

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended 30, 2017

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

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Clinton Public School

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November 22, 2017

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels, preschool through grade eight. These include regular, as well as, special education programs for disabled students. The District completed the 2016-2017 fiscal year with an enrollment of 442.3. The following depicts district enrollment variations over the past 10 years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2007-2008	542.2	(2.4%)
2008-2009	533.6	(1.6%)
2009-2010	521.4	(2.3%)
2010-2011	508.9	(2.4%)
2011-2012	496.0	(2.5%)
2012-2013	480.0	(3.2%)
2013-2014	475.4	(0.9%)
2014-2015	483.9	1.8%
2015-2016	455.8	(5.81%)
2016-2017	442.3	(2.96%)

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

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

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

BUDGETARY CONTROLS: In addition to internal account controls, the District maintains budgetary control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

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

DEBT ADMINISTRATION:

On December 13, 2016, the District successfully passed a Bond Referendum in the amount of \$985,000. The bonds were issued in February, 2017 at an interest rate of 1.53 % payable over 4 years. The District received a AA Rating from Standard and Poor's Rating agency. There was a balance remaining from the 2014 referendum that will be used to pay off the 2014 debt as these new bonds come on. As a result of this timing as well as the use of Capital Reserve, we are able to minimize the tax impact to the community. Projects in the Referendum include the renovation of the Library to a Maker Space STEAM education room for science, technology, engineering, arts and mathematics. LED lights and new ceilings were installed throughout the facility in hallways, gymnasium, All Purpose Room, and classrooms in the 1923, 1963 and 1969 additions. There was also a Boiler replaced.

On March 11, 2014, the District successfully passed a Bond Referendum in the amount of \$2,104,000. The bonds were issued in August, 2014, at an interest rate of 2.1 % payable over 10 years. The District received a AA Rating from Standard and Poor's Rating agency. The Debt from the 1994 referendum will be paid off as these new bonds come on. As a result of this timing, we are able to minimize the tax impact to the community. Projects included in the Referendum include replacement of the 1996 Roof, HVAC equipment and controls and installation of a new Fire Alarm System.

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

CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Notes 1 and 3. The District has

adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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.

OTHER INFORMATION:

Elimination of Glen-Gardner Non-Op

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

Independent Audit

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

Awards

We are proud to report that have received several grants, continuing our outreach and drive to provide additional opportunities for our students. We were awarded \$5,000 from BASF to fund our "Limb-gineering" project, where students will design, 3D print, and build prosthetic limbs. Students will donate the working prosthetic hands they build to children in need, and will expand upon the project to build other prosthetics. Students will also be exposed to local children, veterans, and other adults who have suffered from amputation or have congenital deformities. We were awarded \$500 from First Energy to fund our "Sewn Circuits" project. Students will learn how to create electric circuits with LED lights, and hand-sew them into wearables using conductive thread. We applied and received a very special art event grant from the NJEA entitled, "Mighty Fingers- Facing Change." An artist and a videographer will visit the school for one full day and work with middle school girls to inspire, empower, and connect them to the possibilities they have for their futures. The girls will celebrate their individuality by working through a guided-self portrait exercise, and feel the power of collaboration as they work together to design and execute the first ever global FingerSmear canvas entitled "Abundance" (www.mightyfingersfacingchange.org). The FingerSmear is a 5' x

10' canvas that has been touched by all of the participating girls, which has allowed them to add their own unique visual voice to the global canvas.

Technology

We at Clinton Public School believe that modern technology and telecommunication are essential resources for the classroom. We provide resources to our students and classrooms that are not normally found within the walls of a traditional school. Our board of education has made a commitment to invest in personnel, equipment and training to implement this vision. The Board began an initiative in 2013 to use IPADS in middle school classrooms. Currently all students in grades 3-8 have a personal technology device. Students in grades k-2 have access to the computer lab and mobile carts.

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

Respectfully submitted,

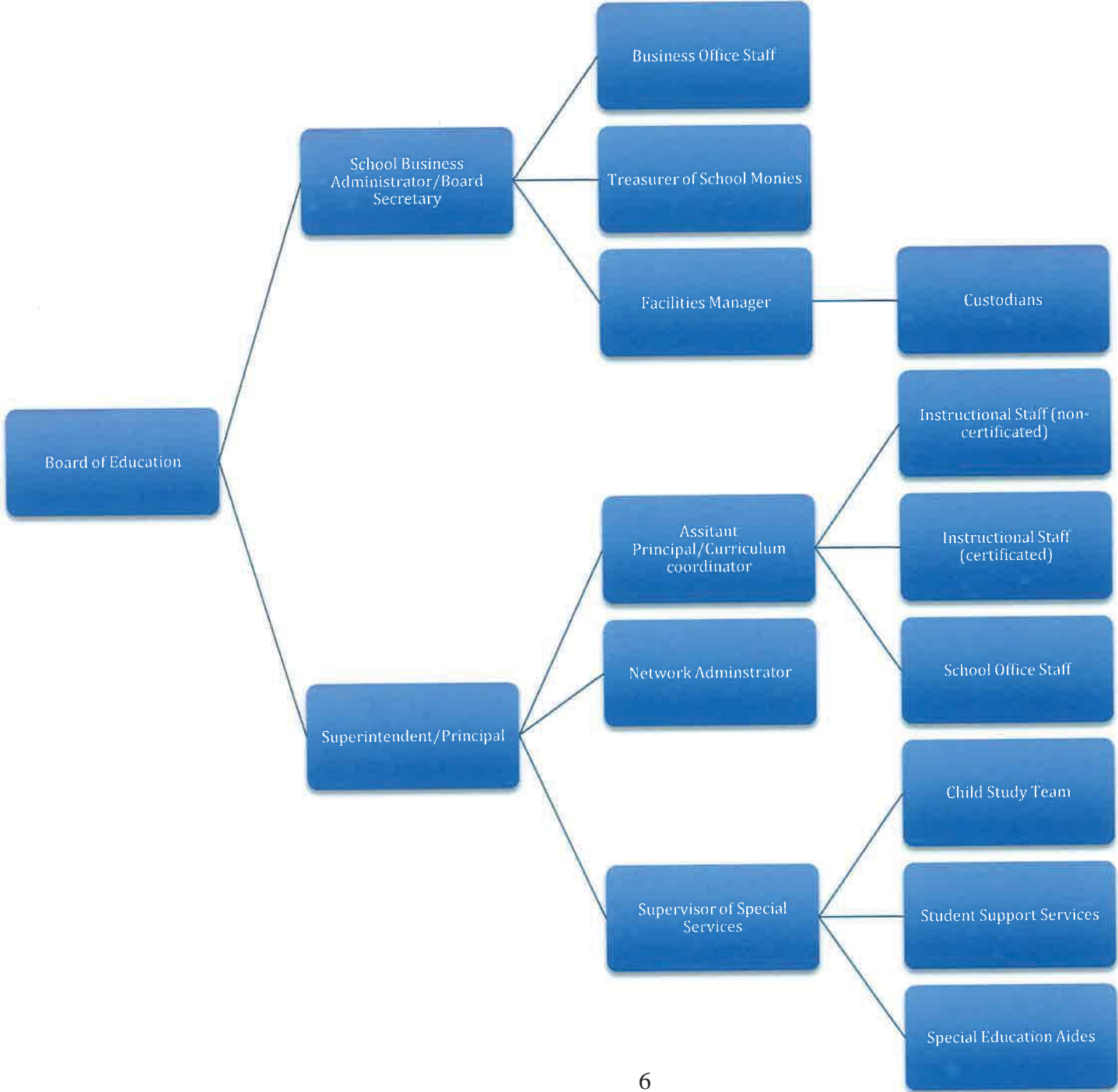


Dr. Seth Cohen
Superintendent



Lisa Craft
Business Administrator

Clinton-Glen Gardner Board of Education Organizational Chart



CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton, New Jersey
Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Brendan McIsaac	President	2018
Craig Sowell	Vice-President	2019
Charles Sampson		2017
Lorraine Linfante		2017
Carl Sabatino		2018

Other Officials

Dr. Seth Cohen	Superintendent
Lisa Craft	Board Secretary/School Business Administrator
Kathleen Olsen	Principal

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton, New Jersey
Consultants and Advisors
June 30, 2017

FINANCIAL

Bedard, Kurowicki & Co., CPA's, PC
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Chester, NJ 08930

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Matawan, NJ 07747

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

OFFICIAL DEPOSITORY

Investors Bank
55 Old Highway 22
Clinton, NJ 08809



Certified Public Accountants, PC

www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clinton-Glen Gardner School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

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



William M. Colantano
Certified Public Accountant
Registered Municipal Accountant

November 22, 2017
Flemington, New Jersey

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The discussion and analysis of the Clinton-Glen Gardner School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance

Financial Highlights

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

Key financial highlights for 2017 are as follows:

- In total, net position increased \$318,553 which represents a 6.03% increase from 2016.
- General revenues accounted for \$11,626,998, or 95.87% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$500,322 or 4.13% of total revenues of \$12,127,320.
- Total assets of governmental activities increased by \$1,190,339 as cash and cash equivalents increased by \$1,015,727 receivables and other assets increased by \$251,766 and capital assets decreased by \$77,154.
- The School District had \$11,808,767 in expenses; only \$500,322 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,626,998 were adequate to provide for these programs.
- The General Fund had \$9,249,751 in revenues, \$8,848,661 in expenditures, and \$4,802 in other financing sources. The General Fund's balance increased \$405,892 over 2016.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
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Table 1 provides a summary of the School District's net position for 2017 with net position comparisons to fiscal year 2016.

Table 1
Net Position

	6/30/2017	6/30/2016	Variance	
			Dollars	Percent
ASSETS				
Current & Other Assets	\$ 2,980,314	\$ 1,711,472	\$ 1,268,842	74.14%
Capital Assets	7,965,069	8,031,145	(66,076)	-0.82%
Total Assets	<u>10,945,383</u>	<u>9,742,617</u>	<u>1,202,766</u>	12.35%
Deferred Outflows of Resources	<u>987,073</u>	<u>651,120</u>	<u>335,953</u>	51.60%
LIABILITIES				
Long Term Liabilities	6,143,506	5,025,637	1,117,869	22.24%
Other Liabilities	<u>58,807</u>	<u>49,721</u>	<u>9,086</u>	18.27%
Total Liabilities	<u>6,202,313</u>	<u>5,075,358</u>	<u>1,126,955</u>	22.20%
Deferred Inflows of Resources	<u>127,628</u>	<u>34,417</u>	<u>93,211</u>	270.83%
NET POSITION				
Net Investment in Capital Assets	4,516,069	5,247,145	(731,076)	-13.93%
Restricted	2,356,352	1,303,263	1,053,089	80.80%
Unrestricted	<u>(1,269,906)</u>	<u>(1,266,446)</u>	<u>(3,460)</u>	0.27%
Total Net Position	<u>\$ 5,602,515</u>	<u>\$ 5,283,962</u>	<u>\$ 318,553</u>	6.03%

Total assets increased by \$1,202,766. Cash and cash equivalents increased by \$1,021,549 receivables and other assets increased by \$247,293 and capital assets decreased by \$66,076. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District, decreased by \$3,460 primarily due to increase in the District's PERS net pension liability.

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

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Table 2 shows the changes in net position from fiscal year 2016.

Table 2
Changes in Net Position

	6/30/2017	6/30/2016	Variance	
			Dollars	Percent
REVENUES				
Program Revenues:				
Charges for Services	\$ 291,795	\$ 225,736	\$ 66,059	29.26%
Operating Grants & Contributions	208,527	220,374	(11,847)	-5.38%
General Revenues:				
Property Taxes	7,028,768	6,844,497	184,271	2.69%
Unrestricted Grants	4,574,753	3,632,374	942,379	25.94%
Other	23,477	12,962	10,515	81.12%
Total Revenues	<u>12,127,320</u>	<u>10,935,943</u>	<u>1,191,377</u>	10.89%
PROGRAM EXPENSES				
Instruction:				
Regular	5,147,748	4,584,497	563,251	12.29%
Special	2,012,624	2,213,199	(200,575)	-9.06%
Other	159,826	103,495	56,331	54.43%
Support Services:				
Tuition	251,609	246,464	5,145	2.09%
Student & Instructional Related Services	1,895,810	1,730,507	165,303	9.55%
General & Business Administration	558,749	495,027	63,722	12.87%
School Administration	451,628	421,853	29,775	7.06%
Maintenance	745,852	572,807	173,045	30.21%
Transportation	237,328	257,418	(20,090)	-7.80%
Food Service	133,835	132,856	979	0.74%
Child Care Service	129,577	99,986	29,591	29.60%
Interest on Long Term Debt	84,181	83,905	276	0.33%
Total Expenses	<u>11,808,767</u>	<u>10,942,014</u>	<u>866,753</u>	7.92%
Increase (decrease) in net position	<u>\$ 318,553</u>	<u>\$ (6,071)</u>	<u>\$ 324,624</u>	-5,347.13%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
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Governmental Activities

Property taxes made up 57.96% of revenues for governmental activities for the Clinton-Glen Gardner School District for fiscal year 2017.

Instruction comprises 61.99% of district expenses. Support services expenses make up 38.01% of district expenses.

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

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

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Instruction	\$ 7,320,198	\$ 6,901,191	\$ 7,220,784	\$ 6,761,631
Support Services:				
Tuition	251,609	246,464	161,560	246,464
Student & Instructional Staff	1,895,810	1,730,507	1,847,064	1,679,921
General & Business Administration	558,749	495,027	558,749	495,027
School Administration	451,628	421,853	451,628	421,853
Plant Operations & Maintenance	745,852	572,807	745,429	568,602
Pupil Transportation	237,328	257,418	237,328	257,418
Food Service	133,835	132,856	8,188	6,671
Child Care Service	129,577	99,986	(6,466)	(25,588)
Interest on Long-Term Debt	84,181	83,905	84,181	83,905
	<u>\$ 11,808,767</u>	<u>\$ 10,942,014</u>	<u>\$ 11,308,445</u>	<u>\$ 10,495,904</u>

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
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Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

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

The dependence upon tax revenue is apparent. For all activities general revenue support is 95.87. The communities, as a whole, are the primary support for the Clinton-Glen Gardner School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$9,808,051 and expenditures of \$9,518,446.

General Fund Budgeting Highlights

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

The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2017, the School District amended its General Fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the General Fund, budget revenue and other financing sources was \$8,230,005, \$242,149 over original budgeted estimates of \$7,987,856. This difference was due primarily to additional state revenues.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
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Capital Assets

At the end of the fiscal year 2017, the School District had \$7,965,069 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

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

	6/30/2017	6/30/2016	Variance	
			Dollars	Percent
Land	\$ 320,100	\$ 320,100	\$ -	
Construction in Progress	1,771,741	1,655,455	116,286	7.02%
Land Improvements	70,544	76,379	(5,835)	-7.64%
Buildings & Improvements	5,706,015	5,906,122	(200,107)	-3.39%
Machinery & Equipment	96,669	73,089	23,580	32.26%
	<u>\$ 7,965,069</u>	<u>\$ 8,031,145</u>	<u>\$ (66,076)</u>	-0.82%

Overall capital assets decreased \$66,076 from fiscal year 2016 to fiscal year 2017. Increases in capital assets of \$149,461 were offset by depreciation expenses of \$215,537 for the year. A complete fixed asset inventory report was completed for the entire district in 2016.

Long-term liabilities

At June 30, 2017, the School District had \$6,143,506 of long-term liabilities. This amount is detailed in Table 5 below.

At June 30, 2017, the legal debt limit is \$16,163,220. General obligation debt at June 30, 2017 is \$3,449,000 resulting in a legal debt margin of \$12,714,220.

Table 5
Long-Term Liabilities at Year End

	6/30/2017	6/30/2016	Variance	
			Dollars	Percent
Refunding Bonds of 2009	\$ 705,000	\$ 835,000	\$ (130,000)	-15.57%
Bond Issue of 2014	1,759,000	1,949,000	(190,000)	-9.75%
Bond Issue of 2017	985,000	-	985,000	100.00%
Compensated absences	102,165	100,997	1,168	1.16%
PERS Liability	2,592,341	2,140,640	451,701	21.10%
	<u>\$ 6,143,506</u>	<u>\$ 5,025,637</u>	<u>\$ 1,117,869</u>	22.24%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Clinton Public School

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
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For the Future

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

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

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

Contacting the School District's Financial Management

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

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DISTRICT-WIDE FINANCIAL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 118,865	\$ 132,653	\$ 251,518
Due from other funds	24,860	225	25,085
Receivables, net	341,192	3,098	344,290
Inventory	-	3,817	3,817
Restricted assets	2,355,604	-	2,355,604
Capital assets, net			
Land	320,100	-	320,100
Capital assets not being depreciated	1,771,741	-	1,771,741
Other capital assets, net of depreciation	5,840,576	32,652	5,873,228
Total assets	<u>10,772,938</u>	<u>172,445</u>	<u>10,945,383</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>987,073</u>	<u>-</u>	<u>987,073</u>
Liabilities			
Accounts payable	4,016	-	4,016
Due to other funds	27	20,000	20,027
Accrued interest	29,835	-	29,835
Unearned revenue	2,300	2,629	4,929
Long-term liabilities			
Due within one year	645,000	-	645,000
Due beyond one year	5,498,506	-	5,498,506
Total liabilities	<u>6,179,684</u>	<u>22,629</u>	<u>6,202,313</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>127,628</u>	<u>-</u>	<u>127,628</u>
Net position			
Net investment in capital assets	4,483,417	32,652	4,516,069
Restricted for			
Capital reserve	658,817	-	658,817
Emergency reserve	75,888	-	75,888
Maintenance reserve	280,800	-	280,800
Capital projects	890,179	-	890,179
Debt Service reserve	450,668	-	450,668
Unrestricted	<u>(1,387,070)</u>	<u>117,164</u>	<u>(1,269,906)</u>
Total net position	<u>\$ 5,452,699</u>	<u>\$ 149,816</u>	<u>\$ 5,602,515</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,680,278	\$ 2,467,470	\$ 72,700	\$ 26,714	\$ -	\$ (5,048,334)	\$ -	\$ (5,048,334)
Special education	876,619	962,639	-	-	-	(1,839,258)	-	(1,839,258)
Other special education	167,043	6,323	-	-	-	(173,366)	-	(173,366)
Other instruction	88,801	71,025	-	-	-	(159,826)	-	(159,826)
Support services								
Tuition	251,609	-	-	90,049	-	(161,560)	-	(161,560)
Students & instruction related services	1,117,005	778,805	-	48,746	-	(1,847,064)	-	(1,847,064)
General & business administration services	362,676	196,073	-	-	-	(558,749)	-	(558,749)
School administration services	269,605	182,023	-	-	-	(451,628)	-	(451,628)
Plant operations & maintenance	618,788	127,064	423	-	-	(745,429)	-	(745,429)
Pupil transportation	237,328	-	-	-	-	(237,328)	-	(237,328)
Interest on long-term debt	84,181	-	-	-	-	(84,181)	-	(84,181)
Total governmental activities	<u>6,753,933</u>	<u>4,791,422</u>	<u>73,123</u>	<u>165,509</u>	<u>-</u>	<u>(11,306,723)</u>	<u>-</u>	<u>(11,306,723)</u>
Business-type activities								
Food service	133,835	-	82,629	43,018	-	-	(8,188)	(8,188)
Childcare	129,577	-	136,043	-	-	-	6,466	6,466
Total business-type activities	<u>263,412</u>	<u>-</u>	<u>218,672</u>	<u>43,018</u>	<u>-</u>	<u>-</u>	<u>(1,722)</u>	<u>(1,722)</u>
Total primary government	<u>\$ 7,017,345</u>	<u>\$ 4,791,422</u>	<u>\$ 291,795</u>	<u>\$ 208,527</u>	<u>\$ -</u>	<u>(11,306,723)</u>	<u>(1,722)</u>	<u>(11,308,445)</u>
			General revenues, special items & transfers					
			Property taxes levied for general purposes			6,719,150	-	6,719,150
			Property taxes levied for debt service			309,618	-	309,618
			Federal & state aid not restricted			4,574,753	-	4,574,753
			Investment earnings			14,304	-	14,304
			Miscellaneous income			9,173	-	9,173
			Total general revenues, special items & transfers			<u>11,626,998</u>	<u>-</u>	<u>11,626,998</u>
			Change in net position			320,275	(1,722)	318,553
			Net position - beginning			5,132,424	151,538	5,283,962
			Net position - ending			<u>\$ 5,452,699</u>	<u>\$ 149,816</u>	<u>\$ 5,602,515</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash & cash equivalents	\$ 117,866	\$ -	\$ -	\$ 999	\$ 118,865
Due from other funds	25,111	-	-	449,669	474,780
Tax levy receivable	150,707	-	-	-	150,707
Receivables from other governments					
State	190,485	-	-	-	190,485
Restricted cash & cash equivalents	<u>1,015,505</u>	<u>-</u>	<u>1,340,099</u>	<u>-</u>	<u>2,355,604</u>
Total assets	<u><u>\$ 1,499,674</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,340,099</u></u>	<u><u>\$ 450,668</u></u>	<u><u>\$ 3,290,441</u></u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 27	\$ -	\$ 449,920	\$ -	\$ 449,947
Accounts payable	4,016	-	-	-	4,016
Unearned revenue	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300</u>
Total liabilities	<u><u>6,343</u></u>	<u><u>-</u></u>	<u><u>449,920</u></u>	<u><u>-</u></u>	<u><u>456,263</u></u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2017

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 890,179	\$ -	\$ 890,179
Debt service reserve	-	-	-	449,669	449,669
Capital reserve	658,817	-	-	-	658,817
Emergency reserve	75,888	-	-	-	75,888
Maintenance reserve	280,800	-	-	-	280,800
Committed fund balance					
Encumbrances	196,623	-	-	-	196,623
Assigned fund balance					
Debt service fund balance	-	-	-	999	999
Unassigned fund balance	281,203	-	-	-	281,203
Total fund balances	1,493,331	-	890,179	450,668	2,834,178
Total liabilities and fund balances	\$ 1,499,674	\$ -	\$ 1,340,099	\$ 450,668	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$13,131,018 and the accumulated depreciation is \$5,198,601.	7,932,417
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	859,445
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,143,506)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(29,835)
Total net position of governmental activities	\$ 5,452,699

See accompanying notes to financial statements.

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 6,719,150	\$ -	\$ -	\$ 309,618	\$ 7,028,768
Tuition charges					
Individuals	19,800	-	-	-	19,800
Other sources	52,900	-	-	-	52,900
Interest on investments	9,502	-	4,802	-	14,304
Rents and royalties	423	-	-	-	423
Miscellaneous	9,173	5,564	-	-	14,737
	<u>6,810,948</u>	<u>5,564</u>	<u>4,802</u>	<u>309,618</u>	<u>7,130,932</u>
State sources	2,438,803	-	-	78,371	2,517,174
Federal sources	-	159,945	-	-	159,945
Total revenues	<u>9,249,751</u>	<u>165,509</u>	<u>4,802</u>	<u>387,989</u>	<u>9,808,051</u>
Expenditures					
Current					
Instructional					
Regular instruction	2,653,564	26,714	-	-	2,680,278
Special education instruction	876,619	-	-	-	876,619
Other special instruction	167,043	-	-	-	167,043
Other instruction	88,801	-	-	-	88,801
Support service & undistributed costs					
Tuition	161,560	90,049	-	-	251,609
Student & instruction related services	1,068,259	48,746	-	-	1,117,005
General & business administrative services	362,676	-	-	-	362,676
School administrative services	269,605	-	-	-	269,605
Plant operations & maintenance	618,788	-	-	-	618,788
Pupil transportation	237,328	-	-	-	237,328
Unallocated benefits	2,311,299	-	-	-	2,311,299

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 18,976	\$ -	\$ 116,287	\$ -	\$ 135,263
Debt service					
Principal	-	-	-	320,000	320,000
Interest & other charges	14,143	-	-	67,989	82,132
Total expenditures	<u>8,848,661</u>	<u>165,509</u>	<u>116,287</u>	<u>387,989</u>	<u>9,518,446</u>
Excess (deficit) of revenues over (under) expenditures	<u>401,090</u>	<u>-</u>	<u>(111,485)</u>	<u>-</u>	<u>289,605</u>
Other financing sources (uses)					
Proceeds from bond sale	-	-	985,000	-	985,000
Transfers in	4,802	-	-	449,669	454,471
Transfers out	-	-	(454,471)	-	(454,471)
Total other financing sources (uses)	<u>4,802</u>	<u>-</u>	<u>530,529</u>	<u>449,669</u>	<u>985,000</u>
Net change in fund balance	405,892	-	419,044	449,669	1,274,605
Fund balances, July 1	<u>1,087,439</u>	<u>-</u>	<u>471,135</u>	<u>999</u>	<u>1,559,573</u>
Fund balances, June 30	<u>\$ 1,493,331</u>	<u>\$ -</u>	<u>\$ 890,179</u>	<u>\$ 450,668</u>	<u>\$ 2,834,178</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net changes in fund balances - governmental fund (from B-2) \$ 1,274,605

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

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 135,263	
Depreciation expense	<u>(212,417)</u>	(77,154)

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

Debt principal payments	320,000
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Proceeds from debt issues are financing sources in the governmental funds. They are not revenue in the Statement of Activities. The issuance of debt increase long-term liabilities in the Statement of Net Position:

Proceeds of bond sale	(985,000)
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Governmental funds report District pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(208,959)

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2017

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ (2,049)

In the Statement of Activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. (1,168)

Change in net position of governmental activities \$ 320,275

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2017

	Food Service Fund	Child Care Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 4,638	\$ 128,015	\$ 132,653
Receivables from other governments			
State	77	-	77
Federal	3,021	-	3,021
Accounts receivables	225	-	225
Inventory	3,817	-	3,817
Total current assets	<u>11,778</u>	<u>128,015</u>	<u>139,793</u>
Noncurrent assets			
Capital assets	128,954	-	128,954
Less: accumulated depreciation	96,302	-	96,302
Total noncurrent assets	<u>32,652</u>	<u>-</u>	<u>32,652</u>
Total assets	<u>44,430</u>	<u>128,015</u>	<u>172,445</u>
Liabilities			
Current liabilities			
Due to general fund	-	20,000	20,000
Unearned revenues - commodities	1,396	-	1,396
Unearned revenues - prepaid sales	1,233	-	1,233
Total liabilities	<u>2,629</u>	<u>20,000</u>	<u>22,629</u>
Net position			
Net investment in capital assets	32,652	-	32,652
Unrestricted	9,149	108,015	117,164
Total net position	<u>\$ 41,801</u>	<u>\$ 108,015</u>	<u>\$ 149,816</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 63,354	\$ -	\$ 63,354
Daily sales - non-reimbursable programs	19,275	-	19,275
Child care revenues	-	136,043	136,043
Total operating revenues	<u>82,629</u>	<u>136,043</u>	<u>218,672</u>
Operating expenses			
Cost of sales - reimbursable programs	46,438	-	46,438
Cost of sales - non-reimbursable programs	6,633	-	6,633
Commodity food costs	12,517	-	12,517
Salaries	35,696	63,516	99,212
Support services - employee benefits	4,989	38,859	43,848
Purchased professional/technical services	2,479	-	2,479
Purchased property services	1,820	-	1,820
Other purchased services			
Insurance	3,562	-	3,562
Management fee	7,696	-	7,696
Supplies and materials	7,931	27,202	35,133
Depreciation	3,120	-	3,120
Miscellaneous expenditures	954	-	954
Total operating expenses	<u>133,835</u>	<u>129,577</u>	<u>263,412</u>
Operating income (loss)	<u>(51,206)</u>	<u>6,466</u>	<u>(44,740)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	1,235	-	1,235
Federal sources			
National school lunch program			
Cash assistance	28,121	-	28,121
Non cash assistance (commodities)	12,517	-	12,517
Other sources			
Miscellaneous	1,145	-	1,145
Total non-operating revenues (expenses)	<u>43,018</u>	<u>-</u>	<u>43,018</u>
Change in net position	(8,188)	6,466	(1,722)
Net position, beginning	<u>49,989</u>	<u>101,549</u>	<u>151,538</u>
Net position, ending	<u>\$ 41,801</u>	<u>\$ 108,015</u>	<u>\$ 149,816</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 82,200	\$ 136,043	\$ 218,243
Payments to Food Service Management Co.	(114,230)	-	(114,230)
Payments to employees	-	(63,516)	(63,516)
Payments to employee benefits	-	(38,859)	(38,859)
Payments to vendors (net)	(9,161)	(7,202)	(16,363)
Net cash provided by (used for) operating activities	<u>(41,191)</u>	<u>26,466</u>	<u>(14,725)</u>
Cash flows from non-capital financing activities			
State sources	1,293	-	1,293
Federal sources	28,097	-	28,097
Miscellaneous	1,145	-	1,145
Net interfund transactions	4,210	-	4,210
Net cash provided by (used for) noncapital financing activities	<u>34,745</u>	<u>-</u>	<u>34,745</u>
Cash flows from capital financing activities			
Acquisition of equipment	(14,198)	-	(14,198)
Net increase (decrease) in cash and cash equivalents	(20,644)	26,466	5,822
Cash and cash equivalents, beginning	25,282	101,549	126,831
Cash and cash equivalents, ending	<u>\$ 4,638</u>	<u>\$ 128,015</u>	<u>\$ 132,653</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (51,206)	\$ 6,466	\$ (44,740)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	3,120	-	3,120
Federal food donation program	12,517	-	12,517
(Increase) decrease in accounts receivable	(225)	-	(225)
Increase (decrease) in accounts payable	(5,135)	20,000	14,865
(Increase) decrease in inventory	452	-	452
Increase (decrease) in unearned revenue	(714)	-	(714)
Net cash provided by (used for) operating activities	<u>\$ (41,191)</u>	<u>\$ 26,466</u>	<u>\$ (14,725)</u>

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 56,470	\$ 54,249	\$ 29,004
Due from other funds	9,116	1,963	-
Total assets	<u>\$ 65,586</u>	<u>\$ 56,212</u>	<u>\$ 29,004</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ 13,116
Due to student groups	-	56,212	-
Payroll deductions and withholdings	-	-	15,888
Total liabilities	<u>-</u>	<u>\$ 56,212</u>	<u>\$ 29,004</u>
Net position			
Held in trust for unemployment claims & other purposes	<u>\$ 65,586</u>		

See accompanying notes to financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 9,116
Deductions	
Unemployment claims	<u>4,098</u>
Change in net position	5,018
Net position, beginning of the year	<u>60,568</u>
Net position, end of the year	<u><u>\$ 65,586</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2017 of 442 students.

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

Fiduciary fund types

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

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

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

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2016-2017 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Capital assets

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

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

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

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

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. 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 credits, grantors, or laws or regulations of their 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.

O. Fund balances - governmental funds

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Comparative data/reclassifications

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2017, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2017, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions	2,760,619
Total bank balances	<u>\$ 3,010,619</u>

Deposits at June 30, 2017 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 2,746,845</u>
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental Funds, Balance Sheet	B-1	\$ 118,865
Enterprise Funds, Statement of Net Position	B-4	132,653
Fiduciary Funds, Statement of Net Position	B-7	139,723
Restricted cash and cash equivalents		
Governmental Funds, Balance Sheet	B-1	2,355,604
Total cash and cash equivalents		<u>\$ 2,746,845</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 320,100	\$ -	\$ -	\$ 320,100
Construction in progress	<u>1,655,455</u>	<u>116,286</u>	<u>-</u>	<u>1,771,741</u>
Total	<u>1,975,555</u>	<u>116,286</u>	<u>-</u>	<u>2,091,841</u>
Capital assets, being depreciated				
Land improvements	206,106	-	-	206,106
Building & improvements	10,221,477	-	-	10,221,477
Furniture & equipment	<u>592,617</u>	<u>18,977</u>	<u>-</u>	<u>611,594</u>
Total	<u>11,020,200</u>	<u>18,977</u>	<u>-</u>	<u>11,039,177</u>
Accumulated depreciation				
Land improvements	129,727	5,835	-	135,562
Building & improvements	4,315,355	200,107	-	4,515,462
Furniture & equipment	<u>541,102</u>	<u>6,475</u>	<u>-</u>	<u>547,577</u>
Total	<u>4,986,184</u>	<u>212,417</u>	<u>-</u>	<u>5,198,601</u>
Total capital assets, being depreciated, net	<u>6,034,016</u>	<u>(193,440)</u>	<u>-</u>	<u>5,840,576</u>
Governmental activities capital assets, net	<u>\$ 8,009,571</u>	<u>\$ (77,154)</u>	<u>\$ -</u>	<u>\$ 7,932,417</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture & equipment	\$ 114,756	\$ 14,198	\$ -	\$ 128,954
Less: accumulated depreciation	<u>93,182</u>	<u>3,120</u>	<u>-</u>	<u>96,302</u>
Business type activities capital assets, net	<u>\$ 21,574</u>	<u>\$ 11,078</u>	<u>\$ -</u>	<u>\$ 32,652</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction	
Regular	\$ 101,455
Special education	33,182
Other special instruction	6,323
Other instruction	3,361
Support services	
Student & instruction	42,281
General & business administration	13,728
School administration	10,205
Plant maintenance	1,882
Total depreciation expense, governmental activities	\$ 212,417

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 2,784,000	\$ 985,000	\$ 320,000	\$ 3,449,000	\$ 645,000
Compensated absences payable	100,997	1,168	-	102,165	-
PERS net pension liability	2,140,640	451,701	-	2,592,341	-
Total governmental activities long-term liabilities	\$ 5,025,637	\$ 1,437,869	\$ 320,000	\$ 6,143,506	\$ 645,000

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 645,000	\$ 74,802	\$ 719,802
2019	780,000	60,710	840,710
2020	540,000	45,225	585,225
2021	410,000	33,130	443,130
2022	360,000	22,826	382,826
2023 - 2025	714,000	32,916	746,916
Total	\$ 3,449,000	\$ 269,609	\$ 3,718,609

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2017, with their outstanding balances are comprised of the following individual issues:

\$1,505,000 - 2009 refunding general obligation bonds, due in annual installments of \$100,000 to \$140,000, beginning August 15, 2010, through August 15, 2021, interest at 3.00% to 4.00%.	\$ 705,000
\$2,104,000 - 2014 refunding general obligation bonds, due in annual installments of \$155,000 to \$249,000, beginning February 15, 2016, through February 15, 2025, interest at 2.00% to 3.375%.	1,759,000
\$985,000 - 2017 refunding general obligation bonds, due in annual installments of \$55,000 to \$310,000, beginning August 15, 2018, through February 15, 2021, interest at 1.53%.	985,000
	\$ 3,449,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2017 is \$16,163,220. General obligation debt at June 30, 2017 is \$3,449,000, resulting in a legal debt margin of \$12,714,220.

Note 6 - Operating Leases

The District has future minimum rental commitments for technology equipment and supplies, accounted for as an operating lease at June 30, 2017.

Year ending June 30,	Principal	Interest	Total
2018	\$ 81,054	\$ 1,748	\$ 82,802
2019	81,054	350	81,404
Total	\$ 162,108	\$ 2,098	\$ 164,206

Note 7 - Pension plans

Description of systems

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans (continued)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10-years of service, except for medical benefits, which vest after 25-years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the State fiscal year ended June 30, 2016. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2016:

	2016
Total pension liability	\$ 4,330,442
Plan fiduciary net position	1,738,101
Net pension liability	\$ 2,592,341

Plan fiduciary net position as a percentage of the total pension liability	40.14%
----------------------------------------------------------------------------	--------

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.65%

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).

The actuarial assumptions, used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grad Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Discount rate (continued)

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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2043, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.98%)	\$ 2,592,341
At a 1% lower rate (2.98%)	3,176,611
At a 1% higher rate (4.98%)	2,109,975

Collective deferred outflows of resources and deferred inflows of resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,210	\$ -
Changes of assumptions	536,995	-
Net difference between projected and actual earnings on pension plan investments	98,848	-
Changes in proportion and differences between District contributions and proportionate share of contributions	225,261	127,628
District contributions subsequent to the measurement date	77,759	-
Total	\$ 987,073	\$ 127,628

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

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

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) of \$77,759 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Changes of assumptions and differences between expected and actual experience	\$ 257,882	\$ 466,223	\$ 138,900	\$ 585,205
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	<u>(31,591)</u>	<u>145,547</u>	<u>15,108</u>	<u>98,848</u>
Net of deferred outflows	<u>\$ 226,291</u>	<u>\$ 611,770</u>	<u>\$ 154,008</u>	<u>\$ 684,053</u>

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

Year Ending June 30,

2017	\$ 154,008
2018	154,008
2019	178,424
2020	149,902
2021	<u>47,711</u>
Total	<u>\$ 684,053</u>

Pension expense

For the year ended June 30, 2017, the District recognized net pension expense of \$286,718, which represents the District's proportionate share of allocable plan pension expense of \$247,496, plus the net amortization of deferred amounts from changes in proportion of \$34,992, and plus other adjustments to the net pension liability of \$4,230. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Pension expense (continued)

Service cost	\$	84,602
Interest on total pension liability		184,718
Member contributions		(43,850)
Administrative expense		1,400
Expected investment return net of investment expense		(133,106)
Pension expense related to specific liabilities of individual employers		(276)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		126,504
Amortization of expected versus actual experience		12,396
Amortization of projected versus actual investment earnings on pension plan investments		15,108
Pension expense	\$	247,496

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

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after 10-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.

The following represents the membership tiers for TPAF:

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Plan description (continued)

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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. During the State fiscal year ending June 30, 2016, the State of New Jersey contributed \$277,236 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Components of net pension liability

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal year ending June 30, 2016 is as follows:

	2016
State's proportionate share of net pension liability	\$ 27,384,693
Employer pension expense and related revenue	2,057,579
Non-employer contribution	277,236
Allocable proportionate percentage	0.0348111827%

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

Service cost	\$ 812,342
Interest on total pension liability	1,280,319
Member contributions	(263,944)
Administrative expense	4,771
Expected investment return net of investment expense	(655,465)
Pension expense related to specific liabilities of individual employers	(84)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	8,612
Amortization of expected versus actual experience	805,472
Amortization of projected versus actual investment earnings on pension plan investments	65,556
Pension expense	\$ 2,057,579

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

Collective net pension liability and actuarial information

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2016 is as follows:

	2016
Total pension liability	\$ 35,256,770
Plan fiduciary net position	7,872,078
Net pension liability	\$ 27,384,692

Plan fiduciary net position as a percentage of the total pension liability	22.33%
----------------------------------------------------------------------------	--------

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (based on age)	
2012 - 2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial study for the period July 1, 2012 to June 30, 2015.

Long-term expected rate of return

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 Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	.50%	2.87%
Hedge Funds - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the rate in the most recent State fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.22%)	\$ 27,384,693
At a 1% lower rate (2.22%)	32,703,443
At a 1% higher rate (4.22%)	23,041,247

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2017) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2017 was \$4,631.

D. Other pension plan information

During the year ended June 30, 2017, the State of New Jersey contributed \$334,516 to the TPAF for post-retirement medical benefits, \$14,038 for non-contributory insurance premiums, \$910 for long-term disability insurance, and \$387,432 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$282,386 during the year ended June 30, 2017 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25-years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement 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 Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25-years of service. In fiscal year 2016, the State paid \$231.2 million toward Ch. 126 benefits for 20,045 eligible retired members.

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Deferred compensation

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

- Equitable
- Variable Annuity Life Insurance Co.
- Vanguard
- Siracusa

Note 10 - Interfund receivables and payables

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

	Receivable	Payable
General Fund	\$ 24,251	\$ 1,990
Capital Project Fund	-	449,920
Debt Service	449,669	-
Payroll Agency	-	13,116
Unemployment	9,116	-
Child Care Program	-	20,000
Student Activities	1,963	-
Special Revenue	27	-
	\$ 485,026	\$ 485,026

The balance due from the Payroll Agency Fund to the General Fund of \$4,000 represents a loan for the flexible spending account. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$9,116 represents employee withholdings not yet transferred at year end. The balance due from the General Fund to the Special Revenue Fund of \$27 and from the General Fund to the Student Activities Fund for \$1,963 represents expenditures to be reimbursed by the General Fund. The balance due from the Child Care Program to the General Fund of \$20,000 represents a contribution towards the technology operating lease. The balance due from the Capital Projects Fund to the General Fund represents \$251 of interest income not yet transferred. The balance due from the Capital Projects Fund to the Debt Service Fund for \$449,669 represents the unexpended improvement authorization balances to be applied to debt service.

Note 11 - Inventory

Inventory in the Food Service Fund as of June 30, 2017 consisted of the following:

Food	\$ 3,004
Supplies	813
Total	\$ 3,817

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Contingent liabilities

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

Amounts received or are receivables from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in 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 District expects such amount, if any, to be immaterial.

Note 13 - Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

<u>Fiscal Year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016 - 2017	\$ -	\$ -	\$ 9,116	\$ 4,098	\$ 65,586
2015 - 2016	-	32	8,031	-	60,568
2014 - 2015	-	-	8,196	-	56,216

Note 14 - Legal reserve accounts

A Capital Reserve Account was established by the District for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Legal reserve accounts (continued)

Funds placed in the Capital Reserve Account are restricted to capital projects in the Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this State statute, the District deposited \$200,000 to their Maintenance Reserve Account by Board Resolution in June 2017 as summarized in the following schedule. The following schedule is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 655,614	\$ -	\$ 3,203	\$ -	\$ -	\$ 658,817
Emergency	75,515	-	373	-	-	75,888
Maintenance	100,000	200,000	-	-	19,200	280,800
Total	<u>\$ 831,129</u>	<u>\$ 200,000</u>	<u>\$ 3,576</u>	<u>\$ -</u>	<u>\$ 19,200</u>	<u>\$ 1,015,505</u>

Note 15 - Fund balances - budgetary basis

As described in Note 1 (N), fund balance may be restricted, committed or assigned. An analysis of the General fund balance on June 30, 2017 is as follows:

	2017
Restricted	
Capital Reserve Account - Represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 658,817
Emergency Reserve Account - Represents funds accumulated to finance unanticipated General Fund expenditures required for a thorough and efficient education.	75,888
Maintenance Reserve Account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	280,800
Committed	
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	196,623
Unassigned	
Undesignated - Represents fund balance which has not been restricted or designated.	403,059
Total fund balance	<u>\$ 1,615,187</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

- Note 16 - Calculation of excess surplus
In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$0.
- Note 17 - Subsequent events
The District has evaluated subsequent events through November 22, 2017, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.
- Note 18 - Recent accounting pronouncements not yet effective
The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report and which are expected to have a material impact on the District's financial reporting:
- In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement, which is effective for reporting periods beginning after June 15, 2017, is expected to have a material impact on the District's financial reporting.
- In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "*Leases*". This statement, which is effective for reporting periods beginning after June 15, 2019, is expected to have a material impact on the District's financial reporting.
- Note 19 - Deficit balance in unrestricted net position
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2017 of (\$1,387,070) on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 6,719,149	\$ -	\$ 6,719,149	\$ 6,719,150	\$ 1
Tuition from individuals	18,000	-	18,000	19,800	1,800
Tuition from other LEAs within the state	-	-	-	52,900	52,900
Rents and royalties	5,000	-	5,000	423	(4,577)
Unrestricted miscellaneous revenues	1,800	-	1,800	15,099	13,299
Interest earned on current expense emergency reserve	200	-	200	373	173
Interest earned on capital reserve funds	1,000	-	1,000	3,203	2,203
Total	6,745,149	-	6,745,149	6,810,948	65,799
State Sources					
School choice aid	39,591	-	39,591	39,591	-
Categorical transportation aid	28,503	-	28,503	28,503	-
Extraordinary aid	-	-	-	174,245	174,245
Categorical special education aid	227,785	-	227,785	227,785	-
Equalization aid	613,561	-	613,561	613,561	-
Categorical security aid	26,989	-	26,989	26,989	-
Adjustment aid	292,658	-	292,658	292,658	-
PARCC readiness aid	4,620	-	4,620	4,620	-
Per pupil growth aid	4,620	-	4,620	4,620	-
Professional learning community aid	4,380	-	4,380	4,380	-
Other state aids	-	-	-	2,105	2,105
TPAF pension (on-behalf)	-	-	-	401,470	401,470
TPAF Social Security (reimbursed)	-	-	-	282,386	282,386
TPAF post retirement benefits	-	-	-	334,516	334,516
TPAF long-term disability insurance	-	-	-	910	910
Total	1,242,707	-	1,242,707	2,438,339	1,195,632
Total revenues	\$ 7,987,856	\$ -	\$ 7,987,856	\$ 9,249,287	\$ 1,261,431
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 156,244	\$ (1,033)	\$ 155,211	\$ 155,211	\$ -
Grades 1-5	1,222,539	90,091	1,312,630	1,312,630	-
Grades 6-8	894,670	(65,441)	829,229	829,229	-
Home instruction					
Salaries of teacher	3,200	(2,627)	573	573	-
Purchased professional - educational services	1,400.00	5,850	7,250	7,250	-
Regular programs - undistributed instruction					
Other salaries for instruction	-	59,215	59,215	59,215	-
Unused vacation payment to terminated/retired staff	10,288	(10,288)	-	-	-
Other purchased services	144,800	19,647	164,447	144,447	20,000
General supplies	154,548	8,411	162,959	144,886	18,073
Textbooks	7,839	(7,814)	25	25	-
Other objects	-	98	98	98	-
Total	2,595,528	96,109	2,691,637	2,653,564	38,073

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special education					
Multiple disabilities					
Salaries of teachers	\$ 67,577	\$ 32	\$ 67,609	\$ 67,609	\$ -
Other salaries for instruction	33,121	(7,206)	25,915	25,915	-
General supplies	2,150	3,515	5,665	5,187	478
Total	<u>102,848</u>	<u>(3,659)</u>	<u>99,189</u>	<u>98,711</u>	<u>478</u>
EXPENDITURES (cont'd)					
Resource room/resource center					
Salaries of teachers	457,897	(20,655)	437,242	437,242	-
Other salaries for instruction	117,358	(25,621)	91,737	91,737	-
General supplies	10,500	(1,918)	8,582	8,582	-
Total	<u>585,755</u>	<u>(48,194)</u>	<u>537,561</u>	<u>537,561</u>	<u>-</u>
Autism					
Salaries of teachers	58,452	(667)	57,785	57,785	-
Other salaries for instruction	57,167	5,179	62,346	62,346	-
General supplies	3,000	181	3,181	3,181	-
Total	<u>118,619</u>	<u>4,693</u>	<u>123,312</u>	<u>123,312</u>	<u>-</u>
Preschool disabilities - part-time					
Salaries of teachers	90,817	(1,055)	89,762	89,762	-
Other salaries for instruction	57,444	(32,726)	24,718	24,718	-
General supplies	1,500	1,055	2,555	2,555	-
Total	<u>149,761</u>	<u>(32,726)</u>	<u>117,035</u>	<u>117,035</u>	<u>-</u>
Total special education	<u>956,983</u>	<u>(79,886)</u>	<u>877,097</u>	<u>876,619</u>	<u>478</u>
Basic skills/remedial					
Salaries of teachers	190,242	(49,531)	140,711	130,970	9,741
General supplies	3,000	(2,609)	391	391	-
Total	<u>193,242</u>	<u>(52,140)</u>	<u>141,102</u>	<u>131,361</u>	<u>9,741</u>
Bilingual education - instruction					
Salaries of teachers	35,327	-	35,327	35,327	-
General supplies	200	919	1,119	355	764
Total	<u>35,527</u>	<u>919</u>	<u>36,446</u>	<u>35,682</u>	<u>764</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	42,850	725	43,575	40,378	3,197
Supplies and materials	450	61	511	511	-
Total	<u>43,300</u>	<u>786</u>	<u>44,086</u>	<u>40,889</u>	<u>3,197</u>
School-sponsored athletics - instruction					
Salaries	24,740	1,574	26,314	25,454	860
Purchased services	6,000	-	6,000	2,823	3,177
Supplies and materials	3,500	2,864	6,364	3,033	3,331
Total	<u>34,240</u>	<u>4,438</u>	<u>38,678</u>	<u>31,310</u>	<u>7,368</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Summer school - instruction					
Salaries of teachers	\$ 20,000	\$ (3,398)	\$ 16,602	\$ 16,602	\$ -
Total	20,000	(3,398)	16,602	16,602	-
 Total summer school	 20,000	 (3,398)	 16,602	 16,602	 -
 Total instruction regular	 \$ 3,878,820	 \$ (33,172)	 \$ 3,845,648	 \$ 3,786,027	 \$ 59,621
 Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to cssd & regional day schools	\$ -	\$ 504	\$ 504	\$ 504	\$ -
Tuition to priv. school for the disabled w/i state	276,252	(28,128)	248,124	161,056	87,068
Total	276,252	(27,624)	248,628	161,560	87,068
 Undistributed expenditures - health services					
Salaries	88,327	6,381	94,708	94,708	-
Purchased professional and technical services	1,750	-	1,750	1,500	250
Other purchased services	250	-	250	85	165
Supplies and materials	4,750	(2,416)	2,334	2,084	250
Other objects	200	-	200	-	200
Total	95,277	3,965	99,242	98,377	865
 Undistributed expenditures - speech, ot, pt & related services					
Salaries	117,304	(7,456)	109,848	109,847	1
Purchased professional - educational services	42,100	-	42,100	31,194	10,906
Supplies and materials	1,000	190	1,190	1,190	-
Total	160,404	(7,266)	153,138	142,231	10,907
 Undistributed expend - other supp. service stds. - extra service					
Salaries	8,000	1,180	9,180	9,180	-
Purchased professional - educational services	137,500	37,830	175,330	169,817	5,513
Total	145,500	39,010	184,510	178,997	5,513
 Undistributed expenditures- guidance					
Salaries of other professional staff	89,667	-	89,667	89,667	-
Supplies and materials	500	165	665	665	-
Total	90,167	165	90,332	90,332	-
 Undistributed expenditures - child study teams					
Salaries of other professional staff	223,421	(15,911)	207,510	207,510	-
Salaries of secretarial and clerical assistants	64,646	737	65,383	55,883	9,500
Purchased professional - educational services	12,000	(5,685)	6,315	1,000	5,315
Supplies and materials	8,500	3,321	11,821	11,821	-
Total	308,567	(17,538)	291,029	276,214	14,815
 Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	38,187	1	38,188	38,188	-
Salaries of other professional staff	31,154	13,490	44,644	44,308	336
Salaries of facilitators, math & literacy coaches	42,901	-	42,901	42,901	-
Total	112,242	13,491	125,733	125,397	336

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 53,677	\$ 13,175	\$ 66,852	\$ 66,502	\$ 350
Salaries of technology coordinators	67,604	-	67,604	67,603	1
Supplies and materials	8,500	-	8,500	6,530	1,970
Total	129,781	13,175	142,956	140,635	2,321
Undistributed expenditures - instructional staff training services					
Other purchased services	15,000	2,731	17,731	14,102	3,629
Supplies and materials	7,600	(5,626)	1,974	1,974	-
Total	22,600	(2,895)	19,705	16,076	3,629
Undistributed expend. - support service - general admin.					
Salaries	83,343	(3,199)	80,144	80,144	-
Legal services	15,000	(2,958)	12,042	12,042	-
Audit fees	15,000	1,175	16,175	16,175	-
Architectural/engineering services	2,500	(1,900)	600	600	-
Other purchased professional services	4,040	-	4,040	4,040	-
Communications/telephone	15,400	1,704	17,104	17,104	-
BOE other purchased services	1,500	(21)	1,479	1,479	-
Misc purch services	12,000	19,723	31,723	31,723	-
General supplies	5,700	(961)	4,739	4,712	27
BOE in-house training/meeting supplies	250	(197)	53	53	-
Miscellaneous expenditures	6,900	(2,522)	4,378	4,378	-
BOE membership dues and fees	6,600	(2,300)	4,300	4,300	-
Total	168,233	8,544	176,777	176,750	27
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	172,606	-	172,606	172,606	-
Salaries of secretarial and clerical assistants	54,407	-	54,407	54,350	57
Other purchased services	1,000	(1,000)	-	-	-
Supplies and materials	500	424	924	924	-
Other objects	1,500	(500)	1,000	1,000	-
Total	230,013	(1,076)	228,937	228,880	57
Undistributed expenditures - central services					
Salaries	180,760	309	181,069	181,069	-
Purchased professional services	2,600	8,500	11,100	850	10,250
Miscellaneous purchased services	1,299	-	1,299	1,153	146
Supplies and materials	1,200	-	1,200	1,189	11
Other objects	2,800	(1,063)	1,737	1,665	72
Total	188,659	7,746	196,405	185,926	10,479
Undistributed expenditures - admin. info. technology					
Salaries	7,511	1	7,512	7,512	-
Purchased technical services	27,715	6,384	34,099	33,213	886
Total	35,226	6,385	41,611	40,725	886

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expend. - required maint. for school facilities					
Salaries	\$ 80,859	\$ 30,956	\$ 111,815	\$ 111,815	\$ -
Cleaning, repair, and maintenance services	71,694	121,796	193,490	108,132	85,358
Lead testing of drinking water	-	3,057	3,057	-	3,057
General supplies	19,700	(5,687)	14,013	13,963	50
Other objects	100	(100)	-	-	-
Total	172,353	150,022	322,375	233,910	88,465
Undistributed expenditures - custodial services					
Salaries	141,240	5,991	147,231	143,074	4,157
Purchased professional and technical services	3,000	595	3,595	3,595	-
Cleaning, repair, and maintenance service	10,900	5,082	15,982	15,765	217
Other purchased property services	9,100	-	9,100	8,659	441
Insurance	50,000	(13,322)	36,678	36,678	-
Miscellaneous purchased services	-	1,100	1,100	1,100	-
General supplies	18,000	16,048	34,048	33,499	549
Energy (natural gas)	40,000	(13,921)	26,079	25,422	657
Energy (electricity)	110,000	(22,765)	87,235	85,320	1,915
Other objects	-	250	250	250	-
Total	382,240	(20,942)	361,298	353,362	7,936
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	6,000	22,115	28,115	28,115	-
General supplies	2,600	513	3,113	3,113	-
Total	8,600	22,628	31,228	31,228	-
Undistributed expenditures - security					
Purchased professional and technical services	700	-	700	288	412
Total	700	-	700	288	412
Undistributed expenditures - student transportation service					
Management fee - esc & ctsa trans. program	2,500	-	2,500	2,500	-
Contract service-aid in lieu pymts - non-public schools	19,400	(1,027)	18,373	16,881	1,492
Contract serv-aid in lieu pymts - choice school students	4,500	67	4,567	4,273	294
Contr service (oth. than between home & school) - vend	9,450	3,339	12,789	10,340	2,449
Contract service (reg. students) - escs & ctsas	149,300	(4,851)	144,449	144,449	-
Contract service (spl. ed. students) - escs & ctsas	82,800	(22,138)	60,662	58,885	1,777
Total	267,950	(24,610)	243,340	237,328	6,012
Unallocated benefits - employee benefits					
Social Security contributions	90,000	(6,123)	83,877	83,877	-
Other retirement contributions - PERS	82,000	(2,928)	79,072	79,072	-
Other retirement contributions - regular	4,500	1,415	5,915	5,915	-
Workmen's compensation	40,570	2,778	43,348	43,348	-
Health benefits	1,100,000	(63,172)	1,036,828	1,034,040	2,788
Tuition reimbursement	24,500	4,465	28,965	28,965	-
Other employee benefits	20,950	(4,150)	16,800	16,800	-
Total	1,362,520	(67,715)	1,294,805	1,292,017	2,788

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 401,470	\$ (401,470)
On-behalf TPAF post retirement medical benefits	-	-	-	334,516	(334,516)
On-behalf TPAF long-term disability insurance	-	-	-	910	(910)
Reimbursed TPAF Social Security contribution	-	-	-	282,386	(282,386)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,019,282</u>	<u>(1,019,282)</u>
 Total undistributed expenditures	<u>\$ 4,157,284</u>	<u>\$ 95,465</u>	<u>\$ 4,252,749</u>	<u>\$ 5,029,515</u>	<u>\$ (776,766)</u>
 Total current	<u>\$ 8,036,104</u>	<u>\$ 62,293</u>	<u>\$ 8,098,397</u>	<u>\$ 8,815,542</u>	<u>\$ (717,145)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 52,019	\$ 52,019	\$ 16,125	\$ 35,894
Undistributed expenditures - central services	-	10,629	10,629	-	10,629
Undistributed expenditures - custodial services	-	31,711	31,711	2,851	28,860
Total equipment	<u>-</u>	<u>94,359</u>	<u>94,359</u>	<u>18,976</u>	<u>75,383</u>
Facilities acquisition and construction service					
Assessment for debt service on SDA funding	14,143	-	14,143	14,143	-
Total facilities acquisition and construction service	<u>14,143</u>	<u>-</u>	<u>14,143</u>	<u>14,143</u>	<u>-</u>
Total capital outlay	<u>\$ 14,143</u>	<u>\$ 94,359</u>	<u>\$ 108,502</u>	<u>\$ 33,119</u>	<u>\$ 75,383</u>
Total expenditures	<u>\$ 8,050,247</u>	<u>\$ 156,652</u>	<u>\$ 8,206,899</u>	<u>\$ 8,848,661</u>	<u>\$ (641,762)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (62,391)</u>	<u>\$ (156,652)</u>	<u>\$ (219,043)</u>	<u>\$ 400,626</u>	<u>\$ 619,669</u>
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-	-	4,802	4,802
Transfers from other funds	20,000	-	20,000	-	(20,000)
Total other financing sources (uses)	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>4,802</u>	<u>(15,198)</u>
Excess (deficiency) of revenues & other financing sources Over (under) expenditures & other financing uses	<u>(42,391)</u>	<u>(156,652)</u>	<u>(199,043)</u>	<u>405,428</u>	<u>604,471</u>
Fund balances, July 1	1,209,759	-	1,209,759	1,209,759	-
Fund balances, June 30	<u>\$ 1,167,368</u>	<u>\$ (156,652)</u>	<u>\$ 1,010,716</u>	<u>\$ 1,615,187</u>	<u>\$ 604,471</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (43,591)	\$ -	\$ (43,591)	\$ (43,591)	\$ -
Interest deposit to capital reserve	1,000	-	1,000	3,203	2,203
Interest earned on emergency reserve	200	-	200	373	173
Increase in maintenance reserve	-	200,000	200,000	200,000	-
Withdrawal from maintenance reserve	-	(10,000)	(10,000)	(19,200)	(9,200)
Budgeted fund balance	-	(346,652)	(346,652)	264,643	611,295
Total	<u>\$ (42,391)</u>	<u>\$ (156,652)</u>	<u>\$ (199,043)</u>	<u>\$ 405,428</u>	<u>\$ 604,471</u>
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 658,817	
Emergency reserve				75,888	
Maintenance reserve				280,800	
Committed fund balance					
Year-end encumbrances				196,623	
Unassigned fund balance				<u>403,059</u>	
Fund balance per budgetary basis				1,615,187	
Reconciliation to governmental statements (GAAP)					
Last State aid payments not recognized on GAAP basis				<u>(121,856)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 1,493,331</u>	

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 5,043	\$ 3,400	\$ 8,443	\$ 5,564	\$ (2,879)
Federal sources	172,590	(3,400)	169,190	159,945	(9,245)
Total revenues	<u>\$ 177,633</u>	<u>\$ -</u>	<u>\$ 177,633</u>	<u>\$ 165,509</u>	<u>\$ (12,124)</u>
Expenditures					
Instruction					
Salaries	\$ 24,074	\$ (324)	\$ 23,750	\$ 23,750	\$ -
Supplies	8,505	-	8,505	2,964	5,541
Total	<u>32,579</u>	<u>(324)</u>	<u>32,255</u>	<u>26,714</u>	<u>5,541</u>
Support services					
Tuition	90,049	-	90,049	90,049	-
Employee benefits	6,259	324	6,583	-	6,583
Purchased professional & technical services	36,941	-	36,941	36,941	-
Other purchased services	8,705	-	8,705	8,705	-
Supplies	3,100	-	3,100	3,100	-
Total	<u>145,054</u>	<u>324</u>	<u>145,378</u>	<u>138,795</u>	<u>6,583</u>
Total expenditures	<u>\$ 177,633</u>	<u>\$ -</u>	<u>\$ 177,633</u>	<u>\$ 165,509</u>	<u>\$ 12,124</u>

See independent auditors' report.

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

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 9,249,287	\$ 165,509
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	122,320	-
State aid receivable current year	<u>(121,856)</u>	<u>-</u>
Total revenues (GAAP Basis)	<u>\$ 9,249,751</u>	<u>\$ 165,509</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 8,848,661</u>	<u>\$ 165,509</u>
Total expenditures (GAAP Basis)	<u>\$ 8,848,661</u>	<u>\$ 165,509</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.0087528422%	0.0095359971%	0.0085999806%	0.0075412794%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,592,341	\$ 2,140,640	\$ 1,610,152	\$ 1,441,288	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	622,818	595,102	604,752	530,988	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	416.23%	359.71%	266.25%	271.44%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 77,759	\$ 81,984	\$ 70,897	\$ 56,822	\$ 59,103	\$ 65,728	\$ 56,659	\$ 45,882	\$ 37,236	\$ 26,924
Contributions in relation to the contractually required contribution	(77,759)	(81,984)	(70,897)	(56,822)	(59,103)	(65,728)	(56,659)	(45,882)	(37,236)	(26,924)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 647,797	\$ 622,818	\$ 595,102	\$ 604,752	\$ 530,988	\$ 500,491	\$ 527,257	\$ 574,952	\$ 521,240	\$ 476,807
Contributions as a percentage of covered employee payroll	12.00%	13.16%	11.91%	9.40%	11.13%	13.13%	10.75%	7.98%	7.14%	5.65%

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	27,384,693	21,642,198	18,983,034	18,666,978	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 27,384,693	\$ 21,642,198	\$ 18,983,034	\$ 18,666,978	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 3,858,459	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 401,470	\$ 278,712	\$ 185,123	\$ 150,255	\$ 238,660	\$ 121,289	\$ 12,026	\$ 12,878	\$ 12,327	\$ 274,059
Contributions in relation to the contractually required contribution	(401,470)	(278,712)	(185,123)	(150,255)	(238,660)	(121,289)	(12,026)	(12,878)	(12,327)	(274,059)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,791,671	\$ 3,858,459	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	\$3,319,279	\$3,588,518	\$3,714,805	\$3,718,056	\$3,555,985
Contributions as a percentage of covered employee payroll	10.59%	7.22%	5.28%	4.45%	6.80%	3.65%	0.34%	0.35%	0.33%	7.71%

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2017

- Note 1 - Special funding situation - TPAF
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate decreased from 4.13% in State fiscal year 2015 to 3.22% in State fiscal year 2016. The inflation rate was 2.50% for State fiscal years 2015 and 2016.
- Note 3 - Changes in assumptions - PERS
The discount rate decreased from 4.90% in State fiscal year 2015 to 3.98% in State fiscal year 2016. The inflation rate increased from 3.04% for State fiscal year 2015 to 3.08% for State fiscal year 2016.

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

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

	<u>NCLB Title IA</u>	<u>NCLB Title IIA</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Local Grants</u>	<u>Total</u>
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 5,564	\$ 5,564
Federal sources	25,346	99,158	30,000	5,441	-	159,945
Total revenues	<u>\$ 25,346</u>	<u>\$ 99,158</u>	<u>\$ 30,000</u>	<u>\$ 5,441</u>	<u>\$ 5,564</u>	<u>\$ 165,509</u>
Expenditures						
Instruction						
Salaries	\$ 23,750	\$ -	\$ -	\$ -	\$ -	\$ 23,750
Supplies	-	-	-	-	2,964	2,964
Total	<u>23,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,964</u>	<u>26,714</u>
Support services						
Tuition	-	90,049	-	-	-	90,049
Purchased professional and technical services	-	1,500	30,000	5,441	-	36,941
Other purchased services	1,596	7,109	-	-	-	8,705
Supplies	-	500	-	-	2,600	3,100
Total	<u>1,596</u>	<u>99,158</u>	<u>30,000</u>	<u>5,441</u>	<u>2,600</u>	<u>138,795</u>
Total expenditures	<u>\$ 25,346</u>	<u>\$ 99,158</u>	<u>\$ 30,000</u>	<u>\$ 5,441</u>	<u>\$ 5,564</u>	<u>\$ 165,509</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2017

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/17
			Prior Years	Current Year	
Facilities improvement project	12/13/16	\$ 985,000	\$ -	\$ 98,327	\$ 886,673
Facilities improvement project	1/7/14	2,104,000	1,636,371	467,629	-
		<u>\$ 3,089,000</u>	<u>\$ 1,636,371</u>	<u>\$ 565,956</u>	<u>\$ 886,673</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

Revenues	
Local sources - bond proceeds	\$ 985,000
Total revenues	985,000
Expenditures	
Purchased professional services	
Architectural/Engineering fees	45,906
Bond/Legal fees	29,621
Construction services	40,760
Total expenditures	116,287
Other financing sources (uses)	
Transfer to other funds	(449,669)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	419,044
Net position - beginning	471,135
Net position - ending	\$ 890,179
Analysis of balance	
Capital project fund balance	\$ 886,673
Interest earnings	3,506
	\$ 890,179

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Facilities Improvement Project - 2014
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - bond proceeds	\$ 2,104,000	\$ -	\$ 2,104,000	\$ 2,104,000
Total revenues	<u>2,104,000</u>	<u>-</u>	<u>2,104,000</u>	<u>2,104,000</u>
Expenditures and other financing uses				
Construction services				
Exterior closure	541,573	-	541,573	541,573
HVAC	887,926	17,960	905,886	905,886
Miscellaneous	5,777	-	5,777	5,777
Purchased professional services	105,200	-	105,200	105,200
Bonding/legal fees	58,383	-	58,383	58,383
Construction management	37,512	-	37,512	37,512
Transfer to other funds	-	449,669	449,669	449,669
Total expenditures	<u>1,636,371</u>	<u>467,629</u>	<u>2,104,000</u>	<u>2,104,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 467,629</u>	<u>\$ (467,629)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	0910-030-14-2000
Grant date	N/A
Bond authorization date	1/7/2014
Bonds authorized	\$ 2,104,250
Bonds issued	\$ 2,104,000
Original authorized cost	\$ 2,104,250
Additional authorized cost	(250)
Revised authorized cost	\$2,104,000
Percentage completion	100.00%

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Facilities Improvement Project - 2016
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - bond proceeds	\$ -	\$ 985,000	\$ 985,000	\$ 985,000
Total revenues	-	985,000	985,000	985,000
				130,200
Expenditures and other financing uses				854,800
Construction services				
Interior construction				
Media center renovations	-	7,600	7,600	229,950
Lighting and ceilings replacement	-	15,200	15,200	355,740
HVAC upgrades	-	-	-	170,310
Exterior closure	-	-	-	4,000
Fixed furnishings	-	-	-	120,000
Purchased professional services				
Architectural/Engineering fees	-	45,906	45,906	64,400
Bond/Legal fees	-	29,621	29,621	30,000
Fees and permits	-	-	-	10,600
Total expenditures	-	98,327	98,327	985,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 886,673	\$ 886,673	\$ -

Additional Project Information

Project number	0910-030-17-1000
Grant date	N/A
Bond authorization date	12/13/2016
Bonds authorized	\$ 985,000
Bonds issued	\$ 985,000
Original authorized cost	\$ 985,000
Additional authorized cost	-
Revised authorized cost	\$ 985,000
Percentage completion	9.98%

See independent auditors' report.

PROPRIETARY FUND

DETAIL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Care Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 4,638	\$ 128,015	\$ 132,653
Receivables from other governments			
State	77	-	77
Federal	3,021	-	3,021
Accounts receivables	225	-	225
Inventory	3,817	-	3,817
Total current assets	<u>11,778</u>	<u>128,015</u>	<u>139,793</u>
Noncurrent assets			
Capital assets	128,954	-	128,954
Less: accumulated depreciation	96,302	-	96,302
Total noncurrent assets	<u>32,652</u>	<u>-</u>	<u>32,652</u>
Total assets	<u>44,430</u>	<u>128,015</u>	<u>172,445</u>
Liabilities			
Current liabilities			
Due to general fund	-	20,000	20,000
Unearned revenues - commodities	1,396	-	1,396
Unearned revenues - prepaid sales	1,233	-	1,233
Total liabilities	<u>2,629</u>	<u>20,000</u>	<u>22,629</u>
Net position			
Net investment in capital assets	32,652	-	32,652
Unrestricted	9,149	108,015	117,164
Total net position	<u>\$ 41,801</u>	<u>\$ 108,015</u>	<u>\$ 149,816</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 63,354	\$ -	\$ 63,354
Daily sales - non-reimbursable programs	19,275	-	19,275
Child care revenues	-	136,043	136,043
Total operating revenues	<u>82,629</u>	<u>136,043</u>	<u>218,672</u>
Operating expenses			
Cost of sales - reimbursable programs	46,438	-	46,438
Cost of sales - non-reimbursable programs	6,633	-	6,633
Commodity food costs	12,517	-	12,517
Salaries	35,696	63,516	99,212
Support services - employee benefits	4,989	38,859	43,848
Purchased professional/technical services	2,479	-	2,479
Purchased property services	1,820	-	1,820
Other purchased services			
Insurance	3,562	-	3,562
Management fee	7,696	-	7,696
Supplies and materials	7,931	27,202	35,133
Depreciation	3,120	-	3,120
Miscellaneous expenditures	954	-	954
Total operating expenses	<u>133,835</u>	<u>129,577</u>	<u>263,412</u>
Operating income (loss)	<u>(51,206)</u>	<u>6,466</u>	<u>(44,740)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	1,235	-	1,235
Federal sources			
National school lunch program			
Cash assistance	28,121	-	28,121
Non-cash assistance (commodities)	12,517	-	12,517
Miscellaneous	1,145	-	1,145
Total non-operating revenues (expenses)	<u>43,018</u>	<u>-</u>	<u>43,018</u>
Change in net position	(8,188)	6,466	(1,722)
Net position, beginning	<u>49,989</u>	<u>101,549</u>	<u>151,538</u>
Net position, ending	<u>\$ 41,801</u>	<u>\$ 108,015</u>	<u>\$ 149,816</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers	\$ 82,200	\$ 136,043	\$ 218,243
Payments to Food Service Management Co.	(114,230)	-	(114,230)
Payments to employees	-	(63,516)	(63,516)
Payments to employee benefits	-	(38,859)	(38,859)
Payments to vendors (net)	(9,161)	(7,202)	(16,363)
Net cash provided by operating activities	<u>(41,191)</u>	<u>26,466</u>	<u>(14,725)</u>
Cash flows from noncapital financing activities			
State sources	1,293	-	1,293
Federal sources	28,097	-	28,097
Miscellaneous	1,145	-	1,145
Net interfund transactions	4,210	-	4,210
Net cash provided by (used for) noncapital financing activities	<u>34,745</u>	<u>-</u>	<u>34,745</u>
Cash flows from capital financing activities			
Acquisition of equipment	(14,198)	-	(14,198)
Net cash provided by (used for) investing activities	<u>(14,198)</u>	<u>-</u>	<u>(14,198)</u>
Net increase in cash and cash equivalents	(20,644)	26,466	5,822
Cash and cash equivalents, July 1	<u>25,282</u>	<u>101,549</u>	<u>126,831</u>
Cash and cash equivalents, June 30	<u>\$ 4,638</u>	<u>\$ 128,015</u>	<u>\$ 132,653</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ (51,206)	\$ 6,466	\$ (44,740)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	3,120	-	3,120
Federal food donation program	12,517	-	12,517
(Increase) decrease in accounts receivable	(225)	-	(225)
Increase (decrease) in accounts payable	(5,135)	20,000	14,865
(Increase) decrease in inventory	452	-	452
Increase (decrease) in unearned revenue	(714)	-	(714)
Net cash provided by (used for) operating activities	<u>\$ (41,191)</u>	<u>\$ 26,466</u>	<u>\$ (14,725)</u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 56,470	\$ 54,249	\$ 29,004	\$ 139,723
Due from other funds	9,116	1,963	-	11,079
Total assets	\$ 65,586	\$ 56,212	\$ 29,004	\$ 150,802
Liabilities				
Due to other funds	\$ -	\$ -	\$ 13,116	\$ 13,116
Due to students groups	-	56,212	-	56,212
Payroll deductions & withholdings	-	-	15,888	15,888
Total liabilities	-	56,212	29,004	85,216
Net position				
Held in trust for unemployment claims & other purposes	\$ 65,586	\$ -	\$ -	\$ 65,586

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee withholdings	\$ 9,116
Deductions	
Unemployment claims	<u>4,098</u>
Change in net position	5,018
Net position, beginning of the year	<u>60,568</u>
Net position, end of the year	<u><u>\$ 65,586</u></u>

See independent auditors' report.

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

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 52,923	\$ 76,009	\$ 74,683	\$ 54,249
Due from other funds	-	1,963	-	1,963
Total assets	\$ 52,923	\$ 76,009	\$ 74,683	\$ 56,212
Liabilities				
Due to student groups	\$ 52,923	\$ 77,972	\$ 74,683	\$ 56,212
Total liabilities	\$ 52,923	\$ 77,972	\$ 74,683	\$ 56,212

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

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 15,296	\$ 5,612,314	\$ 5,598,606	\$ 29,004
Total assets	\$ 15,296	\$ 5,612,314	\$ 5,598,606	\$ 29,004
Liabilities				
Due to other funds	\$ 5,238	\$ 9,116	\$ 1,238	\$ 13,116
Payroll deductions and withholdings	10,058	2,264,283	2,258,453	15,888
Net payroll	-	3,338,915	3,338,915	-
Total liabilities	\$ 15,296	\$ 5,612,314	\$ 5,598,606	\$ 29,004

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/16	Issued	Retired	Balance 06/30/17
			Date	Amount					
Refunding school bonds of 2009	08/15/09	\$ 1,505,000	08/15/17	\$ 140,000	4.00%	\$ 835,000	\$ -	\$ 130,000	\$ 705,000
			08/15/18	145,000	3.25%	-	-	-	-
			08/15/19	140,000	3.50%	-	-	-	-
			08/15/20	140,000	3.63%	-	-	-	-
			08/15/21	140,000	3.75%	-	-	-	-
			-	-	-	-	-	-	-
School bonds of 2014	08/15/14	2,104,000	02/15/18	195,000	2.00%	1,949,000	-	190,000	1,759,000
			02/15/19	205,000	2.00%	-	-	-	-
			02/15/20	210,000	2.00%	-	-	-	-
			02/15/21	215,000	2.00%	-	-	-	-
			02/15/22	220,000	2.00%	-	-	-	-
			02/15/23	230,000	2.00%	-	-	-	-
			02/15/24	235,000	2.25%	-	-	-	-
			02/15/25	249,000	2.38%	-	-	-	-
School bonds of 2017	8/15/17	985,000	02/15/18	310,000	1.53%	-	985,000	-	985,000
			02/15/19	430,000	1.53%	-	-	-	-
			02/15/20	190,000	1.53%	-	-	-	-
			02/15/21	55,000	1.53%	-	-	-	-
						\$ 2,784,000	\$ 985,000	\$ 320,000	\$ 3,449,000

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 152,130	\$ -	\$ 152,130	\$ 152,130	\$ -
Local tax levy - pre-merger debt	157,488	-	157,488	157,488	-
State sources					
Debt service aid type II	78,371	-	78,371	78,371	-
Total revenues	<u>387,989</u>	<u>-</u>	<u>387,989</u>	<u>387,989</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	320,000	-	320,000	320,000	-
Interest	67,989	-	67,989	67,989	-
Total expenditures	<u>387,989</u>	<u>-</u>	<u>387,989</u>	<u>387,989</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	449,669	449,669
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	449,669	449,669
Fund balance, July 1	<u>999</u>	<u>-</u>	<u>999</u>	<u>999</u>	<u>-</u>
Fund balance, June 30	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 450,668</u>	<u>\$ 449,669</u>

See independent auditors' report.

Statistical Section

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
<p>Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.</p>	

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government activities										
Net investment in capital assets	\$ 3,839,597	\$ 3,982,503	\$ 4,128,574	\$ 4,371,285	\$ 4,537,465	\$ 4,893,462	\$ 5,385,724	\$ 4,662,010	\$ 5,225,571	\$ 4,483,417
Restricted	139	40,140	102,774	167,217	197,547	397,671	577,993	1,725,179	1,303,263	2,356,352
Unrestricted	71,661	61,887	21,637	182,420	422,659	237,414	(1,310,609)	(1,229,777)	(1,396,410)	(1,387,070)
Total governmental activities	<u>\$ 3,911,397</u>	<u>\$ 4,084,530</u>	<u>\$ 4,252,985</u>	<u>\$ 4,720,922</u>	<u>\$ 5,157,671</u>	<u>\$ 5,528,547</u>	<u>\$ 4,653,108</u>	<u>\$ 5,157,412</u>	<u>\$ 5,132,424</u>	<u>\$ 5,452,699</u>
Business-type activities										
Net investment in capital assets	\$ 39,422	\$ 32,523	\$ 25,920	\$ 19,570	\$ 13,217	\$ 11,526	\$ 7,779	\$ 16,495	\$ 21,574	\$ 32,652
Unrestricted	103,787	25,184	82,823	131,618	174,323	65,802	76,435	116,126	129,964	117,164
Total business-type activities	<u>\$ 143,209</u>	<u>\$ 57,707</u>	<u>\$ 108,743</u>	<u>\$ 151,188</u>	<u>\$ 187,540</u>	<u>\$ 77,328</u>	<u>\$ 84,214</u>	<u>\$ 132,621</u>	<u>\$ 151,538</u>	<u>\$ 149,816</u>
District-wide										
Net investment in capital assets	\$ 3,879,019	\$ 4,015,026	\$ 4,154,494	\$ 4,390,855	\$ 4,550,682	\$ 4,904,988	\$ 5,393,503	\$ 4,678,505	\$ 5,247,145	\$ 4,516,069
Restricted	139	40,140	102,774	167,217	197,547	397,671	577,993	1,725,179	1,303,263	2,356,352
Unrestricted	175,448	87,071	104,460	314,038	596,982	303,216	(1,234,174)	(1,113,651)	(1,266,446)	(1,269,906)
Total district-wide	<u>\$ 4,054,606</u>	<u>\$ 4,142,237</u>	<u>\$ 4,361,728</u>	<u>\$ 4,872,110</u>	<u>\$ 5,345,211</u>	<u>\$ 5,605,875</u>	<u>\$ 4,737,322</u>	<u>\$ 5,290,033</u>	<u>\$ 5,283,962</u>	<u>\$ 5,602,515</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,569,937	\$ 3,564,328	\$ 3,424,234	\$ 3,064,929	\$ 3,282,752	\$ 3,307,290	\$ 3,215,086	\$ 3,995,146	\$ 4,584,497	\$ 5,147,748
Special education	1,374,904	1,187,652	1,397,612	1,557,303	1,537,296	1,650,654	1,626,623	1,738,146	2,213,199	2,012,624
Other instruction	91,294	80,667	98,492	74,827	75,067	84,814	86,365	94,110	103,495	159,826
Support services										
Tuition	120,312	176,784	242,911	181,942	258,451	244,655	266,197	243,486	246,464	251,609
Student & instruction related services	1,085,543	1,280,294	1,442,001	1,346,673	1,250,154	1,392,448	1,348,496	1,674,594	1,730,507	1,895,810
General & business administrative services	588,641	583,662	568,098	553,444	678,237	569,239	501,436	501,297	495,027	558,749
School administration	242,139	236,339	269,045	268,637	244,835	273,660	299,817	359,739	421,853	451,628
Plant operations & maintenance	559,551	587,830	582,103	536,418	567,423	671,284	581,535	626,109	572,807	745,852
Pupil transportation	85,674	104,463	310,020	294,709	314,598	273,342	274,744	289,391	257,418	237,328
Interest on long-term debt	189,502	179,431	128,690	142,942	128,355	102,179	82,234	99,843	83,905	84,181
Total governmental activities expenses	<u>7,907,497</u>	<u>7,981,450</u>	<u>8,463,206</u>	<u>8,021,824</u>	<u>8,337,168</u>	<u>8,569,565</u>	<u>8,282,533</u>	<u>9,621,861</u>	<u>10,709,172</u>	<u>11,545,355</u>
Business-type activities										
Food service	132,969	135,927	125,742	127,014	124,732	129,346	126,646	124,270	132,856	133,835
Child care	121,767	145,249	133,131	142,781	139,139	123,450	126,384	96,710	99,986	129,577
Total business-type activities	<u>254,736</u>	<u>281,176</u>	<u>258,873</u>	<u>269,795</u>	<u>263,871</u>	<u>252,796</u>	<u>253,030</u>	<u>220,980</u>	<u>232,842</u>	<u>263,412</u>
Total district expenses	<u>\$ 8,162,233</u>	<u>\$ 8,262,626</u>	<u>\$ 8,722,079</u>	<u>\$ 8,291,619</u>	<u>\$ 8,601,039</u>	<u>\$ 8,822,361</u>	<u>\$ 8,535,563</u>	<u>\$ 9,842,841</u>	<u>\$ 10,942,014</u>	<u>\$ 11,808,767</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Governmental activities										
Charges for services	\$ 2,307,758	\$ 2,438,090	\$ 172,761	\$ 143,409	\$ 73,900	\$ 27,742	\$ 34,607	\$ 28,250	\$ 20,045	\$ 73,123
Operating grants & contributions	225,534	217,793	261,008	197,376	167,463	181,008	170,529	180,347	174,306	165,509
Capital grants & contributions	-	-	-	-	64,576	10,124	-	-	-	-
Total governmental activities program revenues	<u>2,533,292</u>	<u>2,655,883</u>	<u>433,769</u>	<u>340,785</u>	<u>305,939</u>	<u>218,874</u>	<u>205,136</u>	<u>208,597</u>	<u>194,351</u>	<u>238,632</u>
Business-type activities										
Charges for services										
Food service	105,742	98,162	104,785	101,467	95,156	85,273	87,708	85,615	80,117	82,629
Child care	122,783	109,159	178,063	181,453	178,671	110,082	134,188	144,852	125,574	136,043
Operating grants & contributions	27,790	28,258	26,969	29,152	26,255	37,174	37,972	38,888	46,068	43,018
Total business-type activities program revenues	<u>256,315</u>	<u>235,579</u>	<u>309,817</u>	<u>312,072</u>	<u>300,082</u>	<u>232,529</u>	<u>259,868</u>	<u>269,355</u>	<u>251,759</u>	<u>261,690</u>
Total district-program revenues	<u>\$ 2,789,607</u>	<u>\$ 2,891,462</u>	<u>\$ 743,586</u>	<u>\$ 652,857</u>	<u>\$ 606,021</u>	<u>\$ 451,403</u>	<u>\$ 465,004</u>	<u>\$ 477,952</u>	<u>\$ 446,110</u>	<u>\$ 500,322</u>
Net (expense) revenues										
Governmental activities	\$ (5,374,205)	\$ (5,325,567)	\$ (8,029,437)	\$ (7,681,039)	\$ (8,031,229)	\$ (8,350,691)	\$ (8,077,397)	\$ (9,413,264)	\$ (10,514,821)	\$ (11,306,723)
Business-type activities	1,579	(45,597)	50,944	42,277	36,211	(20,267)	6,838	48,375	18,917	(1,722)
Total district-wide net expenses	<u>\$ (5,372,626)</u>	<u>\$ (5,371,164)</u>	<u>\$ (7,978,493)</u>	<u>\$ (7,638,762)</u>	<u>\$ (7,995,018)</u>	<u>\$ (8,370,958)</u>	<u>\$ (8,070,559)</u>	<u>\$ (9,364,889)</u>	<u>\$ (10,495,904)</u>	<u>\$ (11,308,445)</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 3,910,915	\$ 4,086,329	\$ 5,790,375	\$ 5,979,490	\$ 6,055,296	\$ 6,055,296	\$ 6,176,403	\$ 6,299,930	\$ 6,547,034	\$ 6,719,150
Taxes levied for debt service	568,356	553,625	538,505	509,311	526,121	532,545	537,661	501,796	297,463	309,618
Unrestricted grants & contributions	972,218	813,646	1,865,231	1,651,392	1,883,405	1,986,350	1,861,933	3,082,105	3,632,374	4,574,753
Investment earnings	10,386	1,686	1,931	3,590	3,073	1,689	1,390	6,916	6,483	14,304
Miscellaneous income	594	3,414	1,850	5,193	83	441	9,037	26,821	6,479	9,173
Special item - proceeds on disposition of assets	-	-	-	-	-	55,286	-	-	-	-
Proceeds from bond sale	-	-	-	-	-	-	-	-	-	-
Operating transfer	-	40,000	-	-	-	90,000	-	-	-	-
Total governmental activities	<u>5,462,469</u>	<u>5,498,700</u>	<u>8,197,892</u>	<u>8,148,976</u>	<u>8,467,978</u>	<u>8,721,607</u>	<u>8,586,424</u>	<u>9,917,568</u>	<u>10,489,833</u>	<u>11,626,998</u>
Business-type activities										
Investment earnings	346	95	92	168	141	55	48	32	-	-
Operating transfer	-	(40,000)	-	-	-	(90,000)	-	-	-	-
Total business-type activities	<u>346</u>	<u>(39,905)</u>	<u>92</u>	<u>168</u>	<u>141</u>	<u>(89,945)</u>	<u>48</u>	<u>32</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 5,462,815</u>	<u>\$ 5,458,795</u>	<u>\$ 8,197,984</u>	<u>\$ 8,149,144</u>	<u>\$ 8,468,119</u>	<u>\$ 8,631,662</u>	<u>\$ 8,586,472</u>	<u>\$ 9,917,600</u>	<u>\$ 10,489,833</u>	<u>\$ 11,626,998</u>
Change in net position										
Governmental activities	\$ 88,264	\$ 173,133	\$ 168,455	\$ 467,937	\$ 436,749	\$ 370,916	\$ 509,027	\$ 504,304	\$ (24,988)	\$ 320,275
Business-type activities	1,925	(85,502)	51,036	42,445	36,352	(110,212)	6,886	48,407	18,917	(1,722)
Total district	<u>\$ 90,189</u>	<u>\$ 87,631</u>	<u>\$ 219,491</u>	<u>\$ 510,382</u>	<u>\$ 473,101</u>	<u>\$ 260,704</u>	<u>\$ 515,913</u>	<u>\$ 552,711</u>	<u>\$ (6,071)</u>	<u>\$ 318,553</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted	\$ 139	\$ 40,140	\$ 70,276	\$ 170,079	\$ 200,409	\$ 397,671	\$ 577,993	\$ 728,955	\$ 831,129	\$ 1,015,505
Committed	3,576	-	-	4,311	135,081	146,262	29,479	196,739	43,591	196,623
Assigned	-	-	-	-	181,251	30,000	-	-	-	-
Unassigned	148,114	140,435	25,594	189,267	193,869	144,850	131,317	139,131	212,719	281,203
Total general fund	<u>\$ 151,829</u>	<u>\$ 180,575</u>	<u>\$ 95,870</u>	<u>\$ 363,657</u>	<u>\$ 710,610</u>	<u>\$ 718,783</u>	<u>\$ 738,789</u>	<u>\$ 1,064,825</u>	<u>\$ 1,087,439</u>	<u>\$ 1,493,331</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 996,223	\$ 471,135	\$ 890,179
Debt service fund	-	-	32,498	-	-	-	-	-	999	450,668
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,223</u>	<u>\$ 472,134</u>	<u>\$ 1,340,847</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ (60,642)	\$ (236,254)	\$ (52,207)	\$ 260,289	\$ 106,953	\$ (137,093)	\$ 20,006	\$ (781,741)	\$ (501,475)	\$ 289,605
Other financing sources (uses)										
Capital leases (non-budgeted)	-	225,000	-	-	240,000	-	-	-	-	-
Proceeds from bond issue	-	-	1,445,000	-	-	-	-	2,104,000	-	985,000
Payments to refunding bond escrow agent	-	-	(1,445,000)	-	-	-	-	-	-	-
Insurance claim proceeds for storm damage	-	-	-	-	-	55,266	-	-	-	-
Transfers in (out)	-	40,000	-	(25,000)	-	90,000	-	-	-	-
Total other financing sources (uses)	-	265,000	-	(25,000)	240,000	145,266	-	2,104,000	-	985,000
Net change in fund balances	<u>\$ (60,642)</u>	<u>\$ 28,746</u>	<u>\$ (52,207)</u>	<u>\$ 235,289</u>	<u>\$ 346,953</u>	<u>\$ 8,173</u>	<u>\$ 20,006</u>	<u>\$ 1,322,259</u>	<u>\$ (501,475)</u>	<u>\$ 1,274,605</u>
Debt service as a percentage of non-capital expenditures	7.61%	7.33%	6.20%	7.06%	6.95%	6.59%	6.89%	6.28%	4.31%	4.48%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interest income	\$ 10,386	\$ 1,686	\$ 1,931	\$ 3,590	\$ 3,156	\$ 1,669	\$ 1,390	\$ 3,410	\$ 6,483	\$ 9,502
Tuition	2,307,758	2,438,090	167,641	142,369	64,450	26,650	23,072	21,331	15,840	72,700
Refunds	-	-	-	-	-	-	800	-	-	-
Rental	512	-	5,120	1,040	9,450	943	8,045	4,175	4,205	423
Prior year										
Refunds	-	-	1,800	1,651	-	440	1,025	20,680	657	204
Outstanding checks canceled	-	3,414	-	-	-	-	692	-	-	1,454
Insurance recovery	-	-	-	3,542	-	-	3,750	-	-	-
Workshop fee	-	-	-	-	-	150	3,490	2,745	-	3,000
iPad insurance	-	-	-	-	-	-	2,657	6,140	3,438	4,110
Miscellaneous	82	-	50	-	-	-	114	-	-	405
Annual totals	<u>\$ 2,318,738</u>	<u>\$ 2,443,190</u>	<u>\$ 176,542</u>	<u>\$ 152,192</u>	<u>\$ 77,056</u>	<u>\$ 29,852</u>	<u>\$ 45,035</u>	<u>\$ 58,481</u>	<u>\$ 30,623</u>	<u>\$ 91,798</u>

Source: District Records

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 4,979,800	\$ 4,964,760	\$ 5,158,160	\$ 5,158,160	\$ 4,891,560	\$ 6,798,400	\$ 5,995,800	\$ 6,050,500	\$ 5,149,900	\$ 5,154,400
Residential	318,996,900	319,427,500	318,510,000	318,264,300	314,374,900	268,505,400	265,511,000	266,926,800	270,059,300	274,311,500
Farm regular	211,800	211,800	211,800	-	-	-	119,750	119,750	119,750	119,750
Q farm	59,300	59,300	59,300	38,200	38,200	38,200	53,850	45,700	46,500	44,300
Commercial	89,817,400	90,159,550	89,984,350	89,369,300	81,246,500	75,335,700	73,645,300	73,680,100	72,417,800	72,190,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	10,990,800	10,990,800	10,990,800	9,638,600	9,638,600	8,694,800	8,401,300	8,401,300	9,791,600	15,228,800
Total assessed value	425,056,000	425,813,710	424,914,410	422,468,560	410,189,760	359,372,500	353,727,000	355,224,150	357,584,850	367,049,550
Public utilities (a)	884,156	753,165	1,056,564	1,150,337	1,207,689	1,207,689	-	-	-	-
Net valuation taxable	\$ 425,940,156	\$ 426,566,875	\$ 425,970,974	\$ 423,618,897	\$ 411,397,449	\$ 360,580,189	\$ 353,727,000	\$ 355,224,150	\$ 357,584,850	\$ 367,049,550
Estimated actual county equalized value	\$ 442,351,393	\$ 420,954,544	\$ 419,286,974	\$ 401,632,430	\$ 390,744,000	\$ 378,185,031	\$ 381,523,007	\$ 382,454,942	\$ 382,402,791	\$ 387,632,855
Percentage of net valuation to estimated actual equalized value	96.29%	101.33%	101.59%	105.47%	105.29%	95.34%	92.71%	92.88%	93.51%	94.69%
Total direct school tax rate (b)	\$ 1.070	\$ 1.108	\$ 1.150	\$ 1.165	\$ 1.200	\$ 1.379	\$ 1.425	\$ 1.443	\$ 1.424	\$ 1.403

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 1,363,104	\$ 1,363,103	\$ 1,363,103	\$ 1,363,103	\$ 1,331,803	\$ 1,239,203	\$ 1,325,403	\$ 1,241,203	\$ 1,241,203	\$ 1,308,003
Residential	128,991,800	128,763,800	129,175,200	128,684,700	128,702,700	128,632,500	129,138,100	129,097,500	129,471,200	129,537,400
Farm regular	2,430,300	2,430,300	2,430,300	2,430,300	2,430,300	2,479,000	1,965,400	1,960,900	1,960,900	1,960,900
Q farm	50,937	50,937	50,937	50,687	50,687	50,687	38,542	44,758	44,758	44,958
Commercial	4,748,000	4,869,500	4,869,500	4,869,500	4,869,500	4,869,500	4,823,300	4,823,300	4,823,300	4,904,700
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,212,500	1,212,500	1,212,500
Total assessed value	139,357,941	139,251,440	139,662,840	139,172,090	139,158,790	139,044,690	139,064,545	138,948,761	139,322,461	139,537,061
Public utilities (a)	251,474	251,474	251,474	289,166	289,166	-	-	-	-	-
Net valuation taxable	\$ 139,609,415	\$ 139,502,914	\$ 139,914,314	\$ 139,461,256	\$ 139,447,956	\$ 139,044,690	\$ 139,064,545	\$ 138,948,761	\$ 139,322,461	\$ 139,537,061
Estimated actual county equalized value	\$ 205,175,078	\$ 198,633,379	\$ 188,971,251	\$ 181,519,271	\$ 171,924,493	\$ 162,454,364	\$ 157,585,366	\$ 155,042,135	\$ 154,510,881	\$ 155,455,727
Percentage of net valuation to estimated actual equalized value	68.04%	70.23%	74.04%	76.83%	81.11%	85.59%	88.25%	89.62%	90.17%	89.76%
Total direct school tax rate (b)	\$ 1.100	\$ 1.087	\$ 1.115	\$ 1.176	\$ 1.192	\$ 1.220	\$ 1.212	\$ 1.266	\$ 1.327	\$ 1.425

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 6,342,904	\$ 6,327,863	\$ 6,521,263	\$ 6,521,263	\$ 6,223,363	\$ 8,037,603	\$ 7,321,203	\$ 7,291,703	\$ 6,391,103	\$ 6,462,403
Residential	447,988,700	448,191,300	447,685,200	446,949,000	443,077,600	397,137,900	394,649,100	396,024,300	399,530,500	403,848,900
Farm regular	2,642,100	2,642,100	2,642,100	2,430,300	2,430,300	2,479,000	2,085,150	2,080,650	2,080,650	2,080,650
Q farm	110,237	110,237	110,237	88,887	88,887	88,887	92,392	90,458	91,258	89,258
Commercial	94,565,400	95,029,050	94,853,850	94,238,800	86,116,000	80,205,200	78,468,600	78,503,400	77,241,100	77,095,500
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	12,196,000	12,196,000	12,196,000	10,843,800	10,843,800	9,900,000	9,606,500	9,613,800	11,004,100	16,441,300
Total assessed value	564,413,941	565,065,150	564,577,250	561,640,650	549,348,550	498,417,190	492,791,545	494,172,911	496,907,311	506,586,611
Public utilities (a)	1,135,630	1,004,639	1,308,038	1,439,503	1,496,855	1,207,689	-	-	-	-
Net valuation taxable	\$ 565,549,571	\$ 566,069,789	\$ 565,885,288	\$ 563,080,153	\$ 550,845,405	\$ 499,624,879	\$ 492,791,545	\$ 494,172,911	\$ 496,907,311	\$ 506,586,611
Estimated actual county equalized value	\$ 647,526,471	\$ 619,587,923	\$ 608,258,225	\$ 583,151,701	\$ 562,668,493	\$ 540,639,395	\$ 539,108,373	\$ 537,497,077	\$ 536,913,672	\$ 543,088,582
Percentage of net valuation to estimated actual equalized value	87.34%	91.36%	93.03%	96.56%	97.90%	92.41%	91.41%	91.94%	92.55%	93.28%
Total direct school tax rate (b)	\$ 2.170	\$ 2.195	\$ 2.265	\$ 2.341	\$ 2.392	\$ 2.599	\$ 2.637	\$ 2.709	\$ 2.751	\$ 2.828

Source: Municipal Tax Assessor

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

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

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County	
			Total Direct School Tax Rate					
2008	\$ 0.940	\$ 0.130	\$ 1.070	\$ 0.470	\$ 0.440	\$ 0.350	\$ 2.330	
2009	0.980	0.130	1.110	0.500	0.440	0.340	2.390	
2010	1.030	0.120	1.150	0.510	0.460	0.340	2.460	
2011	1.040	0.120	1.160	0.520	0.460	0.320	2.460	
2012	1.080	0.120	1.200	0.530	0.480	0.330	2.540	
2013	* 1.230	0.150	1.380	0.590	0.630	0.370	2.970	
2014	1.270	0.150	1.420	0.570	0.690	0.400	3.080	
2015	1.367	0.073	1.440	0.540	0.740	0.400	3.120	
2016	1.350	0.074	1.424	0.544	0.789	0.398	3.155	
2017	1.331	0.072	1.403	0.559	0.803	0.392	3.157	

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2008	\$ 1.100	\$ -	\$ 1.100	\$ 0.750	\$ 0.450	\$ 0.490	\$ 2.790
2009	1.090	-	1.090	0.790	0.460	0.490	2.830
2010	1.110	-	1.120	0.760	0.480	0.460	2.820
2011	1.180	-	1.180	0.740	0.490	0.450	2.860
2012	1.190	-	1.190	0.690	0.500	0.440	2.820
2013	1.220	-	1.220	0.690	0.530	0.420	2.860
2014	1.210	-	1.210	0.740	0.580	0.420	2.950
2015	1.240	-	1.270	0.650	0.620	0.420	2.960
2016	1.297	0.030	1.327	0.673	0.630	0.413	3.043
2017	1.393	0.032	1.425	0.575	0.639	0.413	3.052

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

* Revalued/Reassessed

See independent auditors' report.

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

	2017			2008		
	Taxable Assessed		% of Total District Net	Taxable Assessed		% of Total District Net
	Value	Rank	Assessed Value	Value	Rank	Assessed Value
Park Valley Clinton LLC	\$ 7,159,700	1	1.95%	\$ -	-	-
SNG Properties LLC	4,302,600	2	1.17%	-	-	-
FMCD Realty LP C/O M Lazowsky	3,900,000	3	1.06%	2,079,600	8	0.49%
Highway 22 Grocery Owners LLC	3,860,400	4	1.05%	-	-	-
Unity Bancorp Inc	3,314,300	5	0.90%	-	-	-
Goldstar Property LLC	3,257,800	6	0.89%	3,396,800	5	0.80%
Clinton Garden Associates	2,950,000	7	0.80%	3,938,500	3	0.92%
Rowland House LLC/ Clinton II	2,750,000	8	0.75%	4,152,200	2	0.97%
Chrisellan Investors, Partnership	1,746,400	9	0.48%	2,164,200	7	0.51%
Leigh Street LLC	1,671,000	10	0.46%	-	-	-
Clinton Hotel Associates	-	-	-	7,810,000	1	1.83%
Clinton Unity Group	-	-	-	3,780,800	4	0.89%
Clinton Management Group LLC	-	-	-	1,550,000	10	0.36%
Great Atlantic & Pacific Tea Co	-	-	-	2,887,000	6	0.68%
Individual Property Owner	-	-	-	1,649,600	9	0.39%
	<u>\$ 34,912,200</u>		<u>9.51%</u>	<u>\$ 33,408,700</u>		<u>7.84%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2017			2008		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Individual Property Owner	\$ 990,400	1	0.71%	1,216,700	1	0.87%
Individual Property Owner	940,100	2	0.67%	866,200	2	0.62%
Eastern Concrete Materials	794,500	3	0.57%	-	0	-
Individual Property Owner	604,900	4	0.43%	794,500	3	0.57%
Individual Property Owner	595,700	5	0.43%	653,468	4	0.47%
Glen Gardner Partnership	585,500	6	0.42%	584,400	5	0.42%
NEC Holdings LLC	584,000	7	0.42%	-	-	-
Federal National Mortgage Assoc	562,800	8	0.40%	-	-	-
Individual Property Owner	535,400	9	0.38%	542,900	7	0.39%
Terminus Occidentalis	531,200	10	0.38%	531,200	10	0.38%
Heartland Incorporated	-		-	584,000	6	0.42%
Individual Property Owner	-		-	535,400	8	0.38%
Individual Property Owner	-		-	531,600	9	0.38%
	<u>\$ 6,724,500</u>		<u>4.82%</u>	<u>\$ 5,623,668</u>		<u>4.03%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ended June 30,	Total	Town of Clinton		Borough of Glen Gardner	
		General	Debt Service	General	Debt Service
2011	\$ 6,488,801	\$ 4,418,753	\$ 509,311	\$ 1,560,737	\$ -
2012	6,581,417	4,415,494	526,121	1,639,802	-
2013	6,587,841	4,392,907	532,545	1,662,389	-
2014	6,714,064	4,478,679	537,661	1,697,724	-
2015	6,801,726	4,614,245	501,796	1,685,685	-
2016	6,844,497	4,828,040	258,100	1,718,994	39,363
2017	6,942,147	4,829,004	263,046	1,808,472	41,625

Source: District Records

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

See independent auditors' report.

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

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 9,598,684	\$ 9,401,251	97.94%
2008	9,917,195	9,686,129	97.67%
2009	10,209,913	9,926,875	97.23%
2010	10,456,542	10,188,834	97.44%
2011	10,638,767	10,040,857	94.38%
2012	10,461,890	10,193,519	97.43%
2013	10,703,566	10,453,171	97.66%
2014	10,903,891	10,726,501	98.37%
2015	11,082,578	10,866,902	98.05%
2016	11,299,140	11,093,627	98.18%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

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

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 3,743,444	\$ 3,664,547	97.89%
2008	3,898,996	3,847,017	98.67%
2009	3,952,336	3,861,141	97.69%
2010	3,943,892	3,865,672	98.02%
2011	3,983,013	3,912,840	98.24%
2012	3,934,219	3,861,396	98.15%
2013	3,979,459	3,935,405	98.89%
2014	4,109,027	4,047,839	98.51%
2015	4,117,833	4,068,542	98.80%
2016	4,250,661	4,198,866	98.78%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	\$ 3,830,000	\$ -	\$ -	\$ -	\$ -	\$ 3,830,000	2.18%	\$ 1,488
2009	3,450,000	-	198,983	-	-	3,648,983	1.17%	807
2010	3,130,000	-	121,478	-	-	3,251,478	1.09%	718
2011	2,725,000	-	41,205	-	-	2,766,205	0.89%	590
2012	2,310,000	-	200,834	-	-	2,510,834	0.77%	538
2013	1,870,000	-	121,974	-	-	1,991,974	0.58%	430
2014	1,405,000	-	41,158	-	-	1,446,158	0.42%	313
2015	3,059,000	-	-	-	-	3,059,000	0.85%	665
2016	2,784,000	-	-	-	-	2,784,000	0.75%	608
2017	3,449,000	-	-	-	-	3,449,000	N/A	748

NOTES: (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 3,830,000	\$ -	\$ 3,830,000	0.90%	\$ 1,488
2009	3,450,000	-	3,450,000	0.81%	807
2010	3,130,000	-	3,130,000	0.55%	718
2011	2,725,000	-	2,725,000	0.48%	590
2012	2,310,000	-	2,310,000	0.42%	538
2013	1,870,000	-	1,870,000	0.37%	430
2014	1,405,000	-	1,870,000	0.38%	313
2015	3,059,000	-	3,059,000	0.62%	665
2016	2,784,000	-	2,784,000	0.56%	608
2017	3,449,000	-	3,449,000	0.68%	N/A

NOTES: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.
See Exhibit J-7 for property tax data.
Population data can be found in Exhibit J-14.

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

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
By Constituent District-Town of Clinton
As of December 31, 2016

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 4,410,051	100.00%	\$ 4,410,051
Regional High School	755,000	4.74%	35,767
County general obligation debt	75,793,752	1.82%	1,380,220
Subtotal, overlapping debt			5,826,038
School district direct debt			1,388,914
Total direct and overlapping debt			\$ 7,214,952

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

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

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

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
By Constituent District-Borough of Glen Gardner
As of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Municipality	\$ 1,830,362	100.00%	\$ 1,830,362
Regional High School	755,000	1.91%	14,423
County general obligation debt	75,793,752	0.73%	556,581
Subtotal, overlapping debt			2,401,366
School district direct debt			560,086
Total direct and overlapping debt			\$ 2,961,452

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2017

		Equalized Valuation Basis
	2016	\$ 543,263,145
	2015	536,057,893
	2014	537,000,992
		\$ 1,616,322,030
Average equalized valuation of taxable property		\$ 538,774,010
Debt limit (3.0% of average equalization value)	(a)	\$ 16,163,220
Total net debt applicable to limit		3,449,000
Legal debt margin		\$ 12,714,220

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 17,007,105	\$ 16,530,684	\$ 16,170,134	\$ 16,100,929	\$ 16,163,220
Total net debt applicable	1,870,000	3,509,000	3,059,000	2,784,000	3,449,000
Legal debt margin	\$ 15,137,105	\$ 13,021,684	\$ 13,111,134	\$ 13,316,929	\$ 12,714,220
Total net debt applicable to the limit as a percentage of debt limit	11.00%	21.23%	18.92%	17.29%	21.34%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 12,290,248	\$ 12,832,722	\$ 18,724,350	\$ 18,243,612	\$ 17,813,780
Total net debt applicable	3,830,000	3,450,000	3,130,000	2,725,000	2,310,000
Legal debt margin	\$ 8,460,248	\$ 9,382,722	\$ 15,594,350	\$ 15,518,612	\$ 15,503,780
Total net debt applicable to the limit as a percentage of debt limit	31.16%	26.88%	16.72%	14.94%	12.97%

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

(a) Limit Set by N.J.S.A. 18A:24-19

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

See independent auditors' report.

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

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2008	2,564	\$ 177,059,584	\$ 69,056	3.0%
2009	2,567	169,242,310	65,930	5.5%
2010	2,718	180,521,406	66,417	5.6%
2011	2,700	189,791,100	70,293	5.5%
2012	2,683	200,210,826	74,622	5.7%
2013	2,677	199,056,366	74,358	7.6%
2014	2,667	207,876,648	77,944	4.6%
2015	2,655	214,415,145	80,759	3.7%
2016	2,697	N/A	N/A	3.5%
2017	N/A	N/A	N/A	N/A

Sources:

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

See independent auditors' report.

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

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2008	1,958	\$ 135,211,648	\$ 69,056	2.8%
2009	1,961	129,288,730	65,930	5.2%
2010	1,974	131,107,158	66,417	5.3%
2011	1,963	137,985,159	70,293	5.2%
2012	1,951	145,587,522	74,622	5.4%
2013	1,939	144,180,162	74,358	4.9%
2014	1,932	150,587,808	77,944	5.1%
2015	1,926	155,541,834	80,759	4.3%
2016	1,915	N/A	N/A	4.2%
2017	N/A	N/A	N/A	N/A

Sources:

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

See independent auditors' report.

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

2017

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

2008

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

See independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program										
Instruction										
Regular	45.7	39.3	35.2	33.2	29.8	33.2	34.2	35.5	36.4	36.4
Special education	12.0	22.0	19.0	19.0	18.0	19.0	19.5	18.0	16.5	16.5
Support services										
Student and instruction related services	10.0	11.2	12.4	12.9	12.9	11.9	10.9	9.4	11.5	11.5
General administration	2.2	2.2	1.5	1.5	1.5	1.5	1.5	0.9	1.4	1.4
School administration services	2.0	2.5	3.3	2.3	2.3	2.3	2.3	2.5	2.0	2.0
Central services	2.3	1.8	1.9	1.9	1.9	1.8	1.8	2.0	2.1	2.1
Plant operations and maintenance	-	-	0.9	-	-	-	5.0	4.6	4.6	4.8
Total	<u>74.2</u>	<u>79.0</u>	<u>74.2</u>	<u>70.8</u>	<u>66.4</u>	<u>69.7</u>	<u>75.2</u>	<u>72.9</u>	<u>77.4</u>	<u>74.6</u>

Source: District Personnel Records

See independent auditors' report.

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2008	542	\$ 7,483,789	\$ 13,808	8.14%	47	1 to 11.61	542.2	518.6	-2.45%	95.65%
2009	532	7,571,004	14,231	3.07%	49	1 to 10.80	533.6	511.0	-1.59%	95.76%
2010	517	8,176,702	15,816	11.13%	44	1 to 11.80	521.4	498.6	-2.29%	95.63%
2011	507	7,686,656	15,161	-4.14%	42	1 to 12.06	508.9	484.2	-2.40%	95.15%
2012	496	7,735,726	15,596	2.87%	42	1 to 11.75	492.1	472.7	-3.30%	96.06%
2013	477	8,316,845	17,436	11.79%	43	1 to 11.25	477.1	457.4	-3.05%	95.87%
2014	478	8,022,977	16,784	-3.74%	43	1 to 11.12	475.4	455.5	-0.36%	95.81%
2015	480	8,230,203	17,146	2.16%	44	1 to 11.00	483.9	464.5	1.80%	95.98%
2016	460	8,953,494	19,464	13.52%	46	1 to 11.10	455.8	436.8	-5.81%	95.83%
2017	454	8,981,051	19,782	1.63%	46	1 to 9.6	442.3	423.9	-2.96%	95.84%

Source: District Records

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

See independent auditors' report.

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

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Elementary (1923)										
Square feet	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668
Capacity (students)	605	605	605	605	605	605	605	605	605	605
Enrollment	542	532	517	507	496	477	478	480	456	442

Number of schools at June 30, 2017

 Elementary 1

Source: District Facilities Office

N/A = Not available

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

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Amount</u>	<u>Total</u>
2008	\$ 61,246	\$ 61,246
2009	66,116	66,116
2010	75,229	75,229
2011	45,886	45,886
2012	144,525	144,525
2013	153,784	153,784
2014	160,104	160,104
2015	149,592	149,592
2016	152,020	152,020
2017	233,910	233,910
Total school facilities	<u>\$ 1,242,412</u>	<u>\$ 1,242,412</u>

* School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ School Insurance Group		
Property - Building Blanket and Contents (Fund Limit)	\$ 450,000,000	\$ 5,000
General Liability	16,000,000	-
Workmen's Compensation	2,000,000	-
School Board Legal Liability	16,000,000	5,000
Crime/Dishonesty	1,000,000	1,000
Student Accident - Bollinger Insurance Co.		
Student Accident Policy	5,000,000	-
Catastrophe - Fireman's Fund	50,000,000	-
Public Employees' Faithful Performance - Selective Insurance		
Treasurer	180,000	-
School Board Secretary	175,000	-

Source: District Records

See independent auditors' report.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Clinton-Glen Gardner School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2017.

Internal Control over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

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

Purpose of this Report

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

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


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

November 22, 2017
Flemington, New Jersey



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

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

Report on Compliance for Each Major State Program

We have audited the Clinton-Glen Gardner School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular Letter 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2017. Clinton-Glen Gardner School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Clinton-Glen Gardner School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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



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

November 22, 2017
Flemington, New Jersey

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/16	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2017		
	CFDA Number				Period From	Period To						of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education															
Special Revenue Fund															
Title I A	84.010A	S010S160030	NCLB-0910-17	\$ 25,346	07/01/16	06/30/17	\$ -	\$ -	\$ 13,518	\$ 25,346	\$ -	\$ -	\$ (11,828)	\$ -	\$ -
Title II A	84.367A	S367A160029	NCLB-0910-17	9,109	07/01/16	06/30/17	-	-	5,406	9,109	-	-	(3,703)	-	-
IDEA basic	84.027	H027A160100	IDEA-0910-17	120,019	07/01/16	06/30/17	-	-	116,601	120,049	-	-	(3,448)	-	-
IDEA preschool	84.173	H173S160114	IDEA-0910-17	5,441	07/01/16	06/30/17	-	-	-	5,441	-	-	(5,441)	-	-
Total special revenue fund							<u>-</u>	<u>-</u>	<u>135,525</u>	<u>159,945</u>	<u>-</u>	<u>-</u>	<u>(24,420)</u>	<u>-</u>	<u>-</u>
U.S. Department of Agriculture passed through State Department of Agriculture															
Enterprise fund															
Child Nutrition Center															
National school lunch program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	13,242	07/01/15	06/30/16	1,639	-	-	1,639	-	-	-	-	-
National school lunch program non-cash assistance (commodities)	10.555	171NJ304N1099	N/A	12,274	10/01/16	09/30/17	-	-	12,274	10,878	-	-	-	1,396	-
National school lunch program cash assistance	10.555	16161NJ304N1099	N/A	28,383	07/01/15	06/30/16	(2,997)	-	2,997	-	-	-	-	-	-
National school lunch program cash assistance	10.555	171NJ304N1099	N/A	28,121	10/01/16	09/30/17	-	-	25,100	28,121	-	-	(3,021)	-	-
Total enterprise fund							<u>(1,358)</u>	<u>-</u>	<u>40,371</u>	<u>40,638</u>	<u>-</u>	<u>-</u>	<u>(3,021)</u>	<u>1,396</u>	<u>-</u>
Total federal financial assistance							<u>\$ (1,358)</u>	<u>\$ -</u>	<u>\$ 175,896</u>	<u>\$ 200,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,441)</u>	<u>\$ 1,396</u>	<u>\$ -</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2017

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

The General Fund is presented in the accompanying Schedules on the Modified Accrual Basis with the exception of the revenue recognition of the last State Aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferred and recording of the last State Aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$464 for the General Fund and \$0 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2017

Note 3 - Relationship of financial statements (continued)

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

	Federal	State	Total
General Fund	\$ -	\$ 2,438,803	\$ 2,438,803
Special Revenue Fund	159,945	-	159,945
Debt Service Fund	-	78,371	78,371
Food Service Fund	40,638	1,235	41,873
	\$ 200,583	\$ 2,518,409	\$ 2,718,992

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2017.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

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

Did the auditee qualify as a low-risk auditee?

Yes No

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017**

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

State Awards

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

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

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>17-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>17-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>17-495-034-5120-084</i>	<i>Security Aid</i>
<i>17-495-034-5120-085</i>	<i>Adjustment Aid</i>
<i>17-495-034-5120-068</i>	<i>School Choice Aid</i>
<i>17-495-034-5120-097</i>	<i>Per Pupil Growth Aid</i>
<i>17-495-034-5120-098</i>	<i>PARCC Readiness Aid</i>
<i>17-495-034-5120-101</i>	<i>Professional Learning Community Aid</i>
<i>17-495-034-5094-003</i>	<i>Reimbursed TPAF Social Security Contribution</i>

**CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III
For the Fiscal Year Ended June 30, 2017**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2017.

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

There were no findings or questioned costs for the year ended June 30, 2017.

**Clinton-Glen Gardner School District
Summary Schedule of Prior-year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2017**

Status of Prior Year Findings

There were no prior year findings or questioned costs.