Funds to Charter School	165,573.00	51,507.00			165,573.00	51,507.00	114,066.00	221.5%
Interest on Long-Term Debt	26,656.13	33,659.89			26,656.13	33,659.89	(7,003.76)	-20.8%
Unallocated Depreciation	30,225.71	33,210.28			30,225.71	33,210.28	(2,984.57)	-9.0%
Loss on Disposal of Capital Assets	599.00				599.00		599.00	100.0%
Food Service			243,719.71	234,792.20	243,719.71	234,792.20	8,927.51	3.8%
Camp Clementon Community Education			67,660.28	67,410.28	67,660.28	67,410.28	250.00	0.4%
Total Expenses	13,763,373.89	12,982,121.44	311,379.99	302,202.48	14,074,753.88	13,284,323.92	790,429.96	6.0%
Change in Net Position	1,534,222.11	750,342.67	44,893.02	37,718.05	1,579,115.13	788,060.72	\$ 791,054.41	100.4%
Net Position, July 1	4,563,349.58	3,813,006.91	202,854.12	165,136.07	4,766,203.70	3,978,142.98		
Net Position, June 30	<u>\$ 6,097,571.69</u>	<u>\$ 4,563,349.58</u>	<u>\$ 247,747.14</u>	<u>\$ 202,854.12</u>	<u>\$ 6,345,318.83</u>	<u>\$ 4,766,203.70</u>		

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

During fiscal year 2017, the School District's total revenues increased by \$1,581,484.37, increasing from \$14,072,384.64 in fiscal year 2016 to \$15,653,869.01 in fiscal year 2017. The net change in total revenues is largely attributable to the following:

- operating grants and contributions increased from fiscal year 2016 by \$695,187.92, or 27.2%
- charges for services increased from fiscal year 2016 by \$52,613.92, or 18.2%
- miscellaneous revenue increased from fiscal year 2016 by \$724,634.76, or 314.2%, as a result of a distribution from an estate for the School District in the amount of \$840,442.68

Property taxes constituted approximately twenty-nine percent (29%) of total revenues for the School District for the fiscal year 2017. In addition, unrestricted federal and state aid constituted approximately forty-two percent (42%) of total revenues for the School District. Lastly, charges for services, operating grants and contributions, interest and investment earnings, and miscellaneous income constituted approximately twenty-nine percent (29%) of total revenues for the School District.

During fiscal year 2017, the School District's total expenses increased by \$790,429.96, increasing from \$13,284,323.92 in fiscal year 2016 to \$14,074,753.88 in fiscal year 2017. The net increase is largely attributable to the following:

- an increase of costs for support services in the amount of \$579,762.14, or 6.3%, attributable to increased cost of employee benefits
- an increase of costs for transfer of funds to charter school in the amount of \$114,066.00, or 221.5% attributable to an increase of eight students being sent to a charter school in fiscal year 2017
- an increase of costs for instruction in the amount of \$96,813.64, or 2.6%, attributable to the fact that the School District had two additional teachers for grades 1-5 in fiscal year 2017

THE SCHOOL DISTRICT'S FUNDS

Governmental Funds

As the School District completed the fiscal year, its governmental funds reported a combined fund balance of \$4,082,051.77, which is an increase over last fiscal year's total of \$2,849,165.71. Of the combined ending fund balances of \$4,082,051.77, the deficit unassigned fund balance was \$300,499.10 (see note 16 for cause of deficit). The remainder of fund balance is restricted / assigned to indicate that it is not available for new spending because it has already been assigned as follows: (1) restricted for capital reserve (\$1,298,321.79), (2) restricted for tuition reserves (\$400,000.00), (3) restricted for emergency reserve (\$200,000.00), (4) restricted for maintenance reserve (\$125,000.00), (5) restricted for excess surplus (\$1,404,539.40), (6) restricted for debt service (\$.51), (7) committed fund balance (\$836,442.68), (8) assigned to liquidate contracts and purchase orders of the prior period (\$17,148.65), and (9) assigned to the fiscal year 2018 budget for subsequent year's expenditures (\$102,928.82).

General fund - The general fund is the general operating fund of the School District and is used to account for the inflows and outflows of financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was in a deficit in the amount of \$300,499.10. As previously stated, the deficit is primarily due to the delay of the June state aid payments (see note 16 to the financial statements).

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General fund (Cont'd) - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,225,099.73, or forty-three percent (43%). The primary factor affecting the fund balance of the general fund is as follows:

- tuition expenditures decreased from fiscal year 2016 by \$337,541.40, or 10%
- unrestricted miscellaneous revenues increased from fiscal year 2016 by \$730,911.65, or 317% due to the acceptance of one donation for an amount of \$840,442.68

Special revenue fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. At the end of the current fiscal year, unassigned fund balance of the special revenue fund was in a deficit in the amount of \$1,830.98. The primary factor affecting the fund balance of the special revenue fund is the delay of the June state aid payments for the preschool education aid (see note 16 to the financial statements).

Debt service fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. For the current fiscal year, the School District expended \$432,000.00 and \$14,537.00 representing the payment of bond principal and interest, respectively. At the end of the current fiscal year, restricted fund balance of the debt service fund was \$.51.

Proprietary Funds (Enterprise Funds)

Food service fund - as the School District completed the fiscal year, the School District's total net position of the food service fund was \$96,442.15, which was comprised of \$42,580.00 of net investment in capital assets and \$53,862.15 of unrestricted net position.

During the current fiscal year, the net position of the School District's food service fund decreased by \$6,119.49, or six percent (6%). The decrease in net position primarily resulted from the decrease in federal and state sources of revenues for the school breakfast and lunch program when compared to fiscal year 2016.

Camp Clementon Community Education Fund - as the School District completed the fiscal year, the School District's total net position of the Camp Clementon Community Education Fund was unrestricted in the amount of \$151,304.99.

During the current fiscal year, the net position of the School District's Camp Clementon Community Education Fund increased by \$51,012.51. The factors contributing to the increase in net position of the Camp Clementon Community Education Fund resulted in an increase in tuition revenue.

General Fund Budgetary Highlights

The School District did not have any budget modifications during the fiscal year ended June 30, 2017.

The final budgetary basis revenue estimate was \$10,639,397.00, which remained unchanged from the original budgeted estimate. Total budgeted revenues realized equaled \$12,645,231.47, which was \$2,005,834.47 in excess of the budget estimate, thus replenishing fund balance. This excess was directly attributable to the School District's reimbursed T.P.A.F. pension contributions and reimbursed T.P.A.F. social security contributions, which totaled \$624,536.00 and \$251,830.86, respectively. The unrestricted miscellaneous revenue realized was \$916,521.64 more than anticipated largely due to the aforementioned estate distribution. In addition, the tuition revenue realized was \$164,803.78 more than anticipated.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS (CONT'D)

General Fund Budgetary Highlights (Cont'd)

The final budgetary basis expenditure appropriation estimate was \$11,638,064.24, which remained unchanged from the original budgeted estimate. Actual expenditures incurred of \$11,434,703.34 were under the final budget estimate by \$203,360.90. This favorable variance resulted primarily because the amount estimated for capital outlay expenditures was in excess of the amount of expenditures incurred.

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$687,293.67, which remained unchanged from the original budgeted estimate. Likewise, this was the same for the final budgetary basis appropriation estimate.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to a historical cost of \$10,602,258.06, or \$4,262,918.06 net of accumulated depreciation (see Table 3). This net investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment. Net capital assets decreased by \$73,684.24 in fiscal year 2017 from fiscal year 2016. The primary factors affecting the net change in net capital assets are as follows:

- current year depreciation expense was \$311,087.00
- capital asset additions in the amount of \$238,001.76

TABLE 3 CAPITAL ASSETS AT FISCAL YEAR END (NET OF ACCUMULATED DEPRECIATION)						
	Governmental Activities		Business-Type Activities		Government-wide Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 178,131.00	\$ 178,131.00			\$ 178,131.00	\$ 178,131.00
Construction in Progress	33,269.76	52,749.30			33,269.76	52,749.30
Land Improvements	59,589.30	63,082.00			59,589.30	63,082.00
Buildings and Building Improvements	3,884,541.00	4,022,661.00			3,884,541.00	4,022,661.00
Machinery and Equipment	107,387.00	22,602.00	\$ 42,580.00	\$ 39,957.00	149,967.00	62,559.00
Total	\$ 4,262,918.06	\$ 4,339,225.30	\$ 42,580.00	\$ 39,957.00	\$ 4,305,498.06	\$ 4,379,182.30

Additional information on the School District's capital assets can be found in note 5 to the financial statements.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

Debt

General Serial Bonds. At the end of the current fiscal year, the School District had total bonded debt outstanding of \$449,000.00 from the School District Bonds, Series 2013. The fiscal year 2017 adopted budget had an appropriation of \$432,000.00 representing the payment of the annual principal (refer to audit exhibit I-1, schedule of serial bonds, for more detail).

Early Retirement Incentive. At the end of the current fiscal year, the liability for the early retirement incentive was \$118,029.00. This amount represents the School District's accrued liability for its proportionate share of the "Regional High School Early Retirement Incentive Program". Additional information on the School District's liability can be found in note 6 to the financial statements.

Net Pension Liability. At the end of the current fiscal year, the liability for pension was \$1,912,009.00. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid on an annual basis. For additional details on the net pension liability, see note 7 to the financial statements.

Compensated Absences. At the end of the current fiscal year, the liability for compensated absences was \$97,241.85. Compensated absences are those absences for which employees will be paid, such as sick leave. Additional information on compensated absences can be found in note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year 2017, the School District was able to sustain its budget through property taxes, federal and state sources, and other various revenue sources. Approximately thirty-four percent (34%) of total revenue is from property taxes, while sixty-six percent (66%) of the School District's revenue is from federal, state, and local sources. The fiscal year 2018 budget was approved on April 25, 2017 by the Board.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Clementon School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joanne Clement, School Business Administrator / Board Secretary, at the Clementon School District, 4 Audubon Avenue, Clementon, New Jersey 08012, or email at clemboe@clementon.k12.nj.us.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CLEMENTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,316,368.90	\$ 203,562.03	\$ 2,519,930.93
Internal Balances	4,553.21	(4,553.21)	
Accounts Receivable, net	1,066,133.33	6,432.83	1,072,566.16
Inventory		3,918.99	3,918.99
Restricted Assets:			
Cash and Cash Equivalents	1,098,321.79		1,098,321.79
Capital Assets, net	4,262,918.06	42,580.00	4,305,498.06
Total Assets	8,748,295.29	251,940.64	9,000,235.93
DEFERRED OUTFLOWS OF RESOURCES:			
Loss on Refunding of Debt	10,425.85		10,425.85
Related to Pensions	575,546.00		575,546.00
Total Deferred Outflows of Resources	585,971.85	-	585,971.85
LIABILITIES:			
Accounts Payable:			
Other	329,279.89		329,279.89
Pensions	53,165.00		53,165.00
Accrued Wages	39,713.48		39,713.48
Accrued Interest Payable	1,852.14		1,852.14
Unearned Revenue	34,332.09	4,193.50	38,525.59
Noncurrent Liabilities:			
Due within One Year	480,474.38		480,474.38
Due beyond One Year	2,095,805.47		2,095,805.47
Total Liabilities	3,034,622.45	4,193.50	3,038,815.95
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	202,073.00	-	202,073.00
NET POSITION:			
Net Investment in Capital Assets	3,824,343.91	42,580.00	3,866,923.91
Restricted for:			
Debt Service	0.51		0.51
Tuition	400,000.00		400,000.00
Emergency	200,000.00		200,000.00
Maintenance	125,000.00		125,000.00
Excess Surplus	1,404,539.40		1,404,539.40
Capital Projects	1,298,321.79		1,298,321.79
Unrestricted (Deficit)	(1,154,633.92)	205,167.14	(949,466.78)
Total Net Position	\$ 6,097,571.69	\$ 247,747.14	\$ 6,345,318.83

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,017,969.92		\$ 453,948.83		\$ (2,564,021.09)		\$ (2,564,021.09)
Special Education	717,919.36	\$ 164,803.78			(553,115.58)		(553,115.58)
Other Special Instruction	7,921.49				(7,921.49)		(7,921.49)
Other Instruction	41,031.02				(41,031.02)		(41,031.02)
Support Services:							
Tuition	2,991,727.96				(2,991,727.96)		(2,991,727.96)
Student and Instruction Related Services	999,211.81		175,038.09		(824,173.72)		(824,173.72)
Other Administrative Services	445,153.24				(445,153.24)		(445,153.24)
School Administrative Services	316,789.44				(316,789.44)		(316,789.44)
Plant Operations and Maintenance	451,146.25				(451,146.25)		(451,146.25)
Pupil Transportation	669,000.31				(669,000.31)		(669,000.31)
Personal Services - Employee Benefits	3,882,449.25		2,438,635.86		(1,443,813.39)		(1,443,813.39)
Transfer of Funds to Charter School	165,573.00				(165,573.00)		(165,573.00)
Interest on Long-Term Debt	26,656.13				(26,656.13)		(26,656.13)
Unallocated Depreciation	30,225.71				(30,225.71)		(30,225.71)
Total Governmental Activities	13,762,774.89	164,803.78	3,067,622.78	-	(10,530,348.33)	-	(10,530,348.33)
Business-Type Activities:							
Food Service	243,719.71	57,967.44	179,632.78			\$ (6,119.49)	(6,119.49)
Camp Clementon Community Education	67,660.28	118,672.79				51,012.51	51,012.51
Total Business-Type Activities	311,379.99	176,640.23	179,632.78	-	-	44,893.02	44,893.02
Total Government	\$ 14,074,154.88	\$ 341,444.01	\$ 3,247,255.56	-	(10,530,348.33)	44,893.02	(10,485,455.31)
General Revenues:							
Property Taxes:							
Levied for General Purposes					4,159,197.03		4,159,197.03
Levied for Debt Service					446,537.01		446,537.01
Federal and State Aid - Unrestricted					6,497,913.76		6,497,913.76
Interest and Investment Earnings - Unrestricted					6,276.89		6,276.89
Miscellaneous					955,244.75		955,244.75
Loss on Disposal of Capital Asset					(599.00)		(599.00)
Total General Revenues and Loss on Disposal of Capital Assets					12,064,570.44	-	12,064,570.44
Change in Net Position					1,534,222.11	44,893.02	1,579,115.13
Net Position, July 1					4,563,349.58	202,854.12	4,766,203.70
Net Position, June 30					\$ 6,097,571.69	\$ 247,747.14	\$ 6,345,318.83

The accompanying notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CLEMENTON SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 2,267,852.38	\$ 48,516.51		\$ 0.01	\$ 2,316,368.90
Cash and Cash Equivalents - Capital Reserve	1,098,321.79				1,098,321.79
Interfunds Account Receivable:					
General Fund				0.50	0.50
Special Revenue Fund	15,680.62				15,680.62
Enterprise Fund	4,553.21				4,553.21
Fiduciary Funds	838,786.32				838,786.32
Intergovernmental Accounts Receivable, net:					
Federal		15,880.22			15,880.22
State	140,029.35				140,029.35
Other	71,437.44				71,437.44
Total Assets	\$ 4,436,661.11	\$ 64,396.73	-	\$ 0.51	\$ 4,501,058.35
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfunds Account Payable:					
General Fund		\$ 15,680.62			\$ 15,680.62
Debt Service Fund	\$ 0.50				0.50
Intergovernmental Accounts Payable:					
State	91,306.88	16,215.00			107,521.88
Other	184,839.07				184,839.07
Accounts Payable	36,918.94				36,918.94
Accrued Wages	39,713.48				39,713.48
Unearned Revenue		34,332.09			34,332.09
Total Liabilities	352,778.87	66,227.71	-	-	419,006.58

(Continued)

CLEMENTON SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONT'D):					
Fund Balances:					
Restricted:					
Capital Reserve	\$ 1,298,321.79				\$ 1,298,321.79
Tuition Reserve	400,000.00				400,000.00
Emergency Reserve	200,000.00				200,000.00
Maintenance Reserve	125,000.00				125,000.00
Excess Surplus	1,404,539.40				1,404,539.40
Debt Service				\$ 0.51	0.51
Committed	836,442.68				836,442.68
Assigned:					
Other Purposes	17,148.65				17,148.65
For Subsequent Year's Expenditures	102,928.82				102,928.82
Unassigned (Deficit)	<u>(300,499.10)</u>	<u>\$ (1,830.98)</u>			<u>(302,330.08)</u>
Total Fund Balances	<u>4,083,882.24</u>	<u>(1,830.98)</u>	<u>-</u>	<u>0.51</u>	<u>4,082,051.77</u>
Total Liabilities and Fund Balances	<u>\$ 4,436,661.11</u>	<u>\$ 64,396.73</u>	<u>-</u>	<u>\$ 0.51</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.

The cost of the capital assets is \$10,452,769.06, and the accumulated depreciation is \$6,189,851.00.

4,262,918.06

(Continued)

CLEMENTON SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2017

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because (cont'd):

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	\$ 373,473.00
Loss on refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the fund financial statements.	10,425.85
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(53,165.00)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the fund financial statements.	(1,852.14)
Long-term liabilities, including bonds payable, compensated absences payable, pension liability, and early retirement incentive, are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(2,576,279.85)</u>
Net Position of Governmental Activities	<u><u>\$ 6,097,571.69</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Tax Levy	\$ 4,159,197.03			\$ 446,537.01	\$ 4,605,734.04
Tuition Charges	164,803.78				164,803.78
Unrestricted Miscellaneous Revenues	961,521.64				961,521.64
Federal Sources	26,968.16	\$ 515,783.50			542,751.66
State Sources	7,347,312.46	113,203.42			7,460,515.88
Total Revenues	<u>12,659,803.07</u>	<u>628,986.92</u>	<u>-</u>	<u>446,537.01</u>	<u>13,735,327.00</u>
EXPENDITURES:					
Current:					
Regular Instruction	2,352,893.87	446,162.51			2,799,056.38
Special Education Instruction	717,919.36				717,919.36
Other Special Instruction	7,921.49				7,921.49
Other Instruction	41,031.02				41,031.02
Support Services and Undistributed Costs:					
Tuition	2,991,727.96				2,991,727.96
Student and Instruction Related Services	824,173.72	175,038.09			999,211.81
Other Administrative Services	430,645.45				430,645.45
School Administrative Services	316,392.21				316,392.21
Plant Operations and Maintenance	423,361.12				423,361.12
Pupil Transportation	669,000.31				669,000.31
Personal Services - Employee Benefits	2,267,521.07				2,267,521.07
Capital Outlay	226,542.76				226,542.76
Transfer of Funds to Charter Schools	165,573.00				165,573.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (CONT'D):					
Debt Service:					
Principal				\$ 432,000.00	\$ 432,000.00
Interest and Other Charges				14,537.00	14,537.00
Total Expenditures	<u>\$ 11,434,703.34</u>	<u>\$ 621,200.60</u>	<u>-</u>	<u>446,537.00</u>	<u>12,502,440.94</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,225,099.73</u>	<u>7,786.32</u>	<u>-</u>	<u>0.01</u>	<u>1,232,886.06</u>
Fund Balance (Deficit), July 1	<u>2,858,782.51</u>	<u>(9,617.30)</u>	<u>-</u>	<u>0.50</u>	<u>2,849,165.71</u>
Fund Balance (Deficit), June 30	<u><u>\$ 4,083,882.24</u></u>	<u><u>\$ (1,830.98)</u></u>	<u><u>-</u></u>	<u><u>\$ 0.51</u></u>	<u><u>\$ 4,082,051.77</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON 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, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds \$ 1,232,886.06

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (302,251.00)	
Loss on Disposal of Capital Asset	(599.00)	
Capital Outlays	<u>226,542.76</u>	
		(76,307.24)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 432,000.00

In the statement of activities, certain operating expenses, (e.g., compensated absences, early retirement incentive, interest on debt, pensions), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items. (54,356.71)

Change in Net Position of Governmental Activities \$ 1,534,222.11

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Statements of Net Position
 June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 46,511.25	\$ 157,050.78
Intergovernmental Accounts Receivable:		
Federal	6,335.18	
State	97.65	
Inventory:		
Food	3,378.56	
Supplies	540.43	
	<u>56,863.07</u>	<u>157,050.78</u>
Total Current Assets	<u>56,863.07</u>	<u>157,050.78</u>
Noncurrent Assets:		
Capital Assets:		
Machinery and Equipment	149,489.00	
Less: Accumulated Depreciation	<u>(106,909.00)</u>	
	<u>42,580.00</u>	<u>-</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>42,580.00</u>	<u>-</u>
Total Noncurrent Assets	<u>42,580.00</u>	<u>-</u>
Total Assets	<u>99,443.07</u>	<u>157,050.78</u>
LIABILITIES:		
Current Liabilities:		
Interfund Accounts Payable:		
General Fund		4,553.21
Unearned Revenue	3,000.92	1,192.58
	<u>3,000.92</u>	<u>5,745.79</u>
Total Current Liabilities	<u>3,000.92</u>	<u>5,745.79</u>
Total Liabilities	<u>3,000.92</u>	<u>5,745.79</u>
NET POSITION:		
Net Investment in Capital Assets	42,580.00	
Unrestricted	53,862.15	151,304.99
	<u>53,862.15</u>	<u>151,304.99</u>
Total Net Position	<u>\$ 96,442.15</u>	<u>\$ 151,304.99</u>

The accompanying notes to financial statements are an integral part of these statements.

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Statements of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 36,236.51	
Daily Sales - Non-Reimbursable Programs	20,510.95	
Special Functions	770.87	
Tuition and Fees		\$ 118,672.79
Miscellaneous	449.11	
Total Operating Revenues	57,967.44	118,672.79
OPERATING EXPENSES:		
Food Service Management Company Salaries	82,687.71	
Personnel Services - Salaries		56,271.12
Food Service Management Company Employee Benefits	36,498.20	
Personnel Services - Employee Benefits		4,304.72
Purchased Professional and Technical Services	1,490.00	
Purchased Property Services	334.75	
Other Purchased Services	20,754.07	140.00
Supplies and Materials	9,356.24	6,902.44
Depreciation	8,836.00	
Cost of Sales:		
Reimbursable Program	77,563.56	
Non-Reimbursable Program	5,809.00	
Miscellaneous	390.18	42.00
Total Operating Expenses	243,719.71	67,660.28
Operating Income (Loss)	(185,752.27)	51,012.51
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	2,482.70	
Federal Sources:		
National School Breakfast Program	28,226.40	
National School Lunch Program	119,116.54	
Snacks	7,364.18	
HHFKA - Performance Based	2,888.34	
Food Distribution Program	19,554.62	
Total Nonoperating Revenues (Expenses)	179,632.78	-
Change in Net Position	(6,119.49)	51,012.51
Net Position, July 1	102,561.64	100,292.48
Net Position, June 30	\$ 96,442.15	\$ 151,304.99

The accompanying notes to financial statements are an integral part of these statements.

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 57,967.44	\$ 118,134.66
Payments to Suppliers	(233,853.57)	(7,084.44)
Payments to Employees		(58,883.11)
Payments for Employee Benefits		(4,504.54)
	<u>(175,886.13)</u>	<u>47,662.57</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal Sources	176,183.73	
State Sources	2,475.91	
	<u>178,659.64</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(11,459.00)	
	<u>(11,459.00)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,685.49)	47,662.57
Balances, July 1	55,196.74	109,388.21
Balances, June 30	<u>\$ 46,511.25</u>	<u>\$ 157,050.78</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (185,752.27)	\$ 51,012.51
Provided by (Used for) Operating Activities:		
Depreciation	8,836.00	
(Increase) Decrease in Inventories for Consumption	28.46	
(Increase) Decrease in Inventories for Resale	1,001.68	
Increase (Decrease) in Interfund Accounts Payable		(2,811.81)
Increase (Decrease) in Unearned Revenue		(538.13)
	<u>9,866.14</u>	<u>(3,349.94)</u>
Total Adjustments	<u>9,866.14</u>	<u>(3,349.94)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (175,886.13)</u>	<u>\$ 47,662.57</u>

The accompanying notes to financial statements are an integral part of these statements.

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017

	Private-Purpose Trust Funds			Agency Funds	
	Unemployment Compensation <u>Trust</u>	Flexible Benefits <u>Trust</u>	Scholarship <u>Fund</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:					
Cash and Cash Equivalents	\$ 156,247.88	\$ 3,130.46	\$ 7,217.39	\$ 853,977.75	\$ 11,446.21
Interfund Accounts Receivable:					
General Fund					60.01
Total Assets	156,247.88	3,130.46	7,217.39	\$ 853,977.75	\$ 11,506.22
LIABILITIES:					
Interfund Accounts Payable:					
General Fund				\$ 838,846.33	
Payable to Student Groups				15,131.42	
Payroll Deductions and Withholdings					\$ 11,506.22
Total Liabilities	-	-	-	\$ 853,977.75	\$ 11,506.22
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 156,247.88</u>	<u>\$ 3,130.46</u>	<u>\$ 7,217.39</u>		

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	Private-Purpose Trust Funds		
	Unemployment Compensation <u>Trust</u>	Flexible Benefits <u>Trust</u>	Scholarship <u>Fund</u>
ADDITIONS:			
Contributions:			
From Board	\$ 30,000.00		
Employee	<u>7,196.37</u>	<u>\$ 7,360.00</u>	
Total Contributions	<u>37,196.37</u>	<u>7,360.00</u>	<u>-</u>
Total Additions	<u>37,196.37</u>	<u>7,360.00</u>	<u>-</u>
DEDUCTIONS:			
Awarded Scholarships			\$ 500.00
Claims	<u>2,544.72</u>	<u>7,660.29</u>	
Total Deductions	<u>2,544.72</u>	<u>7,660.29</u>	<u>500.00</u>
Change in Net Position	34,651.65	(300.29)	(500.00)
Net Position, July 1	<u>121,596.23</u>	<u>3,430.75</u>	<u>7,717.39</u>
Net Position, June 30	<u>\$ 156,247.88</u>	<u>\$ 3,130.46</u>	<u>\$ 7,217.39</u>

The accompanying notes to financial statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clementon School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through eighth at its one school. Students in grades nine through twelve attend, on a tuition basis, the Pine Hill School District. The School District has an approximate enrollment at June 30, 2017 of 445.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Camp Clementon Community Education Fund - This fund accounts for the financial activity related to the providing of day care services for students before and after school, and during the summer months.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Flexible Benefits Trust Fund - Revenues consist of volunteer pre-tax employee payroll withholdings for the purpose of paying for qualified medical expenses, and interest income. Expenditures represent reimbursements to employees for qualified medical expenses.

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships, which are awarded annually, to two high school graduating students who will be continuing their post-secondary education in interior design (i.e., computer assisted drawing, drafting, furniture and cabinetry making, architecture, and engineering). Such scholarships are awarded in accordance with the trust requirements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017. The School District had no prepaid expenses for the fiscal year ended June 30, 2017.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 40 Years
Buildings and Building Improvements	5 - 50 Years
Machinery and Equipment	5 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

Loss on Refunding of Debt - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Pensions

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

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 77, *Tax Abatement Disclosures*. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this Statement did not have a significant impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2017, the School District's bank balances of \$5,164,006.88 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured by GUDPA	4,110,049.83
Uninsured and Uncollateralized	<u>803,957.05</u>
Total	<u>\$ 5,164,006.88</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 1,098,321.79
Increased by:	
Deposits:	
Board Resolution (June 8, 2017)	200,000.00
Ending Balance, June 30, 2017	\$ 1,298,321.79

The June 30, 2017 LRFP balance of local support costs of uncompleted projects at June 30, 2017 is \$2,649,358.00.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of reimbursements and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. However, an allowance for doubtful accounts in the amount of \$70,378.64 has been recorded in the general fund for the fiscal year ended June 30, 2017 against the balance of other receivable (\$141,816.08 gross) that are not expected to be fully collected within the subsequent fiscal year.

Accounts receivable (net) as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 15,880.22	\$ 15,880.22	\$ 6,335.18	\$ 6,335.18	\$ 22,215.40
State Awards	\$ 140,029.35		140,029.35	97.65	97.65	140,127.00
Fiduciary Fund	838,786.32		838,786.32			838,786.32
Tuition	71,437.44		71,437.44			71,437.44
	\$ 1,050,253.11	\$ 15,880.22	\$ 1,066,133.33	\$ 6,432.83	\$ 6,432.83	\$ 1,072,566.16

Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 178,131.00				\$ 178,131.00
Construction in Progress	52,749.30	\$ 20,049.76	\$ (39,529.30)		33,269.76
Total Capital Assets, not being Depreciated	230,880.30	20,049.76	(39,529.30)	-	211,400.76
Capital Assets, being Depreciated:					
Land Improvements	219,473.00		3,622.30		223,095.30
Buildings and Buildings Improvements	9,257,655.00	124,185.00	17,000.00		9,398,840.00
Machinery and Equipment	530,194.00	82,308.00	18,907.00	\$ (11,976.00)	619,433.00
Total Capital Assets, being Depreciated	10,007,322.00	206,493.00	39,529.30	(11,976.00)	10,241,368.30
Total Capital Assets, Cost	10,238,202.30	226,542.76	-	(11,976.00)	10,452,769.06
Less Accumulated Depreciation for:					
Land Improvements	(156,391.00)	(7,115.00)			(163,506.00)
Buildings and Buildings Improvements	(5,234,994.00)	(279,305.00)			(5,514,299.00)
Machinery and Equipment	(507,592.00)	(15,831.00)		11,377.00	(512,046.00)
Total Accumulated Depreciation	(5,898,977.00)	(302,251.00)	-	11,377.00	(6,189,851.00)
Total Capital Assets, being Depreciated, Net	4,108,345.00	(95,758.00)	39,529.30	(599.00)	4,051,517.30
Governmental Activities Capital Assets, Net	\$ 4,339,225.30	\$ (75,708.24)	-	\$ (599.00)	\$ 4,262,918.06
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	\$ 138,030.00	\$ 11,459.00			\$ 149,489.00
Total Capital Assets, being Depreciated	138,030.00	11,459.00	-	-	149,489.00
Total Capital Assets, Cost	138,030.00	11,459.00	-	-	149,489.00
Less Accumulated Depreciation for:					
Machinery and Equipment	(98,073.00)	(8,836.00)			(106,909.00)
Total Accumulated Depreciation	(98,073.00)	(8,836.00)	-	-	(106,909.00)
Total Capital Assets, being Depreciated, Net	39,957.00	2,623.00	-	-	42,580.00
Business-Type Activities Capital Assets, Net	\$ 39,957.00	\$ 2,623.00	-	-	\$ 42,580.00

The amounts above in the column entitled "transfers" represent completed projects being reclassified from construction in progress to the applicable depreciable capital asset category.

Note 5: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Unallocated	\$ 30,225.71
Regular Instruction	211,575.90
Other Administrative Services	30,224.69
Plant Operations and Maintenance	<u>30,224.70</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 302,251.00</u>
Business-Type Activities:	
Food Service	<u>\$ 8,836.00</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,836.00</u>

Note 6: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Serial Bonds	\$ 881,000.00	-	\$ (432,000.00)	\$ 449,000.00	\$ 449,000.00
Total Bonds Payable	<u>881,000.00</u>	<u>-</u>	<u>(432,000.00)</u>	<u>449,000.00</u>	<u>449,000.00</u>
Other Liabilities:					
Early Retirement Incentive	131,925.00	-	(13,896.00)	118,029.00	13,896.00
Net Pension Liability	1,603,940.00	\$ 801,047.00	(492,978.00)	1,912,009.00	-
Compensated Absences	122,788.27	12,250.57	(37,796.99)	97,241.85	17,578.38
Total Other Liabilities	<u>1,858,653.27</u>	<u>813,297.57</u>	<u>(544,670.99)</u>	<u>2,127,279.85</u>	<u>31,474.38</u>
Governmental Activities Long-Term Liabilities	<u>\$ 2,739,653.27</u>	<u>\$ 813,297.57</u>	<u>\$ (976,670.99)</u>	<u>\$ 2,576,279.85</u>	<u>\$ 480,474.38</u>

The bonds payable are generally liquidated by the debt service fund, while the early retirement incentive, net pension liability, and compensated absences are liquidated by the general fund.

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

On April 1, 2005, the School District issued \$2,293,000.00 of general serial bonds, at an interest rate of 4.20%, for renovations and improvements to the school building. On May 1, 2013, the School District issued refunding bonds in the amount of \$1,753,000.00, at an interest rate of 1.65%, to advance refund \$1,653,000.00 of the April 1, 2005 general serial bonds. The refunding bonds will mature on April 1, 2018. These bonds also will be paid from property taxes.

Note 6: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd) -**

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 449,000.00	\$ 7,408.50	\$ 456,408.50

Bonds Authorized but not Issued - As of June 30, 2017, the School District had no authorizations to issue additional bonded debt.

Early Retirement Incentive - In accordance with the Lower Camden County Regional High School dissolution agreement, effective July 1, 2001, the Clementon School District assumed liability for its proportionate share of the "Regional High School Early Retirement Incentive Program" permitted by State legislation during 1995 for certain members of the Teachers' Pension and Annuity Fund and the Public Employees Retirement Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1996 to be eligible. The School District is liable for its proportionate share of additional costs under this program. As of June 30, 2017, the School District had an accrued liability of \$118,029.00, payable in annual installments from the general fund, with final liquidation of the liability in fiscal year 2021.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid, which is the general fund. Refer to note 12 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 7. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 7: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, 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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The 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 the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 7.51% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$256,313.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$249,771.42.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 14.09% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$57,352.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$27,892.81.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2017, employee contributions totaled \$3,972.58, and the School District recognized pension expense, which equaled the required contributions, of \$2,166.97. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	25,317,979.00
	<u>\$ 25,317,979.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. For the June 30, 2016 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2016, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0321839945%, which was a decrease of 0.0019657467 % from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$1,902,294.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Public Employees' Retirement System - At June 30, 2017, the School District reported a liability of \$1,912,009.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the School District's proportion was 0.0064557544%, which was a decrease of 0.0006893808% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$139,030.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 35,558.00	\$ -
Changes of Assumptions	396,066.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	72,907.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	17,850.00	202,073.00
School District Contributions Subsequent to the Measurement Date	53,165.00	-
	<u>\$ 575,546.00</u>	<u>\$ 202,073.00</u>

\$53,165.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2018	\$ 70,075
2019	70,075
2020	88,083
2021	70,895
2022	21,180
	<u>\$ 320,308.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016.

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following tables:

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%	Cash	5.00%	0.87%
U.S. Government Bonds	1.50%	1.28%	U.S. Treasuries	1.50%	1.74%
U.S. Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
U.S. Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
U.S. Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
U.S. High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
U.S. Equity Market	26.00%	5.14%	Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	5.91%	Developed Foreign Equities	13.25%	6.83%
Emerging Markets Equity	6.50%	8.16%	Emerging Market Equities	6.50%	9.95%
Private Real Estate Property	5.25%	3.64%	Private Equity	9.00%	12.40%
Timber	1.00%	3.86%	Hedge Funds / Absolute Return	12.50%	4.68%
Farmland	1.00%	4.39%	Real Estate (Property)	2.00%	6.91%
Private Equity	9.00%	8.97%	Commodities	0.50%	5.45%
Commodities	0.50%	2.87%	Global Debt ex U.S.	5.00%	-0.25%
Hedge Funds - MultiStrategy	5.00%	3.70%	REIT	5.25%	5.63%
Hedge Funds - Equity Hedge	3.75%	4.72%			
Hedge Funds - Distressed	3.75%	3.49%			
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2016 were 3.22% and 3.98% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 rates for TPAF and PERS 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 contribution rate in the most recent fiscal year. 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 2029 for TPAF and 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 for TPAF and 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 7: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>30,235,325.00</u>	<u>25,317,979.00</u>	<u>21,302,331.00</u>
	<u>\$ 30,235,325.00</u>	<u>\$ 25,317,979.00</u>	<u>\$ 21,302,331.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 2,342,944.00</u>	<u>\$ 1,912,009.00</u>	<u>\$ 1,556,235.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS's respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Note 8: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("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. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving postemployment medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The School Employees Health Benefits Program ("SEHBP") Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. 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 SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

Note 9: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$328,136.00, \$11,889.00, \$283,319.00, and \$1,192.00, respectively.

Note 10: RISK MANAGEMENT

The School 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2017	\$ 30,000.00	\$ 7,196.37		\$ 2,544.72	\$ 156,247.88
2016	30,000.00	7,592.02		5,878.88	121,596.23
2015	30,000.00	6,976.55	\$ 0.12	10,572.50	89,883.09

Note 10: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Building and Contents
General and Automobile Liability
Workers' Compensation
Boiler and Machinery
Crime
Umbrella Liability
Educators Legal Liability
Pollution Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Building and Contents
General and Automobile Liability
Workers' Compensation
Boiler and Machinery
Crime
Umbrella Liability
Educators Legal Liability
Pollution Liability

The Fund publishes its own financial report for the fiscal year ended June 30, 2017, which can be obtained from:

Burlington County Insurance Pool Joint Insurance Fund
Five Greentree Centre, Suite 410
Marlton, New Jersey 08053

Note 11: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. 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 administrator is The Omni Financial Group.

Note 12: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 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.

Note 12: COMPENSATED ABSENCES (CONT'D)

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2017, the liability for compensated absences reported on the government-wide statement of net position was \$97,241.85.

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 859,020.15	\$ 0.50
Special Revenue		15,680.62
Debt Service	0.50	
Enterprise Funds:		
Camp Clementon Community Education		4,553.21
Fiduciary Funds:		
Student Activity		838,846.33
Payroll	60.01	
	<u>\$ 859,080.66</u>	<u>\$ 859,080.66</u>

The interfund receivables and payables above predominately resulted from payments made by and receipts collected for certain funds on behalf of other funds. During the fiscal year 2018, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 14: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 15: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$300,499.10 in the general fund and \$1,830.98 in the special revenue fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$300,499.10 is less than the June state aid payments.

Note 17: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2017, the balance in the capital reserve account is \$1,298,321.79. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). Restricted cash and cash equivalents related to the capital reserve account was \$1,098,321.79 as of June 30, 2017.

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$400,000.00 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2017, \$200,000.00 and \$200,000.00 have been restricted for the contract years 2015-2016 and 2016-2017, respectively.

For Emergency Reserve - As of June 30, 2017, the balance in the emergency reserve is \$200,000.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Note 17: FUND BALANCES (CONT'D)**RESTRICTED (Cont'd)****General Fund (Cont'd)**

For Maintenance Reserve Account - As of June 30, 2017, the balance in the maintenance reserve account is \$125,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund 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, 2017 is \$1,404,539.40. Additionally, \$562,676.18 of excess fund balance generated during 2015-2016 has been restricted and designated for utilization in the 2017-2018 budget. The remaining amount of \$841,863.22 was generated during the 2016-2017 fiscal year and will be restricted and designated for utilization in the 2018-2019 fiscal year budget.

Debt Service Fund - As of June 30, 2017, the balance is \$.51. These funds are restricted for future debt service expenditures.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

General Fund - The Board of Education approved the commitment of funds received from the Estate of John Zawinski. These funds have been committed to be used for the purchase of solar panels, an electronic sign for the school, playground equipment and science lab equipment. As of June 30, 2017, \$836,442.68 has been committed for this purpose.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2017, the School District had \$17,148.65 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018 \$102,928.82 of general fund balance at June 30, 2017.

Note 17: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2017, the unassigned fund balance of the general fund was a deficit of \$300,499.10. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$300,499.10 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2017, the fund balance of the special revenue fund was a deficit of \$1,830.98, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 16, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,830.98 is less than the last state aid payment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES**

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,159,197.00		\$ 4,159,197.00	\$ 4,159,197.03	\$ 0.03
Tuition				164,803.78	164,803.78
Unrestricted Miscellaneous Revenues	45,000.00		45,000.00	961,521.64	916,521.64
Total - Local Sources	4,204,197.00	-	4,204,197.00	5,285,522.45	1,081,325.45
Federal Sources:					
Medicaid Reimbursement	17,567.00		17,567.00	26,968.16	9,401.16
Total - Federal Sources	17,567.00	-	17,567.00	26,968.16	9,401.16
State Sources:					
Categorical Special Education Aid	371,383.00		371,383.00	371,383.00	
Equalization Aid	5,785,597.00		5,785,597.00	5,785,597.00	
Categorical Security Aid	135,485.00		135,485.00	135,485.00	
Categorical Transportation Aid	57,738.00		57,738.00	57,738.00	
Extraordinary Aid	50,000.00		50,000.00	81,433.00	31,433.00
PARCC Readiness Aid	6,020.00		6,020.00	6,020.00	
Per Pupil Growth Aid	6,020.00		6,020.00	6,020.00	
Professional Learning Community Aid	5,390.00		5,390.00	5,390.00	
Other State Aids:					
Other State Aids - Out of Cap (Additional Nonpublic School Transportation Aid)				7,308.00	7,308.00
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				340,025.00	340,025.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				283,319.00	283,319.00
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				1,192.00	1,192.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				251,830.86	251,830.86
Total - State Sources	6,417,633.00	-	6,417,633.00	7,332,740.86	915,107.86
Total Revenues	10,639,397.00	-	10,639,397.00	12,645,231.47	2,005,834.47

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 169,420.00		\$ 169,420.00	\$ 145,455.94	\$ 23,964.06
Grades 1-5 - Salaries of Teachers	1,158,045.00	\$ (11,173.00)	1,146,872.00	1,142,939.45	3,932.55
Grades 6-8 - Salaries of Teachers	782,621.00	(2,945.00)	779,676.00	719,658.61	60,017.39
Regular Programs - Home Instruction:					
Salaries of Teachers	3,400.00		3,400.00	431.25	2,968.75
Other Salaries for Instruction	3,400.00	(3,400.00)			
Purchased Technical Services		3,400.00	3,400.00	2,117.25	1,282.75
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	38,091.00		38,091.00	34,798.26	3,292.74
Purchased Professional - Educational Services	101,103.00		101,103.00	68,216.38	32,886.62
Purchased Technical Services	20,958.00		20,958.00	17,537.00	3,421.00
Other Purchased Services (400-500 Series)	40,200.00	400.00	40,600.00	31,550.50	9,049.50
General Supplies	194,988.52	(1,325.00)	193,663.52	179,115.54	14,547.98
Textbooks	20,000.00	(1,510.00)	18,490.00	11,073.69	7,416.31
Total Regular Programs - Instruction	2,532,226.52	(16,553.00)	2,515,673.52	2,352,893.87	162,779.65
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	244,050.00		244,050.00	218,630.67	25,419.33
General Supplies	300.00		300.00	300.00	
Total Learning and / or Language Disabilities	244,350.00	-	244,350.00	218,930.67	25,419.33
Behavioral Disabilities:					
Salaries of Teachers	50,060.00		50,060.00	50,060.00	
Purchased Professional - Education Services	19,000.00		19,000.00	19,000.00	
General Supplies	500.00		500.00	500.00	
Total Behavioral Disabilities	69,560.00	-	69,560.00	69,560.00	-

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 158,270.00	\$ (7,055.00)	\$ 151,215.00	\$ 151,214.50	\$ 0.50
Purchased Professional - Education Services	57,000.00		57,000.00	50,864.16	6,135.84
General Supplies	225.00	0.14	225.14	225.14	
Total Multiple Disabilities	215,495.00	(7,054.86)	208,440.14	202,303.80	6,136.34
Resource Room / Resource Center:					
Salaries of Teachers	205,690.00	21,173.00	226,863.00	226,860.00	3.00
General Supplies	300.00	(0.14)	299.86	264.89	34.97
Total Resource Room / Resource Center	205,990.00	21,172.86	227,162.86	227,124.89	37.97
Home Instruction:					
Salaries of Teachers	10,000.00		10,000.00		10,000.00
Total Home Instruction	10,000.00	-	10,000.00	-	10,000.00
Total Special Education - Instruction	745,395.00	14,118.00	759,513.00	717,919.36	41,593.64
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	7,845.00		7,845.00	7,836.21	8.79
Total Basic Skills / Remedial - Instruction	7,845.00	-	7,845.00	7,836.21	8.79
Bilingual Education - Instruction:					
General Supplies	2,750.00		2,750.00	85.28	2,664.72
Total Bilingual Education - Instruction	2,750.00	-	2,750.00	85.28	2,664.72

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School-Sponsored Cocurricular / Extracurricular Activities -					
Instruction:					
Salaries	\$ 12,014.00		\$ 12,014.00	\$ 12,014.00	
Purchased Services (300-500 Series)	386.00		386.00	385.00	\$ 1.00
Supplies and Materials	3,056.52		3,056.52	2,584.53	471.99
Total School-Sponsored Cocurricular / Extracurricular Activities - Instruction	15,456.52	-	15,456.52	14,983.53	472.99
School-Sponsored Athletics - Instruction:					
Salaries	20,642.00		20,642.00	20,642.00	
Purchased Services (300-500 Series)	9,508.00	\$ (500.00)	9,008.00	1,943.00	7,065.00
Supplies and Materials	2,000.00	1,452.70	3,452.70	2,446.49	1,006.21
Other Objects	2,865.00	(952.70)	1,912.30	1,016.00	896.30
Total School-Sponsored Athletics - Instruction	35,015.00	-	35,015.00	26,047.49	8,967.51
Total Instruction	3,338,688.04	(2,435.00)	3,336,253.04	3,119,765.74	216,487.30
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	1,783,253.00	(39,317.58)	1,743,935.42	1,734,863.29	9,072.13
Tuition to Other LEA's Within the State - Special	238,847.00	71,933.00	310,780.00	188,319.40	122,460.60
Tuition to County Vocational School District - Regular	163,176.00		163,176.00	163,176.00	
Tuition to CSSD and Regional Day Schools	352,360.00	96,676.80	449,036.80	441,429.60	7,607.20
Tuition to Private Schools for the Disabled - Within State	731,160.00	(288,583.22)	442,576.78	433,858.67	8,718.11
Tuition - State Facilities	57,081.00		57,081.00	30,081.00	27,000.00
Total Undistributed Expenditures - Instruction	3,325,877.00	(159,291.00)	3,166,586.00	2,991,727.96	174,858.04

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 5,407.00		\$ 5,407.00	\$ 5,406.96	\$ 0.04
Purchased Professional and Technical Services	14,795.00		14,795.00	13,073.62	1,721.38
Supplies and Materials	500.00		500.00		500.00
Total Undistributed Expenditures - Attendance and Social Work	20,702.00	-	20,702.00	18,480.58	2,221.42
Undistributed Expenditures - Health Services:					
Salaries	53,980.00	\$ (3,025.95)	50,954.05	45,125.50	5,828.55
Purchased Professional and Technical Services	9,700.00	2,814.39	12,514.39	11,650.20	864.19
Supplies and Materials	2,316.00	1,011.56	3,327.56	3,169.98	157.58
Total Undistributed Expenditures - Health Services	65,996.00	800.00	66,796.00	59,945.68	6,850.32
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	55,062.00		55,062.00	54,984.38	77.62
Purchased Professional - Educational Services	74,257.55	(800.00)	73,457.55	46,084.19	27,373.36
Supplies and Materials	4,166.74		4,166.74	4,064.92	101.82
Total Undistributed Expenditures - Other Support Services - Students - Related Services	133,486.29	(800.00)	132,686.29	105,133.49	27,552.80
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	190,000.00		190,000.00	143,630.51	46,369.49
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	190,000.00	-	190,000.00	143,630.51	46,369.49

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Guidance:					
Students - Regular:					
Salaries of Other Professional Staff	\$ 57,420.00		\$ 57,420.00	\$ 57,140.00	\$ 280.00
Supplies and Materials	1,500.00		1,500.00	898.69	601.31
Total Undistributed Expenditures - Guidance	58,920.00	-	58,920.00	58,038.69	881.31
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	200,720.00	\$ (6,200.00)	194,520.00	185,310.67	9,209.33
Salaries of Secretarial and Clerical Assistants	36,371.00		36,371.00	33,261.98	3,109.02
Purchased Professional - Educational Services	13,900.00	9,866.77	23,766.77	20,228.74	3,538.03
Misc Purchased Services (400-500 Series) Other than Residence	400.00	(400.00)			
Supplies and Materials	3,200.00	268.23	3,468.23	3,468.23	
Total Undistributed Expenditures - Child Study Team	254,591.00	3,535.00	258,126.00	242,269.62	15,856.38
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	32,106.00		32,106.00	32,106.00	
Purchased Professional and Technical Services	75,250.00		75,250.00	75,250.00	
Other Purchased Services (400-500 Series)	20,355.00	(1,100.00)	19,255.00	12,343.93	6,911.07
Supplies and Materials	11,053.00		11,053.00	2,014.22	9,038.78
Total Undistributed Expenditures - Educational Media Services / School Library	138,764.00	(1,100.00)	137,664.00	121,714.15	15,949.85
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	70,000.00		70,000.00	65,750.00	4,250.00
Other Purchased Services (400-500 Series)	18,250.00		18,250.00	9,211.00	9,039.00
Total Undistributed Expenditures - Instructional Staff Training Services	88,250.00	-	88,250.00	74,961.00	13,289.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General					
Administration:					
Salaries	\$ 201,732.00	\$ 841.33	\$ 202,573.33	\$ 201,904.52	\$ 668.81
Legal Services	35,000.00		35,000.00	34,947.98	52.02
Audit Fees	24,338.00	662.00	25,000.00	25,000.00	
Other Purchased Professional Services	3,000.00	78,058.00	81,058.00	80,714.40	343.60
Purchased Technical Services	5,095.00		5,095.00	4,815.00	280.00
Communications / Telephone	29,133.25	(4,679.39)	24,453.86	23,121.91	1,331.95
BOE Other Purchased Services	3,770.24	(2,416.22)	1,354.02	1,283.78	70.24
Miscellaneous Purchased Services (400-500)	12,695.00	456.00	13,151.00	12,932.85	218.15
General Supplies	854.96	168.00	1,022.96	994.51	28.45
BOE In-House Training / Meeting Supplies	575.00	(168.00)	407.00	237.67	169.33
Miscellaneous Expenditures	5,650.00	(962.67)	4,687.33	4,687.33	
BOE Membership Dues and Fees	8,300.00	(1,339.05)	6,960.95	6,960.95	
	<u>330,143.45</u>	<u>70,620.00</u>	<u>400,763.45</u>	<u>397,600.90</u>	<u>3,162.55</u>
Total Undistributed Expenditures - Support Services - General Administration					
Undistributed Expenditures - Support Services - School					
Administration:					
Salaries of Principals / Assistant Principals	62,593.00	2.00	62,595.00	62,594.80	0.20
Salaries of Secretarial and Clerical Assistants	54,106.00		54,106.00	53,494.04	611.96
Supplies and Materials	3,170.08	(2.00)	3,168.08	1,873.05	1,295.03
Other Objects	500.00		500.00	44.63	455.37
	<u>120,369.08</u>	<u>-</u>	<u>120,369.08</u>	<u>118,006.52</u>	<u>2,362.56</u>
Total Undistributed Expenditures - Support Services - School Administration					

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget Modifications / <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 162,118.00		\$ 162,118.00	\$ 162,118.00	
Purchased Technical Services	36,505.00	\$ (153.82)	36,351.18	34,376.00	\$ 1,975.18
Supplies and Materials	800.00	153.82	953.82	953.82	
Miscellaneous Expenditures	1,239.49		1,239.49	937.87	301.62
Total Undistributed Expenditures - Central Services	200,662.49	-	200,662.49	198,385.69	2,276.80
Undistributed Expenditures - Administration Information					
Technology:					
Supplies and Materials	28,475.62	-	28,475.62	24,053.60	4,422.02
Undistributed Expenditures - Required Maintenance for School					
Facilities:					
Cleaning, Repair, and Maintenance Services	20,312.00		20,312.00	19,739.00	573.00
General Supplies	2,550.00		2,550.00	1,973.42	576.58
Total Undistributed Expenditures - Required Maintenance for School	22,862.00	-	22,862.00	21,712.42	1,149.58
Undistributed Expenditures - Custodial Services:					
Salaries	179,292.00	(2,000.00)	177,292.00	172,838.44	4,453.56
Purchased Professional and Technical Services	166.00	166.00	332.00	332.00	
Cleaning, Repair, and Maintenance Services	53,329.57	447.20	53,776.77	49,443.63	4,333.14
Other Purchased Property Services	14,700.00	(1,093.20)	13,606.80	13,606.80	
Insurance	31,930.00		31,930.00	31,930.00	
General Supplies	23,550.00	2,080.00	25,630.00	22,359.58	3,270.42
Energy (Electricity)	150,000.00		150,000.00	92,621.12	57,378.88
Total Undistributed Expenditures - Custodial Services	452,967.57	(400.00)	452,567.57	383,131.57	69,436.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 800.00	\$ 400.00	\$ 1,200.00	\$ 1,198.88	\$ 1.12
General Supplies	500.00		500.00	102.98	397.02
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>1,300.00</u>	<u>400.00</u>	<u>1,700.00</u>	<u>1,301.86</u>	<u>398.14</u>
Undistributed Expenditures - Security:					
Salaries	5,000.00	-	5,000.00	4,950.00	50.00
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>482,129.57</u>	<u>-</u>	<u>482,129.57</u>	<u>411,095.85</u>	<u>71,033.72</u>
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program	28,000.00	(13,000.00)	15,000.00	15,000.00	
Contracted Services - (Between Home and School) - Vendors	40,000.00	(30,000.00)	10,000.00	10,000.00	
Contracted Services - (Other than Between Home and School) - Vendors	69,511.00	73,260.00	142,771.00	129,803.95	12,967.05
Contracted Services (Between Home and School) - Joint Agreements	63,000.00	27,000.00	90,000.00	85,582.72	4,417.28
Contracted Services (Regular Students) - ESCs and CTSA	75,000.00	(14,260.00)	60,740.00	51,063.64	9,676.36
Contracted Services (Special Education Students) - ESCs and CTSA	380,000.00	(38,000.00)	342,000.00	342,000.00	
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	30,000.00	(5,000.00)	25,000.00	23,886.10	1,113.90
Contracted Services - Aid in Lieu Payments - Charter Schools	4,420.00		4,420.00	4,000.00	420.00
Contracted Services - Aid in Lieu Payments - Choice Schools	11,008.00		11,008.00	7,663.90	3,344.10
Total Undistributed Expenditures - Student Transportation Services	<u>700,939.00</u>	<u>-</u>	<u>700,939.00</u>	<u>669,000.31</u>	<u>31,938.69</u>
Unallocated Benefits - Employee Benefits:					
Group Insurance					
Social Security Contributions	68,000.00	24,892.00	92,892.00	92,614.14	277.86
T.P.A.F. Contributions - ERIP	28,049.00		28,049.00	13,252.00	14,797.00
Other Retirement Contributions - PERS	68,000.00		68,000.00	58,323.00	9,677.00
Unemployment Compensation	30,000.00		30,000.00	30,000.00	
Workmen's Compensation	40,170.00		40,170.00	33,712.00	6,458.00
Health Benefits	1,349,713.00	(53,203.00)	1,296,510.00	1,087,976.76	208,533.24
Tuition Reimbursements	35,000.00		35,000.00	2,000.00	33,000.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits - Employee Benefits (cont'd):					
Other Employee Benefits	\$ 49,575.00	\$ 28,311.00	\$ 77,886.00	\$ 58,776.31	\$ 19,109.69
Unused Sick Payment to Terminated/Retired Staff	14,500.00		14,500.00	14,500.00	
Total Unallocated Benefits - Employee Benefits	<u>1,683,007.00</u>	<u>-</u>	<u>1,683,007.00</u>	<u>1,391,154.21</u>	<u>291,852.79</u>
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				340,025.00	(340,025.00)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				283,319.00	(283,319.00)
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				1,192.00	(1,192.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				251,830.86	(251,830.86)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>876,366.86</u>	<u>(876,366.86)</u>
Total Personal Services - Employee Benefits	<u>1,683,007.00</u>	<u>-</u>	<u>1,683,007.00</u>	<u>2,267,521.07</u>	<u>(584,514.07)</u>
Total Undistributed Expenditures	<u>7,822,312.50</u>	<u>(86,236.00)</u>	<u>7,736,076.50</u>	<u>7,901,565.62</u>	<u>(165,489.12)</u>
Total General Current Expense	<u>11,161,000.54</u>	<u>(88,671.00)</u>	<u>11,072,329.54</u>	<u>11,021,331.36</u>	<u>50,998.18</u>
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - Admin Info Tech	94,087.70		94,087.70	84,788.43	9,299.27
Undist. Expend. - Security	161,070.00		161,070.00	66,653.71	94,416.29
Total Equipment	<u>255,157.70</u>	<u>-</u>	<u>255,157.70</u>	<u>151,442.14</u>	<u>103,715.56</u>
Facilities Acquisition and Construction Services:					
Construction Services	110,000.00		110,000.00	61,352.84	48,647.16
Assessment for Debt Service on SDA Funding	35,004.00		35,004.00	35,004.00	
Total Facilities Acquisition and Construction Services	<u>145,004.00</u>	<u>-</u>	<u>145,004.00</u>	<u>96,356.84</u>	<u>48,647.16</u>
Total Capital Outlay	<u>400,161.70</u>	<u>-</u>	<u>400,161.70</u>	<u>247,798.98</u>	<u>152,362.72</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget Modifications / <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Transfer of Funds to Charter Schools	\$ 76,902.00	\$ 88,671.00	\$ 165,573.00	\$ 165,573.00	-
Total Expenditures	11,638,064.24	-	11,638,064.24	11,434,703.34	\$ 203,360.90
Excess (Deficiency) of Revenues Over (Under) Expenditures	(998,667.24)	-	(998,667.24)	1,210,528.13	2,209,195.37
Fund Balances, July 1	-	-	-	3,462,594.21	3,462,594.21
Fund Balances, June 30	\$ (998,667.24)	-	\$ (998,667.24)	\$ 4,673,122.34	\$ 5,671,789.58
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 892,555.00	
Capital Reserve				405,766.79	
Tuition Reserve:					
2015-16 - Designated for Subsequent Year's Expenditures				200,000.00	
2016-17				200,000.00	
Emergency Reserve:					
Designated for Subsequent Year's Expenditures				100,000.00	
Emergency Reserve				100,000.00	
Maintenance Reserve					
				125,000.00	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				562,676.18	
Current Year				841,863.22	
Committed					
				836,442.68	
Assigned:					
Year-End Encumbrances				17,148.65	
Designated for Subsequent Year's Expenditures				102,928.82	
Unassigned					
				288,741.00	
				4,673,122.34	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2017 Last State Aid Payments not Recognized on GAAP Basis				(589,240.10)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,083,882.24	

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget Transfers / <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I, Part A	\$ 346,009.36		\$ 346,009.36	\$ 323,245.86	\$ (22,763.50)
Title II, Part A	63,467.31		63,467.31	29,699.00	(33,768.31)
I.D.E.A. Part B, Basic	156,767.00		156,767.00	156,740.64	(26.36)
I.D.E.A. Part B, Preschool	6,098.00		6,098.00	6,098.00	
Total - Federal Sources	<u>572,341.67</u>	<u>-</u>	<u>572,341.67</u>	<u>515,783.50</u>	<u>(56,558.17)</u>
State Sources:					
Preschool Education Aid	114,952.00		114,952.00	105,417.10	(9,534.90)
Total - State Sources	<u>114,952.00</u>	<u>-</u>	<u>114,952.00</u>	<u>105,417.10</u>	<u>(9,534.90)</u>
Total Revenues	<u>687,293.67</u>	<u>-</u>	<u>687,293.67</u>	<u>621,200.60</u>	<u>(66,093.07)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	240,140.00		240,140.00	237,780.00	2,360.00
Salaries of Other Professional Staff	12,026.00		12,026.00	12,026.00	
Purchased Professional and Technical Services	16,657.52		16,657.52	16,657.52	
Other Purchased Services (400-500 series)	162,865.00		162,865.00	162,838.64	26.36
General Supplies	27,080.25		27,080.25	16,860.35	10,219.90
Total Instruction	<u>458,768.77</u>	<u>-</u>	<u>458,768.77</u>	<u>446,162.51</u>	<u>12,606.26</u>
Support Services:					
Salaries	56,455.00		56,455.00	53,123.38	3,331.62
Personnel Services - Employee Benefits	90,662.42		90,662.42	65,467.21	25,195.21
Purchased Professional and Technical Services	81,407.48		81,407.48	56,447.50	24,959.98
Total Support Services	<u>228,524.90</u>	<u>-</u>	<u>228,524.90</u>	<u>175,038.09</u>	<u>53,486.81</u>
Total Expenditures	<u>687,293.67</u>	<u>-</u>	<u>687,293.67</u>	<u>621,200.60</u>	<u>66,093.07</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 12,645,231.47	\$ 621,200.60
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes, and State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	14,571.60	7,786.32
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 12,659,803.07	\$ 628,986.92
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 11,434,703.34	\$ 621,200.60
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 11,434,703.34	\$ 621,200.60

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS**

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Four Plan Years

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0064557544%	0.0071451352%	0.0078618552%	0.0076870033%
School District's Proportionate Share of the Net Pension Liability	\$ 1,912,009.00	\$ 1,603,940.00	\$ 1,471,954.00	\$ 1,469,139.00
School District's Covered Payroll (Plan Measurement Period)	\$ 466,980.00	\$ 509,880.00	\$ 547,948.00	\$ 548,980.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	409.44%	314.57%	268.63%	267.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Four Fiscal Years

	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 53,165.00	\$ 57,352.00	\$ 61,429.00	\$ 64,812.00
Contributions in relation to the Contractually Required Contribution	<u>(53,165.00)</u>	<u>(57,352.00)</u>	<u>(61,429.00)</u>	<u>(64,812.00)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
School District's Covered Payroll (Fiscal Year)	\$ 377,234.00	\$ 395,592.00	\$ 463,393.00	\$ 459,303.00
Contributions as a Percentage of School District's Covered Payroll	14.09%	14.50%	13.26%	14.11%

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

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Four Plan Years

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 25,317,979.00</u>	<u>\$ 21,584,095.00</u>	<u>\$ 18,182,444.00</u>	<u>\$ 17,452,316.00</u>
	<u><u>\$ 25,317,979.00</u></u>	<u><u>\$ 21,584,095.00</u></u>	<u><u>\$ 18,182,444.00</u></u>	<u><u>\$ 17,452,316.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 3,654,788.00	\$ 3,813,492.00	\$ 3,912,944.00	\$ 3,833,004.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	692.73%	565.99%	464.67%	455.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable. The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information - Part III
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	<u>No Child Left Behind (N.C.L.B.)</u>					<u>Total</u>
	<u>Title I, Part A</u>	<u>Title II, Part A, Improving Teacher Quality</u>	<u>I.D.E.A. Part B, Basic</u>	<u>I.D.E.A. Part B, Preschool</u>	<u>Preschool Education Aid</u>	
REVENUES:						
Federal Sources	\$ 323,245.86	\$ 29,699.00	\$ 156,740.64	\$ 6,098.00		\$ 515,783.50
State Sources					\$ 105,417.10	105,417.10
Total Revenues	<u>323,245.86</u>	<u>29,699.00</u>	<u>156,740.64</u>	<u>6,098.00</u>	<u>105,417.10</u>	<u>621,200.60</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	158,750.00	15,000.00			64,030.00	237,780.00
Salaries of Other Professional Staff	12,026.00					12,026.00
Purchased Professional and Technical Services					16,657.52	16,657.52
Other Purchased Services (400-500 series)			156,740.64	6,098.00		162,838.64
General Supplies	16,187.77				672.58	16,860.35
Total Instruction	<u>186,963.77</u>	<u>15,000.00</u>	<u>156,740.64</u>	<u>6,098.00</u>	<u>81,360.10</u>	<u>446,162.51</u>
Support Services:						
Salaries	39,819.38	13,304.00				53,123.38
Personnel Services - Employee Benefits	40,015.21	1,395.00			24,057.00	65,467.21
Purchased Professional and Technical Services	56,447.50					56,447.50
Total Support Services	<u>136,282.09</u>	<u>14,699.00</u>	<u>-</u>	<u>-</u>	<u>24,057.00</u>	<u>175,038.09</u>
Total Expenditures	<u>323,245.86</u>	<u>29,699.00</u>	<u>156,740.64</u>	<u>6,098.00</u>	<u>105,417.10</u>	<u>621,200.60</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CLEMENTON SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budgeted</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 64,740.00		\$ 64,740.00	\$ 64,030.00	\$ 710.00
Purchased Professional and Technical Services	16,657.52		16,657.52	16,657.52	
General Supplies	9,497.48		9,497.48	672.58	8,824.90
Total Instruction	<u>90,895.00</u>	<u>-</u>	<u>90,895.00</u>	<u>81,360.10</u>	<u>9,534.90</u>
Support Services:					
Personnel Services - Employee Benefits	24,057.00		24,057.00	24,057.00	
Total Support Services	<u>24,057.00</u>	<u>-</u>	<u>24,057.00</u>	<u>24,057.00</u>	<u>-</u>
Total Expenditures	<u>\$ 114,952.00</u>	<u>-</u>	<u>\$ 114,952.00</u>	<u>\$ 105,417.10</u>	<u>\$ 9,534.90</u>

Calculation of Budget and Carryover

Total Revised 2016-17 Preschool Education Aid Allocation	\$ 113,659.00
Add: Actual Preschool Education Aid Carryover (June 30, 2016)	1,293.00
Budgeted Transfer from General Fund 2016-17	-
Canceled Prior Year Encumbrances	-
Total Preschool Education Aid Funds Available for 2016-17 Budget	<u>114,952.00</u>
Less: 2016-17 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(114,952.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2017	<u>-</u>
Add: June 30, 2017 Unexpended Preschool Education Aid	9,534.90
Less: 2016-2017 Commissioner-approved Transfer to General Fund	<u>-</u>
2016-17 Carryover - Preschool Education Aid	<u>\$ 9,534.90</u>
2016-17 Preschool Education Aid Carryover Budgeted in 2017-18	<u>\$ 1,293.00</u>

PROPRIETARY FUNDS

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 46,511.25	\$ 157,050.78	\$ 203,562.03
Intergovernmental Accounts Receivable:			
Federal	6,335.18		6,335.18
State	97.65		97.65
Inventory:			
Food	3,378.56		3,378.56
Supplies	540.43		540.43
Total Current Assets	<u>56,863.07</u>	<u>157,050.78</u>	<u>213,913.85</u>
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment	149,489.00		149,489.00
Less: Accumulated Depreciation	<u>(106,909.00)</u>		<u>(106,909.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>42,580.00</u>	<u>-</u>	<u>42,580.00</u>
Total Noncurrent Assets	<u>42,580.00</u>	<u>-</u>	<u>42,580.00</u>
Total Assets	<u>99,443.07</u>	<u>157,050.78</u>	<u>256,493.85</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
General Fund		4,553.21	4,553.21
Unearned Revenue	3,000.92	1,192.58	4,193.50
Total Current Liabilities	<u>3,000.92</u>	<u>5,745.79</u>	<u>8,746.71</u>
Total Liabilities	<u>3,000.92</u>	<u>5,745.79</u>	<u>8,746.71</u>
NET POSITION:			
Net Investment in Capital Assets	42,580.00		42,580.00
Unrestricted	<u>53,862.15</u>	<u>151,304.99</u>	<u>205,167.14</u>
Total Net Position	<u>\$ 96,442.15</u>	<u>\$ 151,304.99</u>	<u>\$ 247,747.14</u>

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 36,236.51		\$ 36,236.51
Daily Sales - Non-Reimbursable Programs	20,510.95		20,510.95
Special Functions	770.87		770.87
Tuition and Fees		\$ 118,672.79	118,672.79
Miscellaneous	449.11		449.11
Total Operating Revenues	57,967.44	118,672.79	176,640.23
OPERATING EXPENSES:			
Food Service Management Company Salaries	82,687.71		82,687.71
Personnel Services - Salaries		56,271.12	56,271.12
Food Service Management Company Employee Benefits	36,498.20		36,498.20
Personnel Services - Employee Benefits		4,304.72	4,304.72
Purchased Professional and Technical Services	1,490.00		1,490.00
Purchased Property Services	334.75		334.75
Other Purchased Services	20,754.07	140.00	20,894.07
Supplies and Materials	9,356.24	6,902.44	16,258.68
Depreciation	8,836.00		8,836.00
Cost of Sales:			
Reimbursable Program	77,563.56		77,563.56
Non-Reimbursable Program	5,809.00		5,809.00
Miscellaneous	390.18	42.00	432.18
Total Operating Expenses	243,719.71	67,660.28	311,379.99
Operating Income (Loss)	(185,752.27)	51,012.51	(134,739.76)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	2,482.70		2,482.70
Federal Sources:			
National School Breakfast Program	28,226.40		28,226.40
National School Lunch Program	119,116.54		119,116.54
Snacks	7,364.18		7,364.18
HHFKA - Performance Based	2,888.34		2,888.34
Food Distribution Program	19,554.62		19,554.62
Total Nonoperating Revenues (Expenses)	179,632.78	-	179,632.78
Change in Net Position	(6,119.49)	51,012.51	44,893.02
Net Position, July 1	102,561.64	100,292.48	202,854.12
Net Position, June 30	\$ 96,442.15	\$ 151,304.99	\$ 247,747.14

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers and Users	\$ 57,967.44	\$ 118,134.66	\$ 176,102.10
Payments to Suppliers	(233,853.57)	(7,084.44)	(240,938.01)
Payments to Employees		(58,883.11)	(58,883.11)
Payments for Employee Benefits		(4,504.54)	(4,504.54)
Net Cash Provided by (Used for) Operating Activities	<u>(175,886.13)</u>	<u>47,662.57</u>	<u>(128,223.56)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal Sources	176,183.73		176,183.73
State Sources	2,475.91		2,475.91
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>178,659.64</u>	<u>-</u>	<u>178,659.64</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	<u>(11,459.00)</u>		<u>(11,459.00)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(11,459.00)</u>	<u>-</u>	<u>(11,459.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,685.49)	47,662.57	38,977.08
Cash and Cash Equivalents, July 1	<u>55,196.74</u>	<u>109,388.21</u>	<u>164,584.95</u>
Cash and Cash Equivalents, June 30	<u>\$ 46,511.25</u>	<u>\$ 157,050.78</u>	<u>\$ 203,562.03</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (185,752.27)	\$ 51,012.51	\$ (134,739.76)
Provided by (Used for) Operating Activities:			
Depreciation	8,836.00		8,836.00
(Increase) Decrease in Inventories for Consumption	28.46		28.46
(Increase) Decrease in Inventories for Resale	1,001.68		1,001.68
Increase (Decrease) in Interfund Accounts Payable		(2,811.81)	(2,811.81)
Increase (Decrease) in Unearned Revenue		(538.13)	(538.13)
Total Adjustments	<u>9,866.14</u>	<u>(3,349.94)</u>	<u>6,516.20</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (175,886.13)</u>	<u>\$ 47,662.57</u>	<u>\$ (128,223.56)</u>

FIDUCIARY FUNDS

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2017

	Private-Purpose Trust Funds			Agency Funds		
	Unemployment Compensation <u>Trust</u>	Flexible Benefits <u>Trust</u>	Scholarship <u>Fund</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:						
Cash and Cash Equivalents	\$ 156,247.88	\$ 3,130.46	\$ 7,217.39	\$ 853,977.75	\$ 11,446.21	\$ 1,032,019.69
Interfund Accounts Receivable:						
General Fund					60.01	60.01
Total Assets	<u>156,247.88</u>	<u>3,130.46</u>	<u>7,217.39</u>	<u>\$ 853,977.75</u>	<u>\$ 11,506.22</u>	<u>1,032,079.70</u>
LIABILITIES:						
Interfund Accounts Payable:						
General Fund				\$ 838,846.33		838,846.33
Payable to Student Groups				15,131.42		15,131.42
Payroll Deductions and Withholdings					\$ 11,506.22	11,506.22
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 853,977.75</u>	<u>\$ 11,506.22</u>	<u>865,483.97</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>156,247.88</u>	<u>3,130.46</u>	<u>7,217.39</u>			<u>166,595.73</u>
Total Net Position	<u>\$ 156,247.88</u>	<u>\$ 3,130.46</u>	<u>\$ 7,217.39</u>			<u>\$ 166,595.73</u>

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2017

	<u>Private-Purpose Trust Funds</u>			<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Fund</u>	
ADDITIONS:				
Contributions:				
From Board	\$ 30,000.00			\$ 30,000.00
Employee	<u>7,196.37</u>	<u>\$ 7,360.00</u>		<u>14,556.37</u>
Total Contributions	<u>37,196.37</u>	<u>7,360.00</u>	<u>-</u>	<u>44,556.37</u>
Total Additions	<u>37,196.37</u>	<u>7,360.00</u>	<u>-</u>	<u>44,556.37</u>
DEDUCTIONS:				
Awarded Scholarships			\$ 500.00	500.00
Claims	<u>2,544.72</u>	<u>7,660.29</u>		<u>10,205.01</u>
Total Deductions	<u>2,544.72</u>	<u>7,660.29</u>	<u>500.00</u>	<u>10,705.01</u>
Change in Net Position	34,651.65	(300.29)	(500.00)	33,851.36
Net Position, July 1	<u>121,596.23</u>	<u>3,430.75</u>	<u>7,717.39</u>	<u>132,744.37</u>
Net Position, June 30	<u>\$ 156,247.88</u>	<u>\$ 3,130.46</u>	<u>\$ 7,217.39</u>	<u>\$ 166,595.73</u>

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance <u>June 30, 2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2017</u>
Elementary School:				
Clementon Elementary School	<u>\$ 20,558.92</u>	<u>\$ 11,174.12</u>	<u>\$ 18,197.97</u>	<u>\$ 13,535.07</u>

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Payroll and Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 16,226.90	\$ 4,680,284.27	\$ 4,685,064.96	\$ 11,446.21
Total Assets	<u>\$ 16,226.90</u>	<u>\$ 4,680,284.27</u>	<u>\$ 4,685,064.96</u>	<u>\$ 11,446.21</u>
LIABILITIES:				
Intrafund Accounts Payable:				
Unemployment Compensation Trust		\$ 7,196.37	\$ 7,196.37	
Flexible Benefits Trust		7,360.00	7,360.00	
Interfund Accounts Payable:				
General Fund		2,544.72	2,544.72	
Accrued Salaries and Wages		2,584,470.71	2,584,470.71	
Payroll Deductions and Withholdings	\$ 16,226.90	2,078,712.47	2,083,493.16	\$ 11,446.21
Total Liabilities	<u>\$ 16,226.90</u>	<u>\$ 4,680,284.27</u>	<u>\$ 4,685,064.96</u>	<u>\$ 11,446.21</u>

LONG-TERM DEBT

CLEMENTON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2013	05/01/13	\$ 1,753,000.00	04/01/18	\$ 449,000.00	1.65%	<u>\$ 881,000.00</u>	<u>-</u>	<u>\$ 432,000.00</u>	<u>\$ 449,000.00</u>

CLEMENTON SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 446,537.00		\$ 446,537.00	\$ 446,537.01	\$ 0.01
Total - Local Sources	446,537.00	-	446,537.00	446,537.01	0.01
Total Revenues	446,537.00	-	446,537.00	446,537.01	0.01
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	14,537.00		14,537.00	14,537.00	
Redemption of Principal	432,000.00		432,000.00	432,000.00	
Total Regular Debt Service	446,537.00	-	446,537.00	446,537.00	-
Total Expenditures	446,537.00	-	446,537.00	446,537.00	-
Net Change in Fund Balance	-	-	-	0.01	0.01
Fund Balance, July 1	-	-	-	0.50	0.50
Fund Balance, June 30	-	-	-	\$ 0.51	\$ 0.51
Recapitulation:					
Restricted Fund Balance:					
For Subsequent Years' Expenditures				\$ 0.51	

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

CLEMENTON SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2017 *	2016 *	2015 *	2014 *	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,824,343.91	\$ 3,482,552.28	\$ 3,323,614.12	\$ 3,037,931.25	\$ 2,913,510.38	\$ 2,880,872.00	\$ 2,908,481.00	\$ 2,654,944.00	\$ 2,175,946.00	\$ 1,870,079.00
Restricted	3,427,861.70	2,871,048.01	2,439,948.99	1,801,261.39	1,696,504.64	1,791,768.00	1,278,322.00	1,569,554.00	2,000,616.00	1,950,882.00
Unrestricted (Deficit)	<u>(1,154,633.92)</u>	<u>(1,790,250.71)</u>	<u>(1,950,556.20)</u>	<u>(1,935,272.61)</u>	<u>(610,570.45)</u>	<u>(521,393.21)</u>	<u>(688,122.00)</u>	<u>(881,117.00)</u>	<u>(641,971.00)</u>	<u>(501,459.00)</u>
Total Governmental Activities Net Position	\$ 6,097,571.69	\$ 4,563,349.58	\$ 3,813,006.91	\$ 2,903,920.03	\$ 3,999,444.57	\$ 4,151,246.79	\$ 3,498,681.00	\$ 3,343,381.00	\$ 3,534,591.00	\$ 3,319,502.00
Business-Type Activities:										
Net Investment in Capital Assets	\$ 42,580.00	\$ 39,957.00	\$ 47,705.00	\$ 55,521.00	\$ 63,407.00	\$ 71,291.00	\$ 79,175.00	\$ 87,061.00	\$ 94,943.00	\$ 94,880.00
Unrestricted	205,167.14	162,897.12	117,431.07	124,788.24	109,198.66	86,684.09	95,940.00	85,599.00	66,698.00	31,058.00
Total Business-Type Activities Net Position	\$ 247,747.14	\$ 202,854.12	\$ 165,136.07	\$ 180,309.24	\$ 172,605.66	\$ 157,975.09	\$ 175,115.00	\$ 172,660.00	\$ 161,641.00	\$ 125,938.00
Government-Wide:										
Net Investment in Capital Assets	\$ 3,866,923.91	\$ 3,522,509.28	\$ 3,371,319.12	\$ 3,093,452.25	\$ 2,976,917.38	\$ 2,952,163.00	\$ 2,987,656.00	\$ 2,742,005.00	\$ 2,270,889.00	\$ 1,964,959.00
Restricted	3,427,861.70	2,871,048.01	2,439,948.99	1,801,261.39	1,696,504.64	1,791,768.00	1,278,322.00	1,569,554.00	2,000,616.00	1,950,882.00
Unrestricted (Deficit)	<u>(949,466.78)</u>	<u>(1,627,353.59)</u>	<u>(1,833,125.13)</u>	<u>(1,810,484.37)</u>	<u>(501,371.79)</u>	<u>(434,709.12)</u>	<u>(592,182.00)</u>	<u>(795,518.00)</u>	<u>(575,273.00)</u>	<u>(470,401.00)</u>
Total Government-Wide Net Position	\$ 6,345,318.83	\$ 4,766,203.70	\$ 3,978,142.98	\$ 3,084,229.27	\$ 4,172,050.23	\$ 4,309,221.88	\$ 3,673,796.00	\$ 3,516,041.00	\$ 3,696,232.00	\$ 3,445,440.00

* Amounts for the years 2017, 2016, 2015 and 2014 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

Source: Comprehensive Annual Financial Report Exhibit A-1.

CLEMENTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2017 *	2016 *	2015 *	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,017,969.92	\$ 2,854,815.19	\$ 2,821,858.53	\$ 2,845,950.63	\$ 2,889,736.57	\$ 2,300,491.00	\$ 2,880,613.00	\$ 3,138,592.00	\$ 2,790,857.00	\$ 2,931,980.00
Special Education	717,919.36	758,730.08	720,609.51	653,593.97	633,144.98	1,172,550.00	660,020.00	733,156.00	615,357.00	489,857.00
Other Special Instruction	7,921.49	31,795.67	82,410.57	76,755.00	1,000.00					
Other Instruction	41,031.02	42,687.21	36,370.18	39,002.15	34,531.68	32,534.00	31,908.00	34,720.00	44,588.00	40,202.00
Support Services:										
Tuition	2,991,727.96	3,329,269.36	3,363,785.42	3,731,577.35	3,795,588.99	3,709,226.00	3,728,817.00	3,771,456.00	3,552,263.00	3,018,031.00
Student and Instruction Related Services	999,211.81	838,316.18	812,623.24	782,578.79	806,058.08	830,822.00	842,179.00	865,119.00	776,704.00	784,592.00
Other Administrative Services	445,153.24	340,974.56	314,274.25	283,565.67	386,628.47	465,638.00	482,988.00	506,494.00	499,496.00	599,831.00
School Administrative Services	316,789.44	337,847.31	377,780.71	355,528.98	353,764.89	134,652.00	144,735.00	182,101.00	208,367.00	208,444.00
Plant Operations and Maintenance	451,146.25	487,696.41	461,712.18	519,051.17	517,495.86	437,070.00	466,227.00	470,756.00	874,254.00	533,813.00
Pupil Transportation	669,000.31	572,523.78	432,337.03	575,282.42	442,717.23	321,146.00	382,306.00	398,386.00	392,381.00	376,452.00
Personal Services - Employee Benefits	3,882,449.25	3,269,088.52	2,857,537.59	1,894,955.88	1,954,284.45	1,987,590.00	1,885,736.00	1,795,289.00	1,598,871.00	1,623,162.00
Transfer of Funds to Charter School	165,573.00	51,507.00	59,369.00	19,386.00	34,141.00					
Interest on Long-term Debt	26,656.13	33,659.89	40,561.02	51,735.35	86,173.01	131,850.00	124,126.00	137,813.00	158,189.00	131,122.00
Unallocated Depreciation and Amortization	30,225.71	33,210.28	29,585.11	29,354.50	29,109.40	40,254.00	47,021.00	40,544.00	41,653.00	36,932.00
Total Governmental Activities Expenses	13,762,774.89	12,982,121.44	12,410,814.34	11,858,315.86	11,964,374.61	11,563,823.00	11,676,676.00	12,074,426.00	11,552,980.00	10,774,418.00
Business-Type Activities:										
Food Service	243,719.71	234,792.20	237,690.00	246,356.61	255,227.12	246,040.00	235,821.00	236,857.00	249,731.00	279,538.00
Camp Clementon Community Education	67,660.28	67,410.28	77,906.70	44,167.83	45,508.40	69,873.00	79,399.00	85,355.00	80,943.00	95,526.00
Total Business-Type Activities Expense	311,379.99	302,202.48	315,596.70	290,524.44	300,735.52	315,913.00	315,220.00	322,212.00	330,674.00	375,064.00
Total Government-Wide Expenses	\$ 14,074,154.88	\$ 13,284,323.92	\$ 12,726,411.04	\$ 12,148,840.30	\$ 12,265,110.13	\$ 11,879,736.00	\$ 11,991,896.00	\$ 12,396,638.00	\$ 11,883,654.00	\$ 11,149,482.00
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 164,803.78	\$ 129,958.73	\$ 87,815.55	\$ 80,870.39	\$ 1,324.00	\$ 12,516.00				
Operating Grants and Contributions	3,067,622.78	2,371,018.47	2,036,553.42	1,159,245.92	1,274,180.80	1,288,943.00	1,300,677.00	1,330,203.00	1,225,426.00	1,979,421.00
Capital Grants and Contributions			97,831.90							
Total Governmental Activities Program Revenues	3,232,426.56	2,500,977.20	2,222,200.87	1,240,116.31	1,275,504.80	1,301,459.00	1,300,677.00	1,330,203.00	1,225,426.00	1,979,421.00
Business-Type Activities:										
Charges for services:										
Food Service	57,967.44	56,797.56	51,291.50	58,527.87	67,379.42	61,727.00	69,567.00	77,298.00	85,475.00	88,704.00
Camp Clementon Community Education	118,672.79	102,073.80	71,178.07	68,476.54	75,654.24	58,153.00	64,603.00	88,156.00	108,461.00	104,696.00
Operating Grants and Contributions	179,632.78	181,049.17	177,952.77	171,000.64	172,113.86	178,613.00	183,026.00	167,560.00	155,275.00	134,057.00
Total Business-Type Activities Program Revenues	356,273.01	339,920.53	300,422.34	298,005.05	315,147.52	298,493.00	317,196.00	333,014.00	349,211.00	327,457.00
Total Government-Wide Program Revenues	\$ 3,588,699.57	\$ 2,840,897.73	\$ 2,522,623.21	\$ 1,538,121.36	\$ 1,590,652.32	\$ 1,599,952.00	\$ 1,617,873.00	\$ 1,663,217.00	\$ 1,574,637.00	\$ 2,306,878.00
Net (Expense) / Revenue:										
Governmental Activities	\$ (10,530,348.33)	\$ (10,481,144.24)	\$ (10,188,613.47)	\$ (10,618,199.55)	\$ (10,688,869.81)	\$ (10,262,364.00)	\$ (10,375,999.00)	\$ (10,744,223.00)	\$ (10,327,554.00)	\$ (8,794,997.00)
Business-Type Activities	44,893.02	37,718.05	(15,174.36)	7,480.61	14,412.00	(17,420.00)	1,976.00	10,802.00	18,537.00	(47,607.00)
Total Government-Wide Net Expense	\$ (10,485,455.31)	\$ (10,443,426.19)	\$ (10,203,787.83)	\$ (10,610,718.94)	\$ (10,674,457.81)	\$ (10,279,784.00)	\$ (10,374,023.00)	\$ (10,733,421.00)	\$ (10,309,017.00)	\$ (8,842,604.00)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 4,159,197.03	\$ 4,118,079.04	\$ 4,076,653.00	\$ 3,997,359.00	\$ 3,918,979.00	\$ 3,842,137.00	\$ 3,767,070.00	\$ 3,622,183.00	\$ 3,636,393.00	\$ 3,636,393.00
Property Taxes, Levied for Debt Service	446,537.01	432,389.00	445,380.01	328,678.00	335,512.00	289,880.00	330,079.00	328,214.00	253,451.00	253,451.00
Federal and State Aid - Unrestricted	6,497,913.76	6,450,408.88	6,518,714.99	6,431,998.98	6,303,600.34	6,522,811.00	6,222,122.00	6,294,023.00	6,023,958.00	4,701,628.00
Federal and State Aid - Restricted			97,195.50	97,195.50	84,966.42			144,418.00		
Interest and Investment Earnings - Unrestricted	6,276.89		1.27	7,243.76	10,695.10	1,396.00	2,877.00	844.00	638.00	26,370.00
Interest and Investment Earnings - Restricted			1.15	1,352.37	1,163.76					
Miscellaneous	955,244.75	230,609.99	56,949.93	127,986.40	82,759.97	169,958.00	209,151.00	163,331.00	318,015.00	597,619.00
Gain (Loss) on Disposal of Capital Assets	(599.00)		(4,805.00)			(79,175.00)				
Transfers									(8,899.00)	(27,706.00)
Total Governmental Activities	12,064,570.44	11,231,486.91	11,092,895.35	10,991,814.01	10,737,676.59	10,747,007.00	10,531,299.00	10,553,013.00	10,223,556.00	9,187,755.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2017 *	2016 *	2015 *	2014	2013	2012	2011	2010	2009	2008
General Revenues and Other Changes in Net Position (Cont'd):										
Business-Type Activities:										
Interest and Investment Earnings - Unrestricted Transfers			\$ 1.19	\$ 222.97	\$ 218.57	\$ 278.00	\$ 479.00	\$ 217.00	\$ 317.00	\$ 1,017.00
								8,899.00		27,706.00
Total Business-Type Activities	-	-	1.19	222.97	218.57	278.00	479.00	217.00	9,216.00	28,723.00
Total Government-Wide	\$ 12,064,570.44	\$ 11,231,486.91	\$ 11,092,896.54	\$ 10,992,036.98	\$ 10,737,895.16	\$ 10,747,285.00	\$ 10,531,778.00	\$ 10,553,230.00	\$ 10,232,772.00	\$ 9,216,478.00
Change in Net Position:										
Governmental Activities	\$ 1,534,222.11	\$ 750,342.67	\$ 904,281.88	\$ 373,614.46	\$ 48,806.78	\$ 484,643.00	\$ 155,300.00	\$ (191,210.00)	\$ (103,998.00)	\$ 392,758.00
Business-Type Activities	44,893.02	37,718.05	(15,173.17)	7,703.58	14,630.57	(17,142.00)	2,455.00	11,019.00	27,753.00	(18,884.00)
Total Government-Wide	\$ 1,579,115.13	\$ 788,060.72	\$ 889,108.71	\$ 381,318.04	\$ 63,437.35	\$ 467,501.00	\$ 157,755.00	\$ (180,191.00)	\$ (76,245.00)	\$ 373,874.00

* Amounts for the years 2015, 2016 and 2017 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Source: *Comprehensive Annual Financial Report Exhibit A-2.*

CLEMENTON SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:										
Restricted	\$ 3,427,861.19	\$ 2,871,047.51	\$ 2,426,498.09	\$ 1,741,447.40	\$ 1,686,744.27	\$ 1,410,581.00	\$ 824,913.00	\$ 389,681.00	\$ 1,124,611.00	\$ 840,949.00
Committed	836,442.68									
Assigned	120,077.47	313,617.70	111,248.56	205,348.28	109,771.39	372,080.00	401,491.00	899,919.00	511,029.00	164,246.00
Unassigned (Deficit)	<u>(300,499.10)</u>	<u>(325,882.70)</u>	<u>(288,099.70)</u>	<u>(340,671.00)</u>	<u>(341,800.43)</u>	<u>(316,459.90)</u>	<u>(181,792.00)</u>	<u>(337,284.00)</u>	<u>(148,714.00)</u>	<u>279,719.00</u>
Total General Fund	<u>\$ 4,083,882.24</u>	<u>\$ 2,858,782.51</u>	<u>\$ 2,249,646.95</u>	<u>\$ 1,606,124.68</u>	<u>\$ 1,454,715.23</u>	<u>\$ 1,466,201.10</u>	<u>\$ 1,044,612.00</u>	<u>\$ 952,316.00</u>	<u>\$ 1,486,926.00</u>	<u>\$ 1,284,914.00</u>
All Other Governmental Funds:										
Restricted	\$ 0.51	\$ 0.50	\$ 13,450.90	\$ 59,813.99	\$ 9,760.37	\$ 9,107.11	\$ 51,918.00	\$ 289,258.00	\$ 364,976.00	\$ 732,380.00
Unassigned (Deficit)	<u>(1,830.98)</u>	<u>(9,617.30)</u>	<u>(8,824.30)</u>	<u>(5,985.99)</u>	<u>(6,216.49)</u>	<u>(12,541.00)</u>	<u>(12,541.00)</u>	<u>(9,304.00)</u>	<u>(148,714.00)</u>	<u>(31,637.00)</u>
Total All Other Governmental Funds	<u>\$ (1,830.47)</u>	<u>\$ (9,616.80)</u>	<u>\$ 4,626.60</u>	<u>\$ 53,828.00</u>	<u>\$ 3,543.88</u>	<u>\$ 9,107.11</u>	<u>\$ 39,377.00</u>	<u>\$ 279,954.00</u>	<u>\$ 364,976.00</u>	<u>\$ 700,743.00</u>

Source: Comprehensive Annual Financial Report Exhibit B-1.

CLEMENTON SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Local Tax Levy	\$ 4,605,734.04	\$ 4,550,468.04	\$ 4,522,033.01	\$ 4,326,037.00	\$ 4,254,491.00	\$ 4,132,017.00	\$ 4,097,149.00	\$ 3,950,397.00	\$ 3,889,844.00	\$ 3,889,844.00
Tuition Charges	164,803.78	129,958.73	87,815.55	80,870.39	1,324.00	12,516.00	85,115.00	99,547.00		
Interest Earned on Capital Reserve Funds			1.15	1,352.37	1,163.76					
Interest Earnings						1,396.00	2,877.00	844.00	638.00	26,370.00
Textbook Sales and Rentals					93,455.07					
Unrestricted Miscellaneous Revenues	961,521.64	230,609.99	61,756.20	135,230.16	428,749.49	169,958.00	124,036.00	63,784.00	318,015.00	597,619.00
Federal Sources	542,751.66	411,118.78	492,818.49	478,774.54	7,233,998.07	756,140.00	546,329.00	1,642,238.00	465,739.00	479,997.00
State Sources	7,460,515.88	7,350,083.57	7,366,521.82	7,209,665.86		7,055,614.00	6,976,470.00	6,126,406.00	6,785,025.00	6,201,052.00
Total Revenue	13,735,327.00	12,672,239.11	12,530,946.22	12,231,930.32	12,013,181.39	12,127,641.00	11,831,976.00	11,883,216.00	11,459,261.00	11,194,882.00
Expenditures:										
Current:										
Instruction:										
Regular Instruction	2,799,056.38	2,610,277.74	2,610,783.78	2,639,611.93	2,684,144.72	2,160,009.00	2,653,458.00	2,856,292.00	2,563,377.00	2,718,088.00
Special Education Instruction	717,919.36	751,033.10	719,759.08	650,525.95	636,778.17	1,172,550.00	660,020.00	733,156.00	615,357.00	489,857.00
Other Special Instruction	7,921.49	337,621.25	82,410.57	76,755.00	1,000.00					
Other Instruction	41,031.02	42,687.21	36,370.18	39,002.15	34,531.68	32,534.00	31,908.00	34,720.00	44,588.00	40,202.00
Support Services and Undistributed Costs:										
Tuition	2,991,727.96	3,329,269.36	3,363,785.42	3,731,577.35	3,795,588.99	3,709,226.00	3,728,817.00	3,771,456.00	3,552,263.00	3,018,031.00
Student and Instruction Related Services	999,211.81	838,316.18	812,623.24	782,578.79	806,058.08	830,822.00	842,179.00	865,119.00	776,704.00	784,592.00
Other Administrative Services	430,645.45	303,593.97	284,690.15	254,212.17	308,725.07	436,235.00	446,815.00	476,800.00	468,692.00	567,923.00
School Administrative Services	316,392.21	337,621.25	375,503.91	355,526.98	353,764.89	134,652.00	144,735.00	182,101.00	208,367.00	208,444.00
Plant Operations and Maintenance	423,361.12	453,776.54	429,840.52	442,831.69	455,390.30	407,667.00	405,861.00	441,062.00	502,179.00	487,939.00
Pupil Transportation	669,000.31	572,523.78	432,337.03	575,282.42	442,717.23	321,146.00	382,306.00	398,386.00	392,381.00	376,452.00
Personal Services - Employee Benefits	2,267,521.07	2,228,510.35	2,100,538.47	1,942,363.16	2,017,492.46	2,016,030.00	1,915,406.00	1,824,939.00	1,628,502.00	1,623,162.00
Capital Outlay	226,542.76	82,935.30	183,234.00	85,108.00	45,693.16	37,473.00	319,457.00	465,939.00	384,707.00	43,973.00
Transfer of Funds to Charter Schools	165,573.00	51,507.00	59,369.00	19,386.00	34,141.00	32,686.00				
Debt Service:										
Principal	432,000.00	422,000.00	417,000.00	393,000.00	345,000.00	330,000.00	320,000.00	310,000.00	290,000.00	280,000.00
Interest and Other Charges	14,537.00	21,499.50	23,380.00	42,475.16	100,857.50	115,292.00	129,295.00	142,878.00	155,620.00	167,887.00
Total Expenditures	12,502,440.94	12,077,346.95	11,931,625.35	12,030,236.75	12,061,883.25	11,736,322.00	11,980,257.00	12,502,848.00	11,582,737.00	10,806,550.00
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	1,232,886.06	594,892.16	599,320.87	201,693.57	(48,701.86)	391,319.00	(148,281.00)	(619,632.00)	(123,476.00)	388,332.00
Other Financing Sources (Uses):										
State Aid Cancelled									(1,380.00)	
Proceeds of Refunding Bonds					1,753,000.00					
Payment to Refunded Bond Escrow Agent					(1,721,347.24)					
Transfers In		(2,339.90)		66,708.00		9,126.00	570.00	145,996.00	3,865.00	24,426.00
Transfers Outs		2,339.90		(66,708.00)		(9,126.00)	(570.00)	(145,996.00)	(12,764.00)	(52,132.00)
Total Other Financing Sources (Uses)	-	-	-	-	31,652.76	-	-	-	(10,279.00)	(27,706.00)
Net Change in Fund Balances	\$ 1,232,886.06	\$ 594,892.16	\$ 599,320.87	\$ 201,693.57	\$ (17,049.10)	\$ 391,319.00	\$ (148,281.00)	\$ (619,632.00)	\$ (133,755.00)	\$ 360,626.00
Debt Service as a Percentage of										
Noncapital Expenditures	3.6%	3.7%	3.7%	3.6%	3.7%	3.8%	3.9%	3.8%	4.0%	4.2%

Source: Comprehensive Annual Financial Report Exhibit B-2.

CLEMENTON SCHOOL DISTRICT
 General Fund - Unrestricted Miscellaneous Revenues by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Book Fine			\$ 109.00							
BPU Contribution										\$ 151,031.00
Cancellation of Accrued Wages		\$ 139,001.24								
Dissolution Asset Settlement									\$ 188,710.00	281,683.00
E-Rate Reimbursements	\$ 56,536.68	25,175.69	12,368.09	\$ 15,590.62	\$ 21,053.94	\$ 21,450.00	\$ 3,977.00		521.00	7,933.00
Endowment Donation	840,442.68									
Insurance Reimbursements / Surplus			7,227.00		6,170.00					90,000.00
Interest on Investments	6,276.89		1.27	7,243.76	10,695.10	15,816.00	21,807.00	\$ 9,242.00	19,191.00	70,259.00
Miscellaneous	33.60	927.09	225.50	1,818.79	3,231.08	13,412.00	4,342.00		9,333.00	11,887.00
Refunds	1,527.00	10,216.10	9,981.44	1,829.08	6,494.28	35,001.00	50,547.00	5,278.00	9,895.00	
Rent					4,400.00					
Refund of Prior Year's Expenditures	32,809.07	10,086.54	5,000.00	36,173.81	14,370.67					
Solar Renewable Energy Credits	23,895.72	37,061.68	22,038.90	26,462.50	27,040.00	85,675.00	46,240.00	50,108.00	24,660.00	
Tuition		8,141.65		46,111.60		12,516.00	85,115.00	99,547.00	66,343.00	11,196.00
	<u>\$ 961,521.64</u>	<u>\$ 230,609.99</u>	<u>\$ 56,951.20</u>	<u>\$ 135,230.16</u>	<u>\$ 93,455.07</u>	<u>\$ 183,870.00</u>	<u>\$ 212,028.00</u>	<u>\$ 164,175.00</u>	<u>\$ 318,653.00</u>	<u>\$ 623,989.00</u>

Source: School District records.

REVENUE CAPACITY INFORMATION

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

CLEMENTON SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
 Unaudited

Year Ended <u>Dec. 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Apartment</u>	Total Assessed Value	Public Utilities ⁽¹⁾	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ⁽²⁾
2017	\$ 5,410,700.00	\$ 216,159,900.00	\$ 179,500.00	\$ 6,000.00	\$ 36,902,600.00	\$ 14,435,000.00	\$ 273,093,700.00	-	\$ 273,093,700.00	\$ 40,491,100.00	\$ 248,107,958.00	\$ 1.695
2016	5,307,700.00	218,920,200.00	179,500.00	6,000.00	41,833,000.00	14,435,000.00	280,681,400.00	-	280,681,400.00	37,170,200.00	259,589,006.00	1.631
2015	4,691,700.00	219,444,600.00	179,500.00	6,000.00	41,939,500.00	14,435,000.00	280,696,300.00	-	280,696,300.00	37,092,300.00	238,590,125.00	1.616
2014	4,922,100.00	223,676,400.00	179,500.00	6,000.00	42,682,500.00	14,619,800.00	286,086,300.00	-	286,086,300.00	37,099,100.00	269,191,207.76	1.546
2013	4,505,400.00	224,319,000.00	179,500.00	6,000.00	44,053,800.00	14,619,800.00	287,683,500.00	\$ 495,251.00	288,178,751.00	38,090,800.00	281,392,416.00	1.488
2012	4,490,900.00	225,130,300.00	179,500.00	6,000.00	44,091,900.00	14,619,800.00	288,518,400.00	530,077.00	289,048,477.00	37,487,500.00	278,685,548.00	1.450
2011 ⁽⁴⁾	4,478,000.00	225,381,800.00	179,500.00	6,000.00	44,198,200.00	14,619,800.00	288,863,300.00	552,147.00	289,415,447.00	37,683,100.00	291,064,564.00	1.421
2010	3,054,000.00	136,021,730.00	103,100.00	3,600.00	25,652,300.00	7,536,100.00	172,370,830.00	392,444.00	172,763,274.00	25,792,800.00	297,371,722.00	2.329
2009	3,074,300.00	135,825,680.00	103,100.00	3,600.00	25,652,300.00	7,536,100.00	172,195,080.00	413,095.00	172,608,175.00	25,694,500.00	291,476,778.00	2.271
2008	3,178,100.00	135,158,580.00	103,100.00	3,600.00	25,941,900.00	7,536,100.00	171,921,380.00	395,118.00	172,316,498.00	25,178,700.00	285,845,128.00	2.257

⁽⁴⁾ revaluation

⁽¹⁾ taxable value of communication equipment.

⁽²⁾ tax rates are per \$100.00 of assessed valuation.

* information not available.

Source: Camden County Board of Taxation.

CLEMENTON SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Borough of Clementon</u>	<u>Camden County</u>	
2017	\$ 1.530	\$ 0.165	\$ 1.695	\$ 1.408	\$ 0.775	\$ 3.878
2016	1.474	0.157	1.631	1.292	0.814	3.737
2015	1.460	0.156	1.616	1.279	0.745	3.640
2014	1.411	0.135	1.546	1.263	0.803	3.612
2013	1.374	0.115	1.488	1.194	0.814	3.496
2012	1.343	0.108	1.450	1.152	0.744	3.346
2011 ^(r)	1.315	0.106	1.421	1.101	0.717	3.239
2010	2.139	0.191	2.329	1.724	1.121	5.174
2009	2.103	0.168	2.271	1.646	1.048	4.965
2008	2.110	0.147	2.257	1.572	1.054	4.883

^(r) revaluation

Source: Municipal Tax Collector.

CLEMENTON SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Silver Lake Manor LLC	\$ 7,041,800.00	1	2.58%	\$ 4,180,700.00	2	2.43%
Clementon Lake Holding LLC	5,250,000.00	2	1.92%			
Chestnut Arm Realty LLC	3,826,900.00	3	1.40%	1,785,000.00	4	1.04%
Medici LLC	3,250,000.00	4	1.19%	2,098,800.00	3	1.22%
First Northern Star	2,608,100.00	5	0.96%	1,100,000.00	7	0.64%
Clementon Equities LLC	2,062,900.00	6	0.76%	1,200,000.00	6	0.70%
Daniel G. Kamin White Horse Pike LLC	1,995,000.00	7	0.73%	1,002,000.00	9	0.58%
Three-B Sac Self Storage Limited	1,872,400.00	8	0.69%			
Clementon Norse LLC	1,500,000.00	9	0.55%	868,000.00	10	0.50%
Mt. Carmel Land Co.	681,000.00	10	0.25%			
Clementon Lake Amusement Park				4,512,700.00	1	2.62%
Two Sac Self Storage				1,423,900.00	5	0.83%
ADG Real Estate				1,010,800.00	8	0.59%
Total	\$ 30,088,100.00		11.02%	\$ 19,181,900.00		11.13%

Source: Municipal Tax Assessor.

CLEMENTON SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the <u>the Levy</u> ⁽¹⁾		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	Percentage <u>of Levy</u>	
2017	\$ 4,605,734.04	\$ 4,605,734.04	100.00%	
2016	4,550,468.04	4,550,468.04	100.00%	
2015	4,522,033.01	4,522,033.01	100.00%	
2014	4,326,037.00	3,965,533.88	91.67%	\$ 360,503.12
2013	4,254,491.00	3,899,950.09	91.67%	354,540.91
2012	4,132,017.00	3,443,347.50	83.33%	688,669.50
2011	4,097,149.00	4,097,149.00	100.00%	
2010	3,950,397.00	3,950,397.00	100.00%	
2009	3,889,844.00	3,889,844.00	100.00%	
2008	3,889,844.00	3,889,844.00	100.00%	

⁽¹⁾ School District 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 or certified prior to the end of the school year.

Source: School District records.

DEBT CAPACITY INFORMATION

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

CLEMENTON SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	<u>Governmental Activities</u>			Total <u>School District</u>	Percentage of Personal <u>Income</u> ⁽³⁾	<u>Per Capita</u> ⁽⁴⁾
	<u>General Obligation Bonds</u> ⁽¹⁾	<u>Capital Leases</u> ⁽¹⁾	<u>Business-Type Activities</u> ⁽²⁾			
2017	\$ 449,000.00	-	-	\$ 449,000.00	*	*
2016	881,000.00	-	-	881,000.00	*	\$ 178.88
2015	1,303,000.00	-	-	1,303,000.00	0.55%	263.39
2014	1,720,000.00	-	-	1,720,000.00	0.74%	347.47
2013	2,113,000.00	-	-	2,113,000.00	0.94%	425.58
2012	2,358,000.00	-	-	2,358,000.00	1.06%	472.92
2011	2,688,000.00	-	-	2,688,000.00	1.22%	539.22
2010	3,008,000.00	-	-	3,008,000.00	1.43%	602.32
2009	3,318,000.00	-	-	3,318,000.00	1.63%	678.25
2008	3,608,000.00	\$ 31,193.00	-	3,639,193.00	1.80%	743.45

Sources:

⁽¹⁾ School District records.

⁽²⁾ No outstanding debt exists for business-type activities.

⁽³⁾ Personal income has been estimated based upon the municipal population and per capita.

⁽⁴⁾ Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

* information not available.

CLEMENTON SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation <u>Taxable</u> ⁽²⁾	<u>Per Capita</u> ⁽³⁾
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt Outstanding ⁽¹⁾		
2017	\$ 449,000.00	-	\$ 449,000.00	0.16%	*
2016	881,000.00	-	881,000.00	0.31%	\$ 178.88
2015	1,303,000.00	-	1,303,000.00	0.46%	263.39
2014	1,720,000.00	-	1,720,000.00	0.60%	347.47
2013	2,113,000.00	-	2,113,000.00	0.73%	425.58
2012	2,358,000.00	-	2,358,000.00	0.82%	472.92
2011	2,688,000.00	-	2,688,000.00	0.93%	539.22
2010	3,008,000.00	-	3,008,000.00	1.74%	602.32
2009	3,318,000.00	-	3,318,000.00	1.92%	678.25
2008	3,608,000.00	-	3,608,000.00	2.09%	737.08

Sources:

⁽¹⁾ School District records.

⁽²⁾ Net Assessed Valuation provided by Abstract of Retables, County Board of Taxation.

⁽³⁾ Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

* information not available.

CLEMENTON SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2016
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Clementon Borough</u>
Municipal Debt: ⁽¹⁾				
Clementon School District	\$ 881,000.00	\$ 881,000.00		
Self-Liquidating Purposes	3,055,683.09	3,055,683.09		
Municipal / County General Obligations	4,518,937.63	314,565.52	\$ 4,204,372.11	\$ 4,204,372.11
	<u>8,455,620.72</u>	<u>4,251,248.61</u>	<u>4,204,372.11</u>	<u>4,204,372.11</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: ⁽²⁾				
General:				
Bonds	38,880,000.00	5,227,853.00 ⁽³⁾	33,652,147.00	235,000.01 ⁽⁵⁾
Loan Agreements	366,005,773.00		366,005,773.00	2,555,895.17 ⁽⁵⁾
Bonds Issued by Other Public Bodies				
Guaranteed by the County	313,336,736.00	313,336,736.00 ⁽⁴⁾		
	<u>718,222,509.00</u>	<u>318,564,589.00</u>	<u>399,657,920.00</u>	<u>2,790,895.18</u>
	<u>\$ 726,678,129.72</u>	<u>\$ 322,815,837.61</u>	<u>\$ 403,862,292.11</u>	<u>\$ 6,995,267.29</u>

Sources:

⁽¹⁾ 2016 Annual Debt Statement - Clementon Borough

⁽²⁾ County of Camden

⁽³⁾ includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

⁽⁴⁾ deductible in accordance with N.J.S. 40:37A-80

⁽⁵⁾ Such debt is allocated as a proportion of the Borough's share of the total 2016 Equalized Value, which is .70%.

The source for this computation was the 2016 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

CLEMENTON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Calendar Year 2016:

Equalized Valuation Basis: ⁽¹⁾

2016	\$ 253,981,331.00
2015	258,730,113.00
2014	<u>242,179,209.00</u>

[A] \$ 754,890,653.00

Average equalized valuation of taxable property [A/3] \$ 251,630,217.67

Debt limit (4% of average equalization value)⁽²⁾ [B] 10,065,208.71

Total Net Debt Applicable to Limit [C] 449,000.00

Legal Debt Margin [B-C] \$ 9,616,208.71

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt limit	\$ 9,616,208.71	\$ 9,393,048.25	\$ 8,846,081.72	\$ 9,314,712.49	\$ 9,188,457.77	\$ 8,623,877.00	\$ 8,743,937.00	\$ 8,679,209.00	\$ 8,340,294.00	\$ 7,628,329.00
Total net debt applicable to limit ⁽³⁾	<u>449,000.00</u>	<u>881,000.00</u>	<u>1,303,000.00</u>	<u>1,720,000.00</u>	<u>2,113,000.00</u>	<u>2,358,000.00</u>	<u>2,688,000.00</u>	<u>3,008,000.00</u>	<u>3,318,000.00</u>	<u>3,608,000.00</u>
Legal debt margin	<u>\$ 9,167,208.71</u>	<u>\$ 8,512,048.25</u>	<u>\$ 7,543,081.72</u>	<u>\$ 7,594,712.49</u>	<u>\$ 7,075,457.77</u>	<u>\$ 6,265,877.00</u>	<u>\$ 6,055,937.00</u>	<u>\$ 5,671,209.00</u>	<u>\$ 5,022,294.00</u>	<u>\$ 4,020,329.00</u>
Total net debt applicable to the limit as a percentage of debt limit	4.67%	9.38%	14.73%	18.47%	23.00%	27.34%	30.74%	34.66%	39.78%	47.30%

Sources:

⁽¹⁾ 2016 Annual Debt Statement - Clementon Borough

⁽²⁾ Limit set by N.J.S.A. 18A:24-19 for a K through 12 district.

⁽³⁾ School District records.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

CLEMENTON SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> ⁽¹⁾	<u>Personal Income</u> ⁽²⁾	<u>Per Capita Personal Income</u> ⁽³⁾	<u>Unemployment Rate</u> ⁽⁴⁾
2016	4,925	*	*	6.2%
2015	4,947	\$ 237,871,548.00	\$ 48,084.00	8.8%
2014	4,950	232,085,700.00	46,886.00	10.3%
2013	4,965	223,807,305.00	45,077.00	9.0%
2012	4,986	223,083,612.00	44,742.00	17.3%
2011	4,985	219,913,275.00	44,115.00	17.1%
2010	4,994	209,713,042.00	41,993.00	17.4%
2009	4,892	203,707,772.00	41,641.00	16.6%
2008	4,895	202,520,835.00	41,373.00	10.9%
2007	4,919	196,789,514.00	40,006.00	8.3%

Sources:

⁽¹⁾ *Annual Estimates of the Resident Population for Municipalities in New Jersey, by County: July 1, 2007 to July 1, 2016.*

⁽²⁾ *Personal income has been estimated based upon the municipal population and per capita personal income.*

⁽³⁾ *Regional Economic Information System, Bureau of Economic Analysis, November 2016.*

⁽⁴⁾ *New Jersey Department of Labor and Workforce Development - Unemployment Statistics - 2010 - 2016.*

* *information not available.*

CLEMENTON SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>2017</u>				<u>2008</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>

Source: Individual employers.

Information regarding the ten principal non-governmental employers for 2017 and 2008 could not be accumulated by the School District as a result of not having a source from which to obtain such information.

OPERATING INFORMATION

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

CLEMENTON SCHOOL DISTRICT
 Full-Time Equivalent School District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function / Program</u>	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction:										
Regular Instruction	53	52	49	48	49	49	50	52	51	50
Support Services:										
Student and Instruction Related Services	11	11	15	17	18	18	18	15	18	19
School Administrative Services	3	3	3	3	3	3	3	3	4	4
General and Business Administrative Services	5	6	6	6	5	5	6	6	6	6
Plant Operations and Maintenance	5	4	4	4	4	4	3	4	4	4
Food Service										1
Camp Clementon Community Education	5	5	6	6	6	8	12	12	11	11
Total	82	81	83	84	85	87	92	92	94	95

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures *</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (Certified)</u>	<u>Pupil / Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2017	445	\$ 11,663,788.18	\$ 26,210.76	5.99%	51	1:09	445.8	423.8	-4.03%	95.07%
2016	465	11,499,405.15	24,729.90	-4.37%	50	1:07	464.5	438.2	7.20%	94.83%
2015	435	11,248,642.35	25,858.95	2.85%	49	1:12	433.3	409.2	-4.12%	94.44%
2014	457	11,490,267.59	25,142.82	2.00%	48	1:04	451.9	441.4	-1.20%	97.68%
2013	468	11,536,191.59	24,649.98	3.03%	49	1:04	457.4	449.9	0.29%	98.36%
2012	469	11,220,871.00	23,925.10	6.49%	49	1:04	456.1	443.1	-6.02%	97.15%
2011	499	11,211,505.00	22,467.95	-3.80%	52	1:05	485.3	468.9	-4.56%	96.62%
2010	496	11,584,031.00	23,354.90	10.34%	51	1:03	508.5	477.7	-0.88%	93.94%
2009	508	10,752,410.00	21,166.16	5.27%	50	1:03	513.0	481.5	-3.57%	93.86%
2008	513	10,314,690.00	20,106.61	10.31	50	1:07	532.0	501.0	-7.49%	94.17%

Sources: School District records.

* operating expenditures equal total expenditures less capital outlay, transfer to charter school, and debt service.

CLEMENTON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
School District Building:										
Elementary:										
Clementon Elementary School (1980)										
Square Feet	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937
Functional Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	445	435	435	457	468	469	499	496	508	513
Other:										
Central Administration (1946)										
Square Feet	850	850	850	850	850	850	850	850	850	850
Functional Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2017
 Elementary = 1

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October School District count. Function Capacity is based on the F.E.S. Formula utilizing New Jersey Department of Education guidelines.

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

		Fiscal Year Ended June 30,									
		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>* School Facilities</u>	<u>Project # (s)</u>										
Clementon Elementary School	N/A	<u>\$ 21,712.42</u>	<u>\$ 27,637.43</u>	<u>\$ 40,700.66</u>	<u>\$ 44,813.06</u>	<u>\$ 61,746.64</u>	<u>\$ 32,044.00</u>	<u>\$ 30,919.00</u>	<u>\$ 28,849.00</u>	<u>\$ 106,239.00</u>	<u>\$ 40,431.00</u>
Total School Facilities		<u>\$ 21,712.42</u>	<u>\$ 27,637.43</u>	<u>\$ 40,700.66</u>	<u>\$ 44,813.06</u>	<u>\$ 61,746.64</u>	<u>\$ 32,044.00</u>	<u>\$ 30,919.00</u>	<u>\$ 28,849.00</u>	<u>\$ 106,239.00</u>	<u>\$ 40,431.00</u>

* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3).

 Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2017
Unaudited

	<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Deductible</u>
School Package Policy ⁽¹⁾			
Building and Contents (All Locations):			
Limits of Liability per Occurrence	\$ 150,000,000.00	\$ 250,000.00	\$ 500.00
General and Automobile Liability	20,000,000.00	250,000.00	
Workers' Compensation	Statutory	250,000.00	
Boiler and Machinery	125,000,000.00		1,000.00
Crime	500,000.00	250,000.00	500.00
Employers Liability	10,000,000.00		
Educators Legal Liability	20,000,000.00	250,000.00	
Pollution Liability	3,000,000.00		25,000.00
Cyber Liability	1,000,000.00		25,000.00
Surety Bonds ⁽²⁾			
Treasurer	300,000.00		
Board Secretary	200,000.00		

⁽¹⁾ Burlington County Insurance Pool Joint Insurance Fund

⁽²⁾ Selective Insurance Company

Source: School District records.

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Clementon School District
Clementon, New Jersey 08021

Report on Compliance for Major State Program

We have audited the Clementon School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the School District's major state program for the fiscal year ended June 30, 2017. The School District's major state program is 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 state statutes, regulations, and the terms and conditions of its state award applicable to its state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School District's major state program 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Clementon School District's, in the County of Camden, State of New Jersey, 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 the major state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Major State Program

In our opinion, the Clementon School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Clementon School District, in the County of Camden, State of New Jersey, 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, 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 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

L. Jarred Corn

L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
November 29, 2017

CLEMENTON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2017

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2016
					From	To	
General Fund:							
U.S. Department of Health and Human Services: Passed-through State Department of Education: Medical Assistance Program (Medicaid)							
	93.778	1705NJ5MAP	Unknown	\$ 26,968.16	07/01/16	06/30/17	
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education: Passed-through State Department of Education: N.C.L.B.:							
Title I, Part A	84.010	S010A150030	NCLB088016	324,677.00	07/01/15	06/30/16	\$ 38,518.64
Title I, Part A	84.010	S010A160030	NCLB088017	346,009.36	07/01/16	06/30/17	
Total Title I, Part A							
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB088016	52,443.00	07/01/15	06/30/16	7,857.09
Title II, Part A, Improving Teacher Quality	84.367	S367A160029	NCLB088017	63,467.31	07/01/16	06/30/17	
Total Title II, Part A, Improving Teacher Quality							
Special Education Cluster (I.D.E.A. Part B):							
Basic	84.027	H027A150100	FT088016	127,531.00	07/01/15	06/30/16	(23,740.36)
Basic	84.027	H027A160100	FT088017	156,767.00	07/01/16	06/30/17	
Preschool	84.173	H173A160114	PS088017	6,098.00	07/01/16	06/30/17	
Total Special Education Cluster (I.D.E.A. Part B)							
Race to the Top	84.413	B413A120008	NGO 12-RT01-A01	20,163.00	07/01/12	11/03/15	(300.00)
Total Special Revenue Fund							
Enterprise Fund:							
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster:							
School Breakfast Program	10.553	16161NJ304N1099	Unknown	32,232.82	07/01/15	06/30/16	(1,280.28)
School Breakfast Program	10.553	171NJ304N1099	Unknown	28,226.40	07/01/16	06/30/17	
Food Distribution (Non-Cash Assistance)	10.555	171NJ304N1099	Unknown	19,554.62	07/01/16	06/30/17	3,611.97
National School Lunch Program	10.555	16161NJ304N1099	Unknown	128,927.37	07/01/15	06/30/16	(4,699.60)
National School Lunch Program	10.555	171NJ304N1099	Unknown	119,116.54	07/01/16	06/30/17	
Snacks	10.555	171NJ304N1099	Unknown	7,364.18	07/01/16	06/30/17	
HHFKA - Performance Based	10.555	171NJ304N1099	Unknown	2,888.34	07/01/16	06/30/17	
Total Child Nutrition Cluster							
Total Enterprise Fund							
Total Federal Financial Assistance							

^(a) see note 5 to the schedules of expenditures of federal awards and state financial assistance.

This schedule of expenditures of federal awards is included as other supplementary information only. A federal single audit in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) was not required as total federal expenditures did not equal or exceed \$750,000.00.

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments ^(a)	Repayment of Prior Years' Balances	Balance June 30, 2017		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 26,968.16	\$ (26,968.16)		\$ (26,968.16)						
-	26,968.16	(26,968.16)	-	(26,968.16)	-	-	-	-	-	-
\$ (55,875.36)	17,356.72									
55,875.36	262,634.28	(323,245.86)		(323,245.86)				\$ (4,736.22)		
-	279,991.00	(323,245.86)	-	(323,245.86)	-	-	-	(4,736.22)	-	-
(26,825.31)	18,968.22									
26,825.31	37,205.78	(29,699.00)		(29,699.00)					\$ 34,332.09	
-	56,174.00	(29,699.00)	-	(29,699.00)	-	-	-	-	34,332.09	-
	23,740.00					\$ 0.36				
	148,637.00	(156,740.64)		(156,740.64)		(26.36)		(8,130.00)		
	3,014.00	(6,098.00)		(6,098.00)		70.00		(3,014.00)		
-	175,391.00	(162,838.64)	-	(162,838.64)	-	44.00	-	(11,144.00)	-	-
-	300.00	-	-	-	-	-	-	-	-	-
-	511,856.00	(515,783.50)	-	(515,783.50)	-	44.00	-	(15,880.22)	34,332.09	-
	1,280.28									
	27,067.26	(28,226.40)		(28,226.40)				(1,159.14)		
	18,943.57	(19,554.62)		(19,554.62)					3,000.92	
	4,699.60									
	114,368.36	(119,116.54)		(119,116.54)				(4,748.18)		
	7,049.42	(7,364.18)		(7,364.18)				(314.76)		
	2,775.24	(2,888.34)		(2,888.34)				(113.10)		
	176,183.73	(177,150.08)		(177,150.08)				(6,335.18)	3,000.92	
-	176,183.73	(177,150.08)	-	(177,150.08)	-	-	-	(6,335.18)	3,000.92	-
-	\$ 715,007.89	\$ (719,901.74)	-	\$ (719,901.74)	-	\$ 44.00	-	\$ (22,215.40)	\$ 37,333.01	-

CLEMENTON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2017

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	495-034-5120-078	\$ 5,785,597.00	07/01/15	06/30/16	\$ (549,084.84)	
Equalization Aid	495-034-5120-078	5,785,597.00	07/01/16	06/30/17		
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/15	06/30/16	(35,246.28)	
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/16	06/30/17		
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/15	06/30/16	(12,858.27)	
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/16	06/30/17		
Per Pupil Growth Aid	495-034-5120-097	6,020.00	07/01/15	06/30/16	(571.33)	
Per Pupil Growth Aid	495-034-5120-097	6,020.00	07/01/16	06/30/17		
PARCC Readiness	495-034-5120-098	6,020.00	07/01/15	06/30/16	(571.33)	
PARCC Readiness	495-034-5120-098	6,020.00	07/01/16	06/30/17		
Professional Learning Community Aid	495-034-5120-101	5,390.00	07/01/16	06/30/17		
Total State Aid - Public Cluster					(598,332.05)	-
Categorical Transportation Aid	495-034-5120-014	57,738.00	07/01/15	06/30/16	(5,479.65)	
Categorical Transportation Aid	495-034-5120-014	57,738.00	07/01/16	06/30/17		
Additional Nonpublic School Transportation Aid	495-034-5120-014	3,828.00	07/01/15	06/30/16	(3,828.00)	
Additional Nonpublic School Transportation Aid	495-034-5120-014	7,308.00	07/01/16	06/30/17		
Total Categorical Transportation Aid					(9,307.65)	-
Extraordinary Aid	495-034-5120-044	74,101.00	07/01/15	06/30/16	(74,101.00)	
Extraordinary Aid	495-034-5120-044	81,433.00	07/01/16	06/30/17		
Total Extraordinary Aid					(74,101.00)	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	248,767.57	07/01/15	06/30/16	(1,002.30)	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	251,830.86	07/01/16	06/30/17		
Total Reimbursed TPAF Social Security Contributions					(1,002.30)	-
Total General Fund					(682,743.00)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Preschool Education Aid	14-495-034-5120-086	87,430.00	07/01/13	06/30/14	1,293.02	
Preschool Education Aid	16-495-034-5120-086	96,173.00	07/01/15	06/30/16	(9,617.30)	
Preschool Education Aid	17-495-034-5120-086	113,659.00	07/01/16	06/30/17		
Total Special Revenue Fund					(8,324.28)	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Program	16-100-010-3350-023	2,601.90	07/01/15	06/30/16	(90.86)	
State School Lunch Program	17-100-010-3350-023	2,482.70	07/01/16	06/30/17		
Total Enterprise Fund					(90.86)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(691,158.14)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf Contributions:						
T.P.A.F. Post-Retirement Medical	495-034-5094-001	283,319.00	07/01/16	06/30/17		
Teacher's Pension and Annuity Fund	495-034-5094-002	328,136.00	07/01/16	06/30/17		
T.P.A.F. Non-contributory Insurance	495-034-5094-004	11,889.00	07/01/16	06/30/17		
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,192.00	07/01/16	06/30/17		
Total General Fund Non-Cash Assistance					-	-
Total State Financial Assistance					\$ (691,158.14)	-

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 549,084.84									
5,250,216.62	\$ (5,785,597.00)				\$ (535,380.38)			\$ (535,380.38)	\$ (5,785,597.00)
35,246.28									
337,016.42	(371,383.00)				(34,366.58)			(34,366.58)	(371,383.00)
12,858.27									
122,947.66	(135,485.00)				(12,537.34)			(12,537.34)	(135,485.00)
571.33									
5,462.93	(6,020.00)				(557.07)			(557.07)	(6,020.00)
571.33									
5,462.93	(6,020.00)				(557.07)			(557.07)	(6,020.00)
4,891.23	(5,390.00)				(498.77)			(498.77)	(5,390.00)
6,324,329.84	(6,309,895.00)	-	-	-	(583,897.21)	-	-	(583,897.21)	(6,309,895.00)
5,479.65									
52,395.11	(57,738.00)				(5,342.89)			(5,342.89)	(57,738.00)
3,828.00									
	(7,308.00)				(7,308.00)				(7,308.00)
61,702.76	(65,046.00)	-	-	-	(12,650.89)	-	-	(5,342.89)	(65,046.00)
74,101.00									
	(81,433.00)				(81,433.00)				(81,433.00)
74,101.00	(81,433.00)	-	-	-	(81,433.00)	-	-	-	(81,433.00)
1,002.30									
250,783.51	(251,830.86)				(1,047.35)				(251,830.86)
251,785.81	(251,830.86)	-	-	-	(1,047.35)	-	-	-	(251,830.86)
6,711,919.41	(6,708,204.86)	-	-	-	(679,028.45)	-	-	(589,240.10)	(6,708,204.86)
	(1,293.02)								(87,430.00)
9,617.30									(96,173.00)
102,293.10	(104,124.08)				(1,830.98)			(1,830.98)	(104,124.08)
111,910.40	(105,417.10)	-	-	-	(1,830.98)	-	-	(1,830.98)	(287,727.08)
90.86									
2,385.05	(2,482.70)				(97.65)				(2,482.70)
2,475.91	(2,482.70)	-	-	-	(97.65)	-	-	-	(2,482.70)
2,475.91	(2,482.70)	-	-	-	(97.65)	-	-	-	(2,482.70)
6,826,305.72	(6,816,104.66)	-	-	-	(680,957.08)	-	-	(591,071.08)	(6,998,414.64)
283,319.00	(283,319.00)								(283,319.00)
328,136.00	(328,136.00)								(328,136.00)
11,889.00	(11,889.00)								(11,889.00)
1,192.00	(1,192.00)								(1,192.00)
624,536.00	(624,536.00)	-	-	-	-	-	-	-	(624,536.00)
\$ 7,450,841.72	\$ (7,440,640.66)	-	-	-	\$ (680,957.08)	-	-	\$ (591,071.08)	\$ (7,622,950.64)

CLEMENTON SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Clementon School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The expenditures from the budgetary basis to the GAAP basis were the same for the special revenue fund. No such reconciling item exists for the general fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 26,968.16	\$ 7,332,740.86	\$ 7,359,709.02
Special Revenue	515,783.50	113,203.42	628,986.92
Food Service	177,150.08	2,482.70	179,632.78
Total Awards and Financial Assistance	<u>\$ 719,901.74</u>	<u>\$ 7,448,426.98</u>	<u>\$ 8,168,328.72</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" on the schedule of expenditures of federal awards represent a rounding difference of \$.36 and cancellation of balances of \$43.64.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2017, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified
Internal control over financial reporting:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X none reported
Noncompliance material to financial statements noted? yes X no

Federal Awards

(A Federal Single Audit was not required for the fiscal year ended June 30, 2017.)

Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Multiple rows for data entry.

Dollar threshold used to determine Type A programs \$
Auditee qualified as low-risk auditee? yes no

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

A Federal single audit was not required for the fiscal year ended June 30, 2017.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

CLEMENTON SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

A Federal single audit was not required for the fiscal year ended June 30, 2016.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

