

**CLINTON-GLEN GARDNER  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**JUNE 30, 2020**

**Responsibility of the Management of  
Clinton-Glen Gardner School District  
Hunterdon County, New Jersey**



**CLINTON-GLEN GARDNER  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
Introduction Section	
Letter of Transmittal	1 - 5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 Financial section	
Independent Auditors' Report	9 - 11
 <b>Required Supplementary Information - Part I</b>	
Management's Discussion and Analysis	12 - 20
 Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
 B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	23 - 24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25 - 26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27 - 28
Proprietary Funds	
B-4 Combining Statement of Net Position	29
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	30 - 31
B-6 Combining Statement of Cash Flows	32
Fiduciary Funds	
B-7 Statement of Net Position	33
B-8 Statement of Changes in Net Position	34
 Notes to the Financial Statements	35 - 71

**CLINTON-GLEN GARDNER  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 General Fund - Budgetary Comparison Schedule	72 - 78
C-1a Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Special Revenue Fund - Budgetary Comparison Schedule	79
 Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	80
 <b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB Statement No. 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	81
L-2 Schedule of District's Contributions - Public Employees Retirement System	82
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	83
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	84
M. Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits (GASB Statement No. 75)	
M-1 Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	85
 Notes to the Required Supplementary Information - Part III	86

**CLINTON-GLEN GARDNER  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules	N/A
Combining and Individual Non-Major Fund Financial Statements	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	87
E-2 Schedule of Preschool Education Aid Expenditure	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	88
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	89
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	90
G. Proprietary Funds	
Enterprise Fund	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds	
H-1 Combining Statement of Net Position	91
H-2 Statement of Changes in Net Position	92
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	93
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	93
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	94
I-2 Schedule of Obligations under Capital Leases	95
I-3 Debt Service Fund - Budgetary Comparison Schedule	96

**CLINTON-GLEN GARDNER  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
J. Statistical Section	
J-1 Net Position by Component	97
J-2 Changes in Net Position	98 - 100
J-3 Fund Balances - Governmental Funds	101
J-4 Changes in Fund Balances - Governmental Funds	102 - 103
J-5 General Fund - Other Local Revenues by Source	104
J-6 Assessed Value and Actual Value of Taxable Property	105 - 107
J-7 Direct and Overlapping Property Tax Rates	108 - 109
J-8 Principal Property Taxpayers	110 - 111
J-9 Property Tax Levies and Collections	112 - 114
J-10 Ratios of Outstanding Debt by Type	115
J-11 Ratios of Net General Bonded Debt Outstanding	116
J-12 Direct and Overlapping Governmental Activities Debt	117 - 118
J-13 Legal Debt Margin Information	119
J-14 Demographic and Economic Statistics	120 - 121
J-15 Principal Employers	122
J-16 Full Time Equivalent District Employees by Function/Program	123
J-17 Operating Statistics	124
J-18 School Building Information	125
J-19 Schedule of Required Maintenance Expenditures by School Facility	126
J-20 Insurance Schedule	127
Single Audit Section	
K. Single Audit Section	
K-1 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	128 - 129
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	130 - 132
K-3 Schedule of Expenditures of Federal Awards, Schedule A	133
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	134 - 135
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	136 - 137
K-6 Schedule of Findings and Questioned Costs - Section I	138 - 139
K-7 Schedule of Findings and Questioned Costs - Section II and III	140 - 141
K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	141



# Clinton Public School

10 School Street  
Clinton, New Jersey 08809  
Main Office: 908-735-8512  
Business Office: 908-735-4460  
Fax: 908-735-5895

Dr. Seth Cohen, *Superintendent/Principal*  
[scohen@cpsnj.org](mailto:scohen@cpsnj.org)

Bernadette Wang, *Business Administrator*  
[bwang@cpsnj.org](mailto:bwang@cpsnj.org)

Jacqueline Evans-Turner, *Assistant Principal/Curriculum Coordinator*  
[jturner@cpsnj.org](mailto:jturner@cpsnj.org)

Jenine Kastner, *Director of Special Services*  
[jkastner@cpsnj.org](mailto:jkastner@cpsnj.org)

January 13, 2021

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, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels, preschool through grade eight. These include regular, as well as, special education programs for disabled students. The District completed the 2019-2020 fiscal year with an enrollment of 438.0 The following depicts district enrollment variations over the past 10 years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
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%)
2017-2018	443.9	0.36%
2018-2019	425.0	(4.26%)
2019-2020	438.0	0.31%

**2) 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.

**3) 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 on June 30, 2020.

**4) 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.

**5) 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 an 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 an 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.

**6) 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.

**7) 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.

**8) 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 BKC, 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

Clinton Public School has a long history of grant awards and academic achievements. The COVID 19 pandemic has hampered our ability to apply for and receive grants during the 2019-2020 school year.

Technology

As the pandemic began in February and March of 2020 our technology readiness was challenged and tested. Without much delay we were able to pivot to virtual learning and 1:1 technology for all students. In addition we were able to provide internet access for all in need as well.

**9) 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,

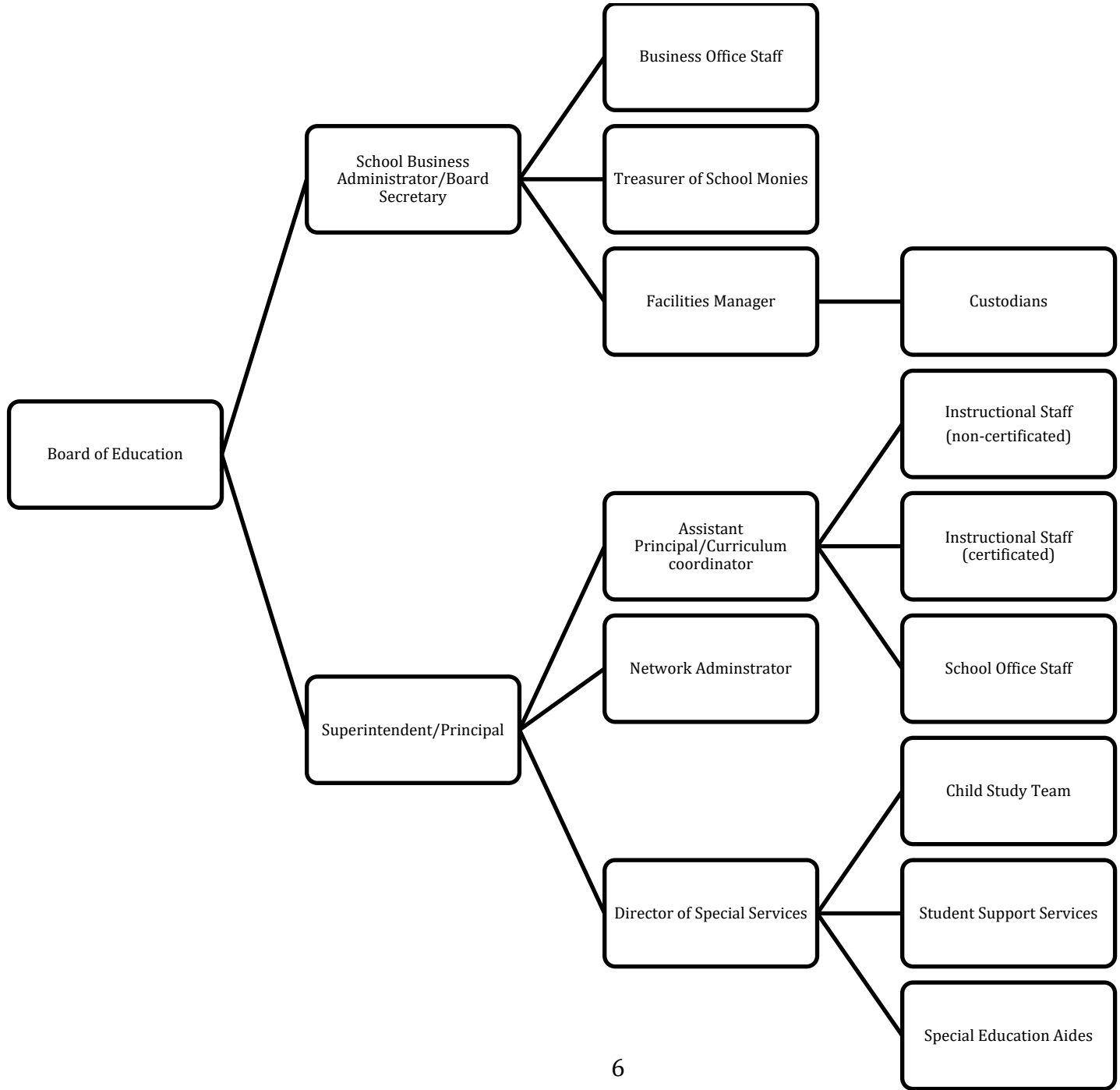


Dr. Seth Cohen  
Superintendent



Bernadette Wang  
Business Administrator

# Clinton-Glen Gardner Board of Education Organizational Chart



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Roster of Officials**  
**June 30, 2020**

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Brendan McIsaac	President	2021
Craig Sowell	Vice-President	2022
Lorraine Linfante		2020
Ashutosh Tewari		2020
Carl Sabatino		2021

<u>Other Officials</u>	<u>Title</u>
Dr. Seth Cohen	Superintendent
Bernadette Wang	Board Secretary/School Business Administrator
Kathleen Olsen	Treasurer

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Consultants and Advisors**  
**June 30, 2020**

**AUDIT FIRM**

BKC, CPAs, PC  
39 State Route 12, Ste 2  
Flemington, NJ 08822

**FINANCIAL**

Phoenix Advisors, LLC (Financial Advisor)  
4 West Park Street  
Bordentown, NJ 08505

**ARCHITECT**

Gianforcaro, Architects, Engineers & Planners  
555 East Main Street, Suite One  
Chester, NJ 08930

**ATTORNEY**

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

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

**OFFICIAL DEPOSITORY**

Investors Bank  
55 Old Highway 22  
Clinton, NJ 08809



Certified Public Accountants, PC

[www.bkc-cpa.com](http://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 fiscal year ended June 30, 2020, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion 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 opinion.

### 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, 2020, 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 Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction 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 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 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 introduction 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 January 13, 2021 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



**BKC, CPAs, PC**



Michael A. Holk, CPA, PSA  
NO. 20CS00265600

January 13, 2021  
Flemington, New Jersey



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**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, 2020. 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 2020 are as follows:

- In total, net position increased \$694,048 which represents a 11.14% increase from fiscal year 2019.
- General revenues accounted for \$12,295,397, or 96.39% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$460,334 or 3.61% of total revenues of \$12,755,731.
- Total assets of governmental activities increased by \$133,911 as cash and cash equivalents increased by \$80,174, receivables and other assets increased by \$232,684 and capital assets decreased by \$178,947.
- The School District had \$12,061,683 in expenses; only \$460,334 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,295,397 were adequate to provide for these programs.
- The general fund had \$10,241,594 in revenues, and \$9,707,625 in expenditures. The general fund's balance increased \$533,969 over 2019.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**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 2020?" 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**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**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**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

Table 1 provides a summary of the School District's net position at June 30, 2020 compared to June 30, 2019.

**Table 1**  
**Net Position**

	6/30/20	6/30/19	Variance	
			Dollars	Percent
<b>Assets</b>				
Current & other assets	\$ 2,295,730	\$ 1,952,389	\$ 343,341	17.59%
Capital assets	8,377,544	8,561,358	(183,815)	-2.15%
Total assets	<u>10,673,274</u>	<u>10,513,748</u>	<u>159,526</u>	<u>1.52%</u>
Deferred outflows of resources	<u>744,458</u>	<u>671,276</u>	<u>73,182</u>	<u>10.90%</u>
<b>Liabilities</b>				
Long-term liabilities	3,588,422	4,021,574	(433,152)	-10.77%
Other liabilities	<u>81,517</u>	<u>166,661</u>	<u>(85,144)</u>	<u>-51.09%</u>
Total liabilities	<u>3,669,939</u>	<u>4,188,235</u>	<u>(518,296)</u>	<u>-12.38%</u>
Deferred inflows of resources	<u>822,508</u>	<u>765,552</u>	<u>56,956</u>	<u>7.44%</u>
<b>Net position</b>				
Net investment in capital assets	6,853,360	6,478,216	375,144	5.79%
Restricted	1,619,842	1,107,020	512,822	46.32%
Unrestricted	<u>(1,547,917)</u>	<u>(1,353,999)</u>	<u>(193,918)</u>	<u>14.32%</u>
Total net position	<u>\$ 6,925,285</u>	<u>\$ 6,231,237</u>	<u>\$ 694,048</u>	<u>11.14%</u>

Total assets increased by \$159,526. Cash and cash equivalents increased by \$139,940, receivables and other assets increased by \$203,401 and capital assets decreased by \$183,815. 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 \$193,918. This is primarily due to increases in amounts considered for the PERS pension and compensated absences liability.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

Table 2 shows the changes in net position for the fiscal year ended June 30, 2020 compared to June 30, 2019.

**Table 2**  
**Changes in Net Position**

	6/30/20	6/30/19	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 211,101	\$ 238,525	\$ (27,424)	-11.50%
Operating grants and contributions	249,233	168,456	80,777	47.95%
General revenues				
Property taxes	7,494,698	7,304,821	189,877	2.60%
Unrestricted grants	4,708,862	5,280,575	(571,713)	-10.83%
Other	91,837	41,558	50,279	120.99%
Total revenues	<u>12,755,731</u>	<u>13,033,935</u>	<u>(278,204)</u>	-2.13%
Expenses				
Instruction				
Regular	5,024,532	5,201,026	(176,494)	-3.39%
Special	2,109,723	2,179,224	(69,501)	-3.19%
Other	456,539	463,989	(7,450)	-1.61%
Support services				
Tuition	36,742	147,062	(110,320)	-75.02%
Student & instructional related services	2,220,216	2,194,268	25,948	1.18%
General & business administration	610,620	724,352	(113,732)	-15.70%
School administration	417,858	424,743	(6,885)	-1.62%
Maintenance	737,158	578,606	158,552	27.40%
Transportation	233,661	269,878	(36,217)	-13.42%
Food service	88,045	111,608	(23,563)	-21.11%
Child care service	72,403	126,529	(54,126)	-42.78%
Interest on long-term debt	54,186	69,223	(15,037)	-21.72%
Total expenses	<u>12,061,683</u>	<u>12,490,508</u>	<u>(428,825)</u>	-3.43%
Increase (decrease) in net position	<u>\$ 694,048</u>	<u>\$ 543,427</u>	<u>\$ 150,621</u>	27.72%

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

**Governmental Activities**

Property taxes made up 58.76% of revenues for district-wide activities for the Clinton-Glen Gardner School District for fiscal year 2020.

Instruction comprises 62.93% of district expenses. Support services expenses make up 37.07% 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. 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	
	6/30/20	6/30/19	6/30/20	6/30/19
Instruction	\$ 7,590,794	\$ 7,844,239	\$ 7,468,218	\$ 7,785,452
Support services				
Tuition	36,742	147,062	36,742	105,324
Student & instructional staff	2,220,216	2,194,268	2,065,972	2,142,142
General & business administration	610,620	724,352	610,620	724,352
School administration	417,858	424,743	417,858	424,743
Plant operations & maintenance	737,158	578,606	737,158	574,406
Pupil transportation	233,661	269,878	233,661	269,878
Food service	88,045	111,608	(3,517)	5,082
Child care service	72,403	126,529	(19,549)	(17,075)
Interest on long-term debt	54,186	69,223	54,186	69,223
Total expenses	<u>\$ 12,061,683</u>	<u>\$ 12,490,508</u>	<u>\$ 11,601,349</u>	<u>\$ 12,083,527</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.

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.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

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 96.39%. 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 \$10,905,401 and expenditures of \$10,510,029.

**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 2020, 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 was \$8,837,947, \$376,612 over original budgeted estimates of \$8,461,335. This difference was due primarily to additional state revenues.



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

**Capital Assets**

At the end of the fiscal year 2020, the School District had \$8,377,544 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows June 30, 2020 balances compared to June 30, 2019.

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

	6/30/20	6/30/19	Variance	
			Dollars	Percent
Land	\$ 320,100	\$ 320,100	\$ -	0.00%
Construction in progress	-	4,998	(4,998)	100.00%
Land improvements	58,839	58,874	(35)	-0.06%
Buildings & improvements	7,752,009	7,888,544	(136,535)	-1.73%
Leased equipment	40,250	63,250	(23,000)	-36.36%
Machinery & equipment	206,346	225,593	(19,247)	-8.53%
	<u>\$ 8,377,544</u>	<u>\$ 8,561,359</u>	<u>\$ (183,815)</u>	<u>-2.15%</u>

\* - Undefined

Overall capital assets decreased \$183,815 from fiscal year 2019 to fiscal year 2020. Increases in capital assets of \$122,012 were offset by depreciation expenses of \$305,827.

**Long-term liabilities**

At June 30, 2020, the School District had \$3,588,422 of long-term liabilities. This amount is detailed in Table 5 below for June 30, 2020 compared to June 30, 2020.

At June 30, 2020, the legal debt limit is \$16,814,131. General obligation debt at June 30, 2020 is \$1,484,000 resulting in a legal debt margin of \$15,330,131.

**Table 5**  
**Long-Term Liabilities at Year End**

	6/30/20	6/30/19	Variance	
			Dollars	Percent
General obligation bonds	\$ 1,484,000	\$ 2,024,000	\$ (540,000)	-26.68%
Capital leases	40,184	59,143	(18,959)	-32.06%
Compensated absences	112,392	98,616	13,776	13.97%
PERS net pension liability	1,951,846	1,839,815	112,031	6.09%
	<u>\$ 3,588,422</u>	<u>\$ 4,021,574</u>	<u>\$ (433,152)</u>	<u>-10.77%</u>

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**Unaudited**

**For the Future**

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

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

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

**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 Bernadette Wang, School Business Administrator at the Clinton-Glen Gardner Board of Education, 10 School Street, Clinton, NJ 08809 or email at [bwang@cpsnj.org](mailto:bwang@cpsnj.org).

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 36,473	\$ 163,576	\$ 200,049
Due from other funds	26,124	-	26,124
Receivables, net	471,110	1,243	472,353
Inventory	-	5,469	5,469
Restricted assets	1,591,735	-	1,591,735
Capital assets, net			
Land	320,100	-	320,100
Other capital assets, net of depreciation	8,019,052	38,392	8,057,444
Total assets	<u>10,464,594</u>	<u>208,680</u>	<u>10,673,274</u>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	<u>744,458</u>	<u>-</u>	<u>744,458</u>
<b>Liabilities</b>			
Accounts payable	46,409	-	46,409
Accrued interest	13,422	-	13,422
Unearned revenue	16,701	4,985	21,686
Long-term liabilities			
Due within one year	441,246	-	441,246
Due beyond one year	3,147,176	-	3,147,176
Total liabilities	<u>3,664,954</u>	<u>4,985</u>	<u>3,669,939</u>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	<u>822,508</u>	<u>-</u>	<u>822,508</u>
<b>Net position</b>			
Net investment in capital assets	6,814,968	38,392	6,853,360
Restricted for			
Capital reserve	879,678	-	879,678
Emergency reserve	245,299	-	245,299
Maintenance reserve	431,119	-	431,119
Capital projects	16,674	-	16,674
Debt Service reserve	47,072	-	47,072
Unrestricted	<u>(1,713,220)</u>	<u>165,303</u>	<u>(1,547,917)</u>
<b>Total net position</b>	<u><u>\$ 6,721,590</u></u>	<u><u>\$ 203,695</u></u>	<u><u>\$ 6,925,285</u></u>

See accompanying notes to financial statements.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

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	\$ 2,559,385	\$ 2,465,147	\$ 59,638	\$ 3,658	\$ -	\$ (4,961,236)	\$ -	\$ (4,961,236)
Special education	995,981	1,113,742	-	-	-	(2,109,723)	-	(2,109,723)
Other special education	159,017	106,695	-	59,280	-	(206,432)	-	(206,432)
Other instruction	112,620	78,207	-	-	-	(190,827)	-	(190,827)
Support services								
Tuition	36,742	-	-	-	-	(36,742)	-	(36,742)
Students and instruction related services	1,360,304	859,912	-	154,244	-	(2,065,972)	-	(2,065,972)
General and business administration services	405,145	205,475	-	-	-	(610,620)	-	(610,620)
School administration services	244,284	173,574	-	-	-	(417,858)	-	(417,858)
Plant operations and maintenance	612,680	124,478	-	-	-	(737,158)	-	(737,158)
Pupil transportation	233,661	-	-	-	-	(233,661)	-	(233,661)
Interest on long-term debt	54,186	-	-	-	-	(54,186)	-	(54,186)
Total governmental activities	<u>6,774,005</u>	<u>5,127,230</u>	<u>59,638</u>	<u>217,182</u>	<u>-</u>	<u>(11,624,415)</u>	<u>-</u>	<u>(11,624,415)</u>
Business-type activities								
Food service	88,045	-	59,511	32,051	-	-	3,517	3,517
Childcare	72,403	-	91,952	-	-	-	19,549	19,549
Total business-type activities	<u>160,448</u>	<u>-</u>	<u>151,463</u>	<u>32,051</u>	<u>-</u>	<u>-</u>	<u>23,066</u>	<u>23,066</u>
Total primary government	<u>\$ 6,934,453</u>	<u>\$ 5,127,230</u>	<u>\$ 211,101</u>	<u>\$ 249,233</u>	<u>\$ -</u>	<u>(11,624,415)</u>	<u>23,066</u>	<u>(11,601,349)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						7,195,106	-	7,195,106
Property taxes levied for debt service						299,592	-	299,592
Federal and state aid not restricted						4,708,862	-	4,708,862
Investment earnings						18,236	-	18,236
Miscellaneous income						73,601	-	73,601
Total general revenues, special items and transfers						<u>12,295,397</u>	<u>-</u>	<u>12,295,397</u>
Change in net position						670,982	23,066	694,048
Net position - beginning						6,050,608	180,629	6,231,237
Net position - ending						<u>\$ 6,721,590</u>	<u>\$ 203,695</u>	<u>\$ 6,925,285</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, 2020**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 34,183	\$ -	\$ -	\$ 2,290	\$ 36,473
Due from other funds	104,330	-	-	-	104,330
Receivables from other governments					
Federal	-	74,037	-	-	74,037
State	252,673	-	-	-	252,673
Other local governments	36,500	-	-	44,782	81,282
Other account receivables	63,118	-	-	-	63,118
Restricted cash and cash equivalents	1,556,096	-	35,639	-	1,591,735
<b>Total assets</b>	<b>\$ 2,046,900</b>	<b>\$ 74,037</b>	<b>\$ 35,639</b>	<b>\$ 47,072</b>	<b>\$ 2,203,648</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ 765	\$ 58,476	\$ 18,965	\$ -	\$ 78,206
Accounts payable	46,409	-	-	-	46,409
Unearned revenue	1,140	15,561	-	-	16,701
<b>Total liabilities</b>	<b>48,314</b>	<b>74,037</b>	<b>18,965</b>	<b>-</b>	<b>141,316</b>

See accompanying notes to financial statements.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2020**

	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	\$ -	\$ -	\$ 16,674	\$ -	\$ 16,674
Debt service reserve	-	-	-	3	3
Capital reserve	879,678	-	-	-	879,678
Emergency reserve	245,299	-	-	-	245,299
Maintenance reserve	431,119	-	-	-	431,119
Committed fund balance					
Encumbrances	62,313	-	-	-	62,313
Assigned fund balance					
Designated for subsequent year's expenditures	-	-	-	47,069	47,069
Unassigned fund balance	380,177	-	-	-	380,177
Total fund balances	<u>1,998,586</u>	<u>-</u>	<u>16,674</u>	<u>47,072</u>	<u>2,062,332</u>
Total liabilities and fund balances	<u>\$ 2,046,900</u>	<u>\$ 74,037</u>	<u>\$ 35,639</u>	<u>\$ 47,072</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$14,248,248 and the accumulated depreciation is \$5,909,096.	8,339,152
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(78,050)
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.	(3,588,422)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(13,422)</u>
Total net position of governmental activities	<u>\$ 6,721,590</u>

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, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 7,195,106	\$ -	\$ -	\$ 299,592	\$ 7,494,698
Tuition charges					
Individuals	17,460	-	-	-	17,460
Other LEA's	42,178	-	-	-	42,178
Interest on investments	18,236	-	-	-	18,236
Miscellaneous	73,601	17,658	-	-	91,259
Total local sources	7,346,581	17,658	-	299,592	7,663,831
State sources	2,895,013	-	-	147,033	3,042,046
Federal sources	-	199,524	-	-	199,524
Total revenues	10,241,594	217,182	-	446,625	10,905,401
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	2,555,727	3,658	-	-	2,559,385
Special education instruction	995,981	-	-	-	995,981
Other special instruction	122,872	36,145	-	-	159,017
Other instruction	112,620	-	-	-	112,620
Support service and undistributed costs					
Tuition	36,742	-	-	-	36,742
Student and instruction related services					
General and business administrative services	1,206,060	154,244	-	-	1,360,304
School administrative services	405,145	-	-	-	405,145
School administrative services	244,284	-	-	-	244,284
Plant operations and maintenance					
Plant operations and maintenance	612,680	-	-	-	612,680
Pupil transportation	233,661	-	-	-	233,661
Unallocated benefits	3,026,739	23,135	-	-	3,049,874

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, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 122,012	\$ -	\$ -	\$ -	\$ 122,012
Debt service					
Principal	18,959	-	-	540,000	558,959
Interest & other charges	14,143	-	-	45,222	59,365
Total expenditures	<u>9,707,625</u>	<u>217,182</u>	<u>-</u>	<u>585,222</u>	<u>10,510,029</u>
Excess (deficit) of revenues over (under) expenditures	533,969	-	-	(138,597)	395,372
Fund balances, July 1	<u>1,464,617</u>	<u>-</u>	<u>16,674</u>	<u>185,669</u>	<u>1,666,960</u>
Fund balances, June 30	<u><u>\$ 1,998,586</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,674</u></u>	<u><u>\$ 47,072</u></u>	<u><u>\$ 2,062,332</u></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, 2020**

Total net changes in fund balances - governmental fund (from B-2) \$ 395,372

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	\$ 122,012	
Depreciation and amortization expense	<u>(300,958)</u>	(178,946)

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	540,000
Capital lease principal payments	18,959

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.

(95,806)

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, 2020**

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. \$ 5,179

In the Statement of Activities, compensated absences and 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. (13,776)

Change in net position of governmental activities \$ 670,982

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2020**

	Food Service Fund	Child Care Program	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 14,649	\$ 148,927	\$ 163,576
Accounts receivable	91	-	91
Receivables from other governments			
State	264	-	264
Federal	888	-	888
Inventory	5,469	-	5,469
Total current assets	<u>21,361</u>	<u>148,927</u>	<u>170,288</u>
Noncurrent assets			
Capital assets	130,827	-	130,827
Less: accumulated depreciation	92,435	-	92,435
Total noncurrent assets	<u>38,392</u>	<u>-</u>	<u>38,392</u>
Total assets	<u>59,753</u>	<u>148,927</u>	<u>208,680</u>
<b>Liabilities</b>			
Current liabilities			
Unearned revenues - commodities	1,521	-	1,521
Unearned revenues - prepaid sales	3,464	-	3,464
Total liabilities	<u>4,985</u>	<u>-</u>	<u>4,985</u>
<b>Net position</b>			
Net investment in capital assets	38,392	-	38,392
Unrestricted	16,376	148,927	165,303
Total net position	<u>\$ 54,768</u>	<u>\$ 148,927</u>	<u>\$ 203,695</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, 2020**

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 31,088	\$ -	\$ 31,088
Daily sales - non-reimbursable programs	26,645	-	26,645
Miscellaneous revenue	1,778	-	1,778
Child care revenues	-	91,952	91,952
Total operating revenues	<u>59,511</u>	<u>91,952</u>	<u>151,463</u>
Operating expenses			
Cost of sales - reimbursable programs	22,561	-	22,561
Cost of sales - non-reimbursable programs	13,031	-	13,031
Commodity food costs	7,853	-	7,853
Salaries	19,167	49,458	68,625
Support services - employee benefits	2,632	-	2,632
Purchased professional/technical services	1,378	-	1,378
Purchased property services	4,319	-	4,319
Other purchased services			
Insurance	2,873	-	2,873
Management fee	8,000	-	8,000
Other	-	19,246	19,246
Supplies and materials	248	3,699	3,947
Depreciation	4,868	-	4,868
Miscellaneous expenditures	1,115	-	1,115
Total operating expenses	<u>88,045</u>	<u>72,403</u>	<u>160,448</u>
Operating income (loss)	<u>(28,534)</u>	<u>19,549</u>	<u>(8,985)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	1,033	-	1,033
Federal sources			
National school lunch program			
Cash assistance	23,165	-	23,165
Non cash assistance (commodities)	7,853	-	7,853
Total non-operating revenues (expenses)	<u>32,051</u>	<u>-</u>	<u>32,051</u>

See accompanying notes to financial statements.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Food Service Fund	Child Care Program	Total
Change in net position	\$ 3,517	\$ 19,549	\$ 23,066
Net position, beginning	<u>51,251</u>	<u>129,378</u>	<u>180,629</u>
Net position, ending	<u><u>\$ 54,768</u></u>	<u><u>\$ 148,927</u></u>	<u><u>\$ 203,695</u></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, 2020**

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 60,671	\$ 119,110	\$ 179,781
Payments to Food Service Management Company	(70,339)	-	(70,339)
Payments to employees	-	(49,458)	(49,458)
Payments to vendors (net)	(4,798)	(22,945)	(27,743)
Net cash provided by (used for) operating activities	<u>(14,466)</u>	<u>46,707</u>	<u>32,241</u>
Cash flows from non-capital financing activities			
State sources	976	-	976
Federal sources	26,549	-	26,549
Net cash provided by (used for) noncapital financing activities	<u>27,525</u>	<u>-</u>	<u>27,525</u>
Net increase (decrease) in cash and cash equivalents	13,059	46,707	59,766
Cash and cash equivalents, beginning	<u>1,590</u>	<u>102,220</u>	<u>103,810</u>
Cash and cash equivalents, ending	<u>\$ 14,649</u>	<u>\$ 148,927</u>	<u>\$ 163,576</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (28,534)	\$ 19,549	\$ (8,985)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	4,868	-	4,868
Federal food donation program	7,853	-	7,853
(Increase) decrease in accounts receivable	-	27,158	27,158
(Increase) decrease in inventory	(1,202)	-	(1,202)
Increase (decrease) in unearned revenue	2,549	-	2,549
Net cash provided by (used for) operating activities	<u>\$ (14,466)</u>	<u>\$ 46,707</u>	<u>\$ 32,241</u>

See accompanying notes to financial statements.



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2020**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 52,989	\$ 82,619	\$ 84,975
Due from other funds	26,762	-	-
Total assets	\$ 79,751	\$ 82,619	\$ 84,975
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 22,349	\$ 30,537
Accounts payable	4,112	-	-
Due to student groups	-	60,270	-
Payroll deductions and withholdings	-	-	54,438
Total liabilities	4,112	\$ 82,619	\$ 84,975
<b>Net position</b>			
Held in trust for unemployment claims and other purposes	\$ 75,639		

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, 2020**

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 8,225
Investment earnings - interest	<u>329</u>
Total additions	8,554
Deductions	
Unemployment claims	<u>9,856</u>
Change in net position	(1,302)
Net position, beginning of the year	<u>76,941</u>
Net position, end of the year	<u><u>\$ 75,639</u></u>

See accompanying notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

The financial statements of the Clinton-Glen Gardner School District (the 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, 2020 of 438 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 Activities) 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 postemployment 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 childcare program.

All proprietary funds are accounted for on a current financial resource's 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
-----------	----------

Fiduciary fund types

*Trust and Agency Funds* - This fund is 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. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.



**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 year 2019-2020 are 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, 2020.

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:

<u>Assets</u>	<u>Years</u>
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 sum of assets and deferred outflows of resources, and the sum 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.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

P. Use of estimates

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

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, 2020, 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 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

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, 2020, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	2,035,569
Total bank balances	<u>\$ 2,285,569</u>

Deposits at June 30, 2020 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 2,012,367</u>
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 36,473
Enterprise funds, Statement of Net Position	B-4	163,576
Fiduciary funds, Statement of Net Position	B-7	220,583
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	1,591,735
Total cash and cash equivalents		<u>\$ 2,012,367</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, 2020 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	4,998	107,774	112,772	-
Total	<u>325,098</u>	<u>107,774</u>	<u>112,772</u>	<u>320,100</u>
Capital assets, being depreciated and amortized				
Land improvements	206,106	5,375	-	211,481
Building & improvements	12,881,241	115,035	-	12,996,276
Leased equipment	69,000	-	-	69,000
Furniture & equipment	680,791	6,600	36,000	651,391
Total	<u>13,837,138</u>	<u>127,010</u>	<u>36,000</u>	<u>13,928,148</u>
Accumulated depreciation and accumulated amortization				
Land improvements	147,232	5,410	-	152,642
Building & improvements	4,992,697	251,570	-	5,244,267
Leased equipment	5,750	23,000	-	28,750
Furniture & equipment	498,459	20,978	36,000	483,437
Total	<u>5,644,138</u>	<u>300,958</u>	<u>36,000</u>	<u>5,909,096</u>
Total capital assets, being depreciated, net	<u>8,193,000</u>	<u>(173,948)</u>	<u>-</u>	<u>8,019,052</u>
Transfers	-	(112,772)	(112,772)	-
Governmental activities capital assets, net	<u>\$ 8,518,098</u>	<u>\$ (178,946)</u>	<u>\$ -</u>	<u>\$ 8,339,152</u>



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 130,827	\$ -	\$ -	\$ 130,827
Less: accumulated depreciation	87,567	4,868	-	92,435
Business type activities capital assets, net	<u>\$ 43,260</u>	<u>\$ (4,868)</u>	<u>\$ -</u>	<u>\$ 38,392</u>

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

Instruction

Regular	\$ 130,164
Special education	50,653
Other special instruction	8,087
Other instruction	5,727

Support services

Student & instruction	69,181
General & business administration	20,605
School administration	12,424
Plant maintenance	4,117

Total depreciation expense, governmental activities	<u>\$ 300,958</u>
---	-------------------

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 2,024,000	\$ -	\$ 540,000	\$ 1,484,000	\$ 410,000
Capital leases	59,143	-	18,959	40,184	19,705
Compensated absences payable	98,616	28,151	14,375	112,392	11,541
PERS net pension liability	1,839,815	112,031	-	1,951,846	-
Total governmental activities long-term liabilities	<u>\$ 4,021,574</u>	<u>\$ 140,182</u>	<u>\$ 573,334</u>	<u>\$ 3,588,422</u>	<u>\$ 441,246</u>

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments are listed as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 410,000	\$ 33,130	\$ 443,130
2022	360,000	22,826	382,826
2023	230,000	15,801	245,801
2024	235,000	11,201	246,201
2025	249,000	5,914	254,914
Total	<u>\$ 1,484,000</u>	<u>\$ 88,872</u>	<u>\$ 1,572,872</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2020, 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%. \$ 280,000

\$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%. 1,149,000

\$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%. 55,000

\$ 1,484,000

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, 2020 is \$16,814,131. General obligation debt at June 30, 2020 is \$1,484,000, resulting in a legal debt margin of \$15,330,131.

Capital lease payable

The District has future minimum commitments for technology equipment accounted for as a capital lease at June 30, 2020. The annual requirements to amortize the capital lease outstanding as of June 30, 2020, including interest payments are listed as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 19,705	\$ 1,375	\$ 21,080
2022	20,479	600	21,079
Total	<u>\$ 40,184</u>	<u>\$ 1,975</u>	<u>\$ 42,159</u>

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Operating lease payable

The District has future minimum rental commitments for technology equipment and supplies, accounted for as an operating lease at June 30, 2020. The annual requirements to amortize the operating lease outstanding as of June 30, 2020 are listed as follows:

Year Ending June 30,	Total
2021	\$ 40,266
2022	41,849
Total	\$ 82,115

Note 7 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following 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 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.

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](http://www.state.nj.us/treasury/pensions).

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.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members enrolled prior to July 1, 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 plans (continued)

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

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.

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 and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2019 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019 measurement date.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

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. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 year 2019, 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 District's contractually required contribution rate for the year ended June 30, 2020 was 14.50% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 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

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2019:

Net pension liability	\$	1,951,846
Proportionate share		0.0108324675%
 Plan fiduciary net position as a percentage of the total pension liability		 56.27%

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate		
Price	2.75%	
Wage	3.25%	
Salary increases (based on age)		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
 Investment rate of return		 7.00%

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

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

**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 (7.00% at June 30, 2019 measurement date) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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)

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

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

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, 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:

District's Proportionate Share of the Net Pension Liability

At current discount rate (6.28%)	\$	1,951,846
At a 1% lower rate (5.28%)		2,482,651
At a 1% higher rate (7.28%)		1,529,588

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2019 measurement date, 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	\$ 35,033	\$ 8,622
Changes of assumptions	194,899	677,480
Net difference between projected and actual earnings on pension plan investments	-	30,811
Changes in proportion and differences between District contributions and proportionate share of contributions	409,158	105,595
District contributions subsequent to the measurement date	105,368	-
Total	<u>\$ 744,458</u>	<u>\$ 822,508</u>

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, 2020, the plan measurement date is June 30, 2019) of \$105,368 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020.



**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 following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2019 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 35,086	\$ (53)	\$ 35,033
Changes of assumptions	303,171	(108,272)	194,899
Deferred inflows of resources			
Differences between expected and actual experience	(9,487)	865	(8,622)
Changes of assumptions	(588,275)	(89,205)	(677,480)
Difference between projected and actual earnings on pension plan investments	(17,258)	(13,553)	(30,811)
Net of deferred outflows	\$ (276,763)	\$ (210,218)	\$ (486,981)

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:

Fiscal Year Ending June 30,

2020	\$ (56,360)
2021	(182,832)
2022	(163,259)
2023	(76,658)
2024	(7,872)
Total	\$ (486,981)

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

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

Pension expense

For the year ended June 30, 2020, the District recognized net pension expense of \$201,174, which represents the District's proportionate share of allocable plan pension expense of \$90,491, plus the net amortization of deferred amounts from changes in proportion of \$123,107, less other adjustments to the net pension liability of \$12,424. 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 fiscal year ending June 30, 2019 measurement date are as follows:

Service cost	\$	75,172
Interest on total pension liability		222,805
Member contributions		(51,777)
Administrative expense		1,371
Expected investment return net of investment expense		(138,248)
Pension expense related to specific liabilities of individual employers		(647)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		16,774
Amortization of expected versus actual experience		(51,269)
Amortization of projected versus actual investment earnings on pension plan investments		16,310
Pension expense	\$	90,491

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](http://www.state.nj.us/treasury/pensions).

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 1, 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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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 2019, 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

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

Special funding situation (continued)

During the State fiscal year ending June 30, 2019, the State of New Jersey contributed \$728,313 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2019 measurement date is as follows:

District proportionate share of net pension liability	\$ 30,431,969
Less: State proportionate share of net pension liability	8,201,619
Net pension liability	\$ 22,230,350

Proportionate share	0.0362229228%
---------------------	---------------

Plan fiduciary net position as a percentage of the total pension liability	26.95%
--	--------

Actuarial assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on age)	
Through 2026	1.55 - 4.55%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

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

Actuarial assumptions (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) 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, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 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, 2019 measurement date, 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:

District's Proportionate Share of the Net Pension Liability

At current discount rate (5.60%)	\$ 22,230,350
At a 1% lower rate (4.60%)	26,214,503
At a 1% higher rate (6.60%)	18,924,761

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2019 measurement date are as follows:

Service cost	\$ 680,102
Interest on total pension liability	1,518,303
Member contributions	(305,768)
Administrative expense	5,031
Expected investment return net of investment expense	(557,532)
Pension expense related to specific liabilities of individual employers	(108)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	64,404
Amortization of expected versus actual experience	(215,611)
Amortization of projected versus actual investment earnings on pension plan investments	122,384
Pension expense	<u>\$ 1,311,205</u>

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Pension plan (continued)

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 (\$8,400 in 2020) 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/njdcrrp](http://www.prudential.com/njdcrrp).

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 ended 2020 was \$8,034.

D. Other pension plan information

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$302,168 to the TPAF for postretirement medical benefits, \$14,342 for non-contributory insurance premiums, \$726 for long-term disability insurance, and \$800,166 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 \$279,461 during the year ended June 30, 2020 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 Statement No. 68.

Note 8 - Postretirement benefits

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternative Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In fiscal year 2019, the State paid PRM benefits for 153,893 State and local retirees.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 8 - Postretirement benefits (continued)

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have remained consistent with fiscal year 2019 amounts. The State has appropriated 1.612 billion in fiscal year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in fiscal year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 8 - Postretirement benefits (continued)

Total OPEB liability (continued)

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2019 measurement date is as follows:

State's proportionate share of the OPEB liability	\$	41,729,081,045
District's proportionate share of the State's OPEB liability		15,727,046
Employer OPEB expense and related revenue		355,611
Allocable proportionate percentage		0.0376884552%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2018	\$ 17,178,291
Service cost	595,783
Interest cost	678,878
Change of benefit terms	-
Differences between expected and actual experiences	(2,491,936)
Changes of assumptions	234,492
Member contributions	14,311
Gross benefit payments	(482,773)
Total OPEB liability at June 30, 2019	<u>\$ 15,727,046</u>

There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The total non-employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate 2.50%

	<u>TPAF</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 3.05%	2.00% - 6.00%
Thereafter	1.55% - 3.05%	3.00% - 7.00%

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 8 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

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

Health care trend assumptions

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

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District’s allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.50%)	\$	15,727,046
At a 1% lower rate (2.50%)		18,579,856
At a 1% higher rate (4.50%)		13,460,930

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 8 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	15,727,046
At a 1% lower rate (1% decrease)		12,958,385
At a 1% higher rate (1% increase)		19,392,185

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$355,611 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

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:

- AXA Equitable Life Insurance Company
- Ameriprise Financial Services Inc.
- Lincoln Investment Planning
- Security Benefit
- Aspire

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 10 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2020 is as follows:

	Receivable	Payable
General fund	\$ 104,330	\$ 765
Special revenue	-	58,476
Capital project fund	-	18,965
Payroll agency	-	30,537
Unemployment	26,762	-
Student activities	-	22,349
	\$ 131,092	\$ 131,092

The balance due from the payroll agency fund to the general fund of \$4,540 represents a loan for the flexible spending account of \$4,000 and health benefit withholdings not transferred totaling \$540. The balance due from the payroll agency fund to the unemployment compensation fund of \$25,997 represents employee withholdings not yet transferred at year-end. The balance due from the general fund to the unemployment compensation fund of \$765 was transferred in error and is due back to the unemployment compensation fund. The special revenue fund had an interfund payable for \$58,476 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance due from the student activity funds to the general fund of \$22,349 represents amounts collected in student activity funds to reimburse related general fund expenditures. The balance due from the capital projects fund to the general fund represents \$3,506 of interest income not yet transferred and \$15,459 for a project expenditure.

Note 11 - Inventory

Inventory in the food service fund as of June 30, 2020 consisted of the following:

Food	\$ 4,268
Supplies	1,201
Total	\$ 5,469

Note 12 - Contingent liabilities

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.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 13 - Risk management

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

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

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

<u>Fiscal Year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019 - 2020	\$ -	\$ 329	\$ 8,225	\$ 9,856	\$ 75,639
2018 - 2019	-	765	8,291	814	76,941
2017 - 2018	-	-	8,570	5,457	68,699

Note 14 - Reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). 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.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the 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 \$403,586 to their capital reserve account, \$244,791 to their emergency reserve account and \$30,000 to their maintenance reserve account by Board Resolution in June 2020 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 476,788	\$ 403,586	\$ 4,067	\$ -	\$ 4,763	\$ 879,678
Emergency	504	244,791	4	-	-	245,299
Maintenance	427,385	30,000	-	-	26,266	431,119
Total	<u>\$ 904,677</u>	<u>\$ 678,377</u>	<u>\$ 4,071</u>	<u>\$ -</u>	<u>\$ 31,029</u>	<u>\$ 1,556,096</u>

Note 15 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2020 is as follows:

**Restricted**

Capital reserve account - Represents funds restricted to capital projects in the District's long-range facilities plan.	\$ 879,678
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	245,299
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).	431,119

**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.	62,313
---	--------

**Unassigned**

Undesignated - Represents fund balance which has not been restricted or designated.	502,636
Total fund balance - Budgetary basis (Exhibit C-1)	<u>2,121,045</u>
Last state aid payments not recognized on GAAP basis	<u>(122,459)</u>
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 1,998,586</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, 2020 is \$0.

Note 17 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement is effective for reporting periods beginning after December 15, 2019 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 18 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2020 of (\$1,713,220) on Schedule A-1, Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 19 - Risks and uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations.

Note 20 - Subsequent events

The District has evaluated subsequent events through January 13, 2021, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.



**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, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 7,195,106	\$ -	\$ 7,195,106	\$ 7,195,106	\$ -
Tuition from individuals	18,000	-	18,000	17,460	(540)
Tuition from other LEAs within the state	-	-	-	42,178	42,178
Unrestricted miscellaneous revenues	8,500	-	8,500	87,766	79,266
Interest earned on current expense emergency reserve	-	-	-	4	4
Interest earned on maintenance reserve	300	-	300	-	(300)
Interest earned on capital reserve funds	700	-	700	4,067	3,367
<b>Total</b>	<b>7,222,606</b>	<b>-</b>	<b>7,222,606</b>	<b>7,346,581</b>	<b>123,975</b>
State sources					
School choice aid	51,433	-	51,433	51,433	-
Categorical transportation aid	101,114	-	101,114	101,114	-
Extraordinary aid	-	-	-	252,637	252,637
Categorical special education aid	254,322	-	254,322	254,322	-
Equalization aid	673,606	-	673,606	673,606	-
Categorical security aid	38,137	-	38,137	38,137	-
Adjustment aid	120,117	-	120,117	120,117	-
TPAF Pension (on-behalf)	-	-	-	814,508	814,508
TPAF Social Security (reimbursed)	-	-	-	279,461	279,461
TPAF Postretirement benefits	-	-	-	302,168	302,168
TPAF Long-term disability insurance	-	-	-	726	726
<b>Total</b>	<b>1,238,729</b>	<b>-</b>	<b>1,238,729</b>	<b>2,888,229</b>	<b>1,649,500</b>
<b>Total revenues</b>	<b>\$ 8,461,335</b>	<b>\$ -</b>	<b>\$ 8,461,335</b>	<b>\$ 10,234,810</b>	<b>\$ 1,773,475</b>
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 122,759	\$ 63,597	\$ 186,356	\$ 186,356	\$ -
Grades 1-5	1,253,783	2,184	1,255,967	1,147,557	108,410
Grades 6-8	1,015,431	24,056	1,039,487	989,059	50,428
Home instruction					
Salaries of teacher	4,380	-	4,380	3,577	803
Purchased professional - educational services	6,000	4,644	10,644	7,557	3,087
Regular programs - undistributed instruction					
Other salaries for instruction	64,423	(354)	64,069	63,613	456
Other purchased services	122,877	(17,791)	105,086	74,583	30,503
General supplies	122,856	(24,689)	98,167	83,425	14,742
<b>Total</b>	<b>2,712,509</b>	<b>51,647</b>	<b>2,764,156</b>	<b>2,555,727</b>	<b>208,429</b>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Expenditures (cont'd)					
Special education					
Multiple disabilities					
Salaries of teachers	\$ 78,362	\$ (376)	\$ 77,986	\$ 77,686	\$ 300
Other salaries for instruction	29,074	(237)	28,837	28,492	345
General supplies	5,000	1,952	6,952	5,918	1,034
Total	<u>112,436</u>	<u>1,339</u>	<u>113,775</u>	<u>112,096</u>	<u>1,679</u>
Resource room/resource center					
Salaries of teachers	554,959	1,326	556,285	556,285	-
Other salaries for instruction	99,609	(572)	99,037	98,619	418
General supplies	11,060	(879)	10,181	7,738	2,443
Total	<u>665,628</u>	<u>(125)</u>	<u>665,503</u>	<u>662,642</u>	<u>2,861</u>
Autism					
Salaries of teachers	63,622	(940)	62,682	62,655	27
Other salaries for instruction	66,672	-	66,672	65,877	795
General supplies	2,609	(10)	2,599	2,189	410
Total	<u>132,903</u>	<u>(950)</u>	<u>131,953</u>	<u>130,721</u>	<u>1,232</u>
Preschool disabilities - part-time					
Salaries of teachers	60,862	868	61,730	60,965	765
Other salaries for instruction	27,586	1,094	28,680	28,680	-
General supplies	2,000	(1,000)	1,000	877	123
Total	<u>90,448</u>	<u>962</u>	<u>91,410</u>	<u>90,522</u>	<u>888</u>
Total special education	<u>1,001,415</u>	<u>1,226</u>	<u>1,002,641</u>	<u>995,981</u>	<u>6,660</u>
Basic skills/remedial					
Salaries of teachers	52,533	34,094	86,627	86,222	405
General supplies	1,000	-	1,000	-	1,000
Total	<u>53,533</u>	<u>34,094</u>	<u>87,627</u>	<u>86,222</u>	<u>1,405</u>
Bilingual education - instruction					
Salaries of teachers	36,367	-	36,367	36,367	-
General supplies	1,500	-	1,500	283	1,217
Total	<u>37,867</u>	<u>-</u>	<u>37,867</u>	<u>36,650</u>	<u>1,217</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	55,165	(6,499)	48,666	43,124	5,542
Supplies and materials	550	(141)	409	252	157
Total	<u>55,715</u>	<u>(6,640)</u>	<u>49,075</u>	<u>43,376</u>	<u>5,699</u>
School-sponsored athletics - instruction					
Salaries	29,247	3	29,250	29,250	-
Purchased services	1,000	4,357	5,357	5,357	-
Supplies and materials	2,000	67	2,067	2,051	16
Total	<u>32,247</u>	<u>4,427</u>	<u>36,674</u>	<u>36,658</u>	<u>16</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Summer school - instruction					
Salaries of teachers	\$ 21,495	\$ 2,264	\$ 23,759	\$ 22,910	\$ 849
Other salaries of instruction	9,000	2,038	11,038	9,426	1,612
General supplies	-	283	283	250	33
Total	<u>30,495</u>	<u>4,585</u>	<u>35,080</u>	<u>32,586</u>	<u>2,494</u>
Total instruction regular	<u>\$ 3,923,781</u>	<u>\$ 89,339</u>	<u>\$ 4,013,120</u>	<u>\$ 3,787,200</u>	<u>\$ 225,920</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 10,482	\$ (10,482)	\$ -	\$ -	\$ -
Tuition to other LEAs within the state - special	-	32,784	32,784	32,784	-
Tuition to priv. school for the disabled w/i state	-	9,843	9,843	3,958	5,885
Total	<u>10,482</u>	<u>32,145</u>	<u>42,627</u>	<u>36,742</u>	<u>5,885</u>
Undistributed expenditures - health services					
Salaries	93,337	1,577	94,914	93,426	1,488
Purchased professional and technical services	1,775	-	1,775	1,500	275
Other purchased services	250	-	250	85	165
Supplies and materials	4,000	-	4,000	2,869	1,131
Other objects	200	-	200	-	200
Total	<u>99,562</u>	<u>1,577</u>	<u>101,139</u>	<u>97,880</u>	<u>3,259</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	129,429	-	129,429	128,980	449
Purchased professional - educational services	36,000	(33,325)	2,675	-	2,675
Supplies and materials	1,248	752	2,000	1,915	85
Total	<u>166,677</u>	<u>(32,573)</u>	<u>134,104</u>	<u>130,895</u>	<u>3,209</u>
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	9,000	366	9,366	6,985	2,381
Purchased professional - educational services	270,000	12,914	282,914	282,914	-
Total	<u>279,000</u>	<u>13,280</u>	<u>292,280</u>	<u>289,899</u>	<u>2,381</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	74,037	-	74,037	74,037	-
Supplies and materials	500	(378)	122	-	122
Total	<u>74,537</u>	<u>(378)</u>	<u>74,159</u>	<u>74,037</u>	<u>122</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	277,528	(10,304)	267,224	267,197	27
Salaries of secretarial and clerical assistants	70,917	4,574	75,491	75,491	-
Purchased professional - educational services	2,000	(325)	1,675	-	1,675
Other purchased services	7,200	236	7,436	7,436	-
Supplies and materials	2,690	(107)	2,583	2,243	340
Other objects	-	845	845	845	-
Total	<u>360,335</u>	<u>(5,081)</u>	<u>355,254</u>	<u>353,212</u>	<u>2,042</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	\$ 52,360	\$ -	\$ 52,360	\$ 47,832	\$ 4,528
Salaries of other professional staff	47,396	2,147	49,543	46,134	3,409
Salaries of facilitators, math & literacy coaches	46,194	(27,434)	18,760	2,310	16,450
Total	145,950	(25,287)	120,663	96,276	24,387
Undistributed expenditures - edu. media service/sch. library					
Salaries	75,987	-	75,987	75,575	412
Salaries of technology coordinators	72,802	-	72,802	72,802	-
Other purchased services	1,500	-	1,500	1,170	330
Supplies and materials	5,352	-	5,352	3,111	2,241
Total	155,641	-	155,641	152,658	2,983
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	3,000	-	3,000	174	2,826
Other purchased services	16,075	-	16,075	10,297	5,778
Supplies and materials	2,200	-	2,200	732	1,468
Total	21,275	-	21,275	11,203	10,072
Undistributed expend. - support service - general admin.					
Salaries	83,695	18	83,713	78,713	5,000
Legal services	15,667	15,420	31,087	6,887	24,200
Audit fees	17,800	987	18,787	18,787	-
Architectural/engineering services	13,435	-	13,435	-	13,435
Other purchased professional services	4,300	-	4,300	4,190	110
Communications/telephone	19,406	1,000	20,406	19,056	1,350
BOE other purchased services	2,092	-	2,092	62	2,030
Miscellaneous purchased services	17,050	-	17,050	11,339	5,711
General supplies	4,387	-	4,387	3,465	922
BOE in-house training/meeting supplies	200	-	200	-	200
Miscellaneous expenditures	4,500	-	4,500	3,120	1,380
BOE membership dues and fees	5,000	(366)	4,634	4,450	184
Total	187,532	17,059	204,591	150,069	54,522
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	167,683	7,091	174,774	174,774	-
Salaries of other professional staff	-	10,097	10,097	-	10,097
Salaries of secretarial and clerical assistants	64,255	-	64,255	55,258	8,997
Supplies and materials	-	15,309	15,309	13,012	2,297
Other objects	850	390	1,240	1,240	-
Total	232,788	32,887	265,675	244,284	21,391
Undistributed expenditures - central services					
Salaries	165,537	-	165,537	165,537	-
Purchased professional services	900	475	1,375	1,375	-
Miscellaneous purchased services	-	350	350	100	250
Supplies and materials	1,208	782	1,990	1,990	-
Interest on lease purchase agreements	-	6,453	6,453	6,453	-
Other objects	2,000	226	2,226	2,226	-
Total	169,645	8,286	177,931	177,681	250

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - admin. info. technology					
Salaries	\$ 8,089	\$ -	\$ 8,089	\$ 8,089	\$ -
Purchased technical services	31,665	3,112	34,777	34,687	90
Supplies and materials	-	77,080	77,080	34,619	42,461
<b>Total</b>	<b>39,754</b>	<b>80,192</b>	<b>119,946</b>	<b>77,395</b>	<b>42,551</b>
Undistributed expend. - required maint. for school facilities					
Salaries	106,795	1,595	108,390	108,390	-
Cleaning, repair, and maintenance services	87,306	27,825	115,131	87,186	27,945
Lead testing in water	3,057	791	3,848	3,848	-
General supplies	22,147	(13,244)	8,903	8,903	-
<b>Total</b>	<b>219,305</b>	<b>16,967</b>	<b>236,272</b>	<b>208,327</b>	<b>27,945</b>
Undistributed expenditures - custodial services					
Salaries	172,697	(13,877)	158,820	145,168	13,652
Purchased professional and technical services	2,000	360	2,360	1,990	370
Cleaning, repair, and maintenance service	16,000	(286)	15,714	13,715	1,999
Other purchased property services	10,000	2,287	12,287	11,510	777
Insurance	50,000	(4,400)	45,600	45,289	311
Miscellaneous purchased services	750	(189)	561	-	561
General supplies	23,000	40,387	63,387	40,777	22,610
Energy (natural gas)	32,000	(2,741)	29,259	28,640	619
Energy (electricity)	87,500	5,009	92,509	92,509	-
Other objects	400	403	803	589	214
<b>Total</b>	<b>394,347</b>	<b>26,953</b>	<b>421,300</b>	<b>380,187</b>	<b>41,113</b>
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	3,500	(2,551)	949	466	483
General supplies	3,000	2,551	5,551	2,250	3,301
<b>Total</b>	<b>6,500</b>	<b>-</b>	<b>6,500</b>	<b>2,716</b>	<b>3,784</b>
Undistributed expenditures - security					
Purchased professional and technical services	750	(182)	568	-	568
Cleaning, repair, and maintenance service	250	20,766	21,016	21,016	-
General supplies	2,030	(50)	1,980	434	1,546
<b>Total</b>	<b>3,030</b>	<b>20,534</b>	<b>23,564</b>	<b>21,450</b>	<b>2,114</b>
Undistributed expenditures - student transportation service					
Management fee - esc & ctsa trans. program	2,537	-	2,537	2,500	37
Contract service - aid in lieu pymts - non-public schools	20,500	1,730	22,230	8,598	13,632
Contract service - aid in lieu pymts - choice school students	7,500	(895)	6,605	6,222	383
Contract service (oth. than between home & school) - vend.	14,135	860	14,995	9,724	5,271
Contract service (reg. students) - escs & ctsas	148,000	(817)	147,183	145,134	2,049
Contract service (spl. ed. students) - escs & ctsas	47,000	19,857	66,857	61,483	5,374
<b>Total</b>	<b>239,672</b>	<b>20,735</b>	<b>260,407</b>	<b>233,661</b>	<b>26,746</b>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Unallocated benefits - employee benefits					
Social Security contributions	\$ 100,000	\$ 3,701	\$ 103,701	\$ 103,701	\$ -
Other retirement contributions - PERS	90,000	15,833	105,833	105,833	-
Other retirement contributions - ERIP	7,000	(765)	6,235	6,094	141
Other retirement contributions - regular	12,000	969	12,969	11,859	1,110
Workmen's compensation	51,000	-	51,000	44,236	6,764
Health benefits	1,484,762	(100,319)	1,384,443	1,271,532	112,911
Tuition reimbursement	112,610	(44,629)	67,981	67,981	-
Other employee benefits	18,000	640	18,640	18,640	-
Total	<u>1,875,372</u>	<u>(124,570)</u>	<u>1,750,802</u>	<u>1,629,876</u>	<u>120,926</u>
On-behalf TPAF Pension contribution	-	-	-	814,508	(814,508)
On-behalf TPAF Postretirement medical benefits	-	-	-	302,168	(302,168)
On-behalf TPAF Long-term disability insurance	-	-	-	726	(726)
Reimbursed TPAF Social Security contribution	-	-	-	279,461	(279,461)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,396,863</u>	<u>(1,396,863)</u>
Total undistributed expenditures	<u>\$ 4,681,404</u>	<u>\$ 82,726</u>	<u>\$ 4,764,130</u>	<u>\$ 5,765,311</u>	<u>\$ (1,001,181)</u>
Total current	<u>\$ 8,605,185</u>	<u>\$ 172,065</u>	<u>\$ 8,777,250</u>	<u>\$ 9,552,511</u>	<u>\$ (775,261)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 5,240	\$ 5,240	\$ -	\$ 5,240
Undistributed expenditures - security	-	6,600	6,600	6,600	-
Total equipment	<u>-</u>	<u>11,840</u>	<u>11,840</u>	<u>6,600</u>	<u>5,240</u>
Facilities acquisition and construction service					
Architectural/engineering services	-	8,360	8,360	8,360	-
Construction services	109,502	16,121	125,623	101,677	23,946
Land and improvements	-	5,375	5,375	5,375	-
Lease purchase agreements – principal	-	18,959	18,959	18,959	-
Assessment for debt service on SDA funding	14,143	-	14,143	14,143	-
Total facilities acquisition and construction service	<u>123,645</u>	<u>48,815</u>	<u>172,460</u>	<u>148,514</u>	<u>23,946</u>
Total capital outlay	<u>\$ 123,645</u>	<u>\$ 60,655</u>	<u>\$ 184,300</u>	<u>\$ 155,114</u>	<u>\$ 29,186</u>
Total expenditures	<u>\$ 8,728,830</u>	<u>\$ 232,720</u>	<u>\$ 8,961,550</u>	<u>\$ 9,707,625</u>	<u>\$ (746,075)</u>

See independent auditors' report.



**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues over (under) expenditures	\$ (267,495)	\$ (232,720)	\$ (500,215)	\$ 527,185	\$ 1,027,400
Other financing sources (uses)					
Operating transfer in					
Transfers in from other funds	30,000	-	30,000	-	(30,000)
Total other financing sources (uses)	30,000	-	30,000	-	(30,000)
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(237,495)	(232,720)	(470,215)	527,185	997,400
Fund balances, July 1	1,593,860	-	1,593,860	1,593,860	-
Fund balances, June 30	\$ 1,356,365	\$ (232,720)	\$ 1,123,645	\$ 2,121,045	\$ 997,400
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (145,427)	\$ -	\$ (145,427)	\$ (145,427)	\$ -
Increase in capital reserve	-	403,586	403,586	403,586	-
Interest deposit to capital reserve	700	-	700	4,067	3,367
Withdrawal from capital reserve	-	(4,763)	(4,763)	(4,763)	-
Increase in emergency reserve	-	244,791	244,791	244,791	-
Interest earned on emergency reserve	-	-	-	4	4
Increase in maintenance reserve	-	30,000	30,000	30,000	-
Interest earned on maintenance reserve	300	-	300	-	(300)
Withdrawal from maintenance reserve	-	(26,266)	(26,266)	(26,266)	-
Budgeted fund balance	(93,068)	(880,068)	(973,136)	21,193	994,329
Total	\$ (237,495)	\$ (232,720)	\$ (470,215)	\$ 527,185	\$ 997,400
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 879,678	
Emergency reserve				245,299	
Maintenance reserve				431,119	
Committed fund balance					
Year-end encumbrances				62,313	
Unassigned fund balance				502,636	
Fund balance per budgetary basis				2,121,045	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(122,459)	
Fund balance per governmental funds (GAAP)				\$ 1,998,586	

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 33,219	\$ -	\$ 33,219	\$ 17,658	\$ (15,561)
Federal sources	276,570	-	276,570	202,949	(73,621)
Total revenues	<u>\$ 309,789</u>	<u>\$ -</u>	<u>\$ 309,789</u>	<u>\$ 220,607</u>	<u>\$ (89,182)</u>
Expenditures					
Instruction					
Salaries	\$ 36,145	\$ -	\$ 36,145	\$ 36,145	\$ -
Supplies	23,508	-	23,508	7,083	16,425
Total	<u>59,653</u>	<u>-</u>	<u>59,653</u>	<u>43,228</u>	<u>16,425</u>
Support services					
Employee benefits	23,135	-	23,135	23,135	-
Purchased professional & technical services	155,679	-	155,679	95,151	60,528
Supplies	71,322	-	71,322	59,093	12,229
Total	<u>250,136</u>	<u>-</u>	<u>250,136</u>	<u>177,379</u>	<u>72,757</u>
Total expenditures	<u>\$ 309,789</u>	<u>\$ -</u>	<u>\$ 309,789</u>	<u>\$ 220,607</u>	<u>\$ 89,182</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2020**

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,234,810	\$ 220,607
<b>Difference - budget to GAAP</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - current year	-	(3,425)
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	129,243	-
State aid receivable current year	(122,459)	-
	<u>\$ 10,241,594</u>	<u>\$ 217,182</u>
<b>Total revenues (GAAP basis)</b>		
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,707,625	\$ 220,607
<b>Differences - budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - current year	-	(3,425)
	<u>\$ 9,707,625</u>	<u>\$ 217,182</u>
<b>Total expenditures (GAAP basis)</b>		

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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.0108324675%	0.0093441400%	0.0097687461%	0.0087528422%	0.0095359971%	0.0085999806%	0.0075412794%	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,951,846	\$ 1,839,815	\$ 2,274,008	\$ 2,592,341	\$ 2,140,640	\$ 1,610,152	\$ 1,441,288	N/A	N/A
District's covered employee payroll	726,532	850,674	699,483	647,797	622,818	595,102	604,752	530,988	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	229.45%	263.02%	351.04%	416.23%	359.71%	266.25%	271.44%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

N/A - Not Available

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of District's Contributions - Public Employees Retirement System**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 105,368	\$ 92,944	\$ 90,497	\$ 77,759	\$ 81,984	\$ 70,897	\$ 56,822	\$ 59,103	\$ 65,728	\$ 56,659
Contributions in relation to the contractually required contribution	(105,368)	(92,944)	(90,497)	(77,759)	(81,984)	(70,897)	(56,822)	(59,103)	(65,728)	(56,659)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 726,532	\$ 850,674	\$ 699,483	\$ 647,797	\$ 622,818	\$ 595,102	\$ 604,752	\$ 530,988	\$ 500,491	\$ 527,257
Contributions as a percentage of covered employee payroll	14.50%	10.93%	12.94%	12.00%	13.16%	11.91%	9.40%	11.13%	13.13%	10.75%

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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	\$ 22,230,350	\$ 23,927,825	24,065,131	27,384,693	21,642,198	18,983,034	18,666,978	N/A	N/A
Total	\$ -	\$ 22,230,350	\$ 23,927,825	\$ 24,065,131	\$ 27,384,693	\$ 21,642,198	\$ 18,983,034	\$ 18,666,978	\$ -	\$ -
District's covered employee payroll	\$ 3,987,852	\$ 3,910,663	\$ 3,905,788	\$ 3,791,671	\$ 3,858,459	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	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%	0.00%	0.00%	0.00%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A

N/A - Not Available

See independent auditors' report.



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 728,313	\$ 727,330	\$ 567,331	\$ 401,470	\$ 278,712	\$ 185,123	\$ 150,255	\$ 238,660	\$ 121,289	\$ 12,026
Contributions in relation to the contractually required contribution	(728,313)	(727,330)	(567,331)	(401,470)	(278,712)	(185,123)	(150,255)	(238,660)	(121,289)	(12,026)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,987,852	\$ 3,910,663	\$ 3,905,788	\$ 3,791,671	\$ 3,858,459	\$ 3,508,604	\$ 3,377,598	\$ 3,508,018	\$ 3,319,279	\$ 3,588,518
Contributions as a percentage of covered employee payroll	18.26%	18.60%	14.53%	10.59%	7.22%	5.28%	4.45%	6.80%	3.65%	0.34%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Other**  
**Postemployment Employee Benefits Liability**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	15,727,046	17,178,291	19,975,643	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 15,727,046	\$ 17,178,291	\$ 19,975,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 4,761,337	\$ 4,605,271	\$ 4,439,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2020**

- Note 1 - Special funding situation - TPAF and other postretirement benefits  
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 and other postretirement benefits (OPEB) 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 and OPEB 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 and for OPEB 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 was 4.86% in State fiscal year 2018 and 5.60% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal years 2018 and 2.75% in State fiscal year 2019.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 5.66% in State fiscal year 2018 and 6.28% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal year 2018 and 2.75% for State fiscal year 2019.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate decreased from 3.87% in State fiscal year 2018 to 3.50% in State fiscal year 2019. The inflation rate was 2.50% for State fiscal year 2018 and 2019.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits  
There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

## **SPECIAL REVENUE FUND**

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, 2020**

	ESSA Title IA	CARES Grant	REAP Grant	IDEA Basic	IDEA Preschool	Local Grants	Total
<b>Revenues</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,658	\$ 17,658
Federal sources	59,280	10,277	38,241	90,759	4,392	-	202,949
<b>Total revenues</b>	<b>\$ 59,280</b>	<b>\$ 10,277</b>	<b>\$ 38,241</b>	<b>\$ 90,759</b>	<b>\$ 4,392</b>	<b>\$ 17,658</b>	<b>\$ 220,607</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ 36,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,145
Supplies	-	3,425	-	-	-	3,658	7,083
<b>Total</b>	<b>36,145</b>	<b>3,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,658</b>	<b>43,228</b>
<b>Support services</b>							
Employee benefits	23,135	-	-	-	-	-	23,135
Purchased professional and technical services	-	-	-	90,759	4,392	-	95,151
Supplies	-	6,852	38,241	-	-	14,000	59,093
<b>Total</b>	<b>23,135</b>	<b>6,852</b>	<b>38,241</b>	<b>90,759</b>	<b>4,392</b>	<b>14,000</b>	<b>177,379</b>
<b>Total expenditures</b>	<b>\$ 59,280</b>	<b>\$ 10,277</b>	<b>\$ 38,241</b>	<b>\$ 90,759</b>	<b>\$ 4,392</b>	<b>\$ 17,658</b>	<b>\$ 220,607</b>

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, 2020**

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/20
			Prior Years	Current Year	
Facilities improvement project	12/13/16	\$ 985,000	\$ 971,832	\$ -	\$ 13,168
		<u>\$ 985,000</u>	<u>\$ 971,832</u>	<u>\$ -</u>	<u>\$ 13,168</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, 2020**

Net position - beginning	\$	16,674
		<u>16,674</u>
Net position - ending	\$	16,674
		<u><u>16,674</u></u>
Analysis of balance		
Capital project fund balance	\$	13,168
Interest earnings		3,506
	\$	<u>16,674</u>
		<u><u>16,674</u></u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Facilities Improvement Project - 2016**  
**For the Fiscal Year Ended June 30, 2020**

	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	<u>985,000</u>	<u>-</u>	<u>985,000</u>	<u>985,000</u>
Expenditures and other financing uses				
Construction services				
Interior construction				
Media center renovations	228,077	-	228,077	229,950
Lighting and ceilings replacement	555,910	-	555,910	355,740
HVAC upgrades	50,998	-	50,998	170,310
Exterior closure	-	-	-	4,000
Fixed furnishings	46,222	-	46,222	120,000
Purchased professional services				
Architectural/engineering fees	61,004	-	61,004	64,400
Bond/legal fees	29,621	-	29,621	30,000
Fees and permits	-	-	-	10,600
Total expenditures	<u>971,832</u>	<u>-</u>	<u>971,832</u>	<u>985,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,168</u>	<u>\$ -</u>	<u>\$ 13,168</u>	<u>\$ -</u>

Additional Project Information

Project number	0910-030-17-1000
Grant date	N/A
Bond authorization date	12/13/16
Bonds authorized	\$ 985,000
Bonds issued	985,000
Original authorized cost	985,000
Additional authorized cost	-
Revised authorized cost	985,000
Percentage completion	98.66%

See independent auditors' report.

## **PROPRIETARY FUNDS**

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.

**See Statements B-4, B-5, and B-6.**

## **FIDUCIARY FUNDS**

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, 2020**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 52,989	\$ 82,619	\$ 84,975	\$ 220,583
Due from other funds	26,762	-	-	26,762
<b>Total assets</b>	<b>\$ 79,751</b>	<b>\$ 82,619</b>	<b>\$ 84,975</b>	<b>\$ 247,345</b>
<b>Liabilities</b>				
Due to other funds	-	\$ 22,349	\$ 30,537	\$ 52,886
Due to students groups	-	60,270	-	60,270
Accounts payable	4,112	-	-	4,112
Payroll deductions & withholdings	-	-	54,438	54,438
<b>Total liabilities</b>	<b>4,112</b>	<b>82,619</b>	<b>84,975</b>	<b>171,706</b>
<b>Net position</b>				
Held in trust for unemployment claims and other purposes	<b>\$ 75,639</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,639</b>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	Unemployment Compensation Fund
Additions	
Contributions	
Employee withholdings	\$ 8,225
Investment earnings - interest	329
Total additions	8,554
 Deductions	
Unemployment claims	9,856
 Change in net position	(1,302)
 Net position, beginning of the year	76,941
 Net position, end of the year	\$ 75,639

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, 2020**

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
<b>Assets</b>				
Cash and cash equivalents	\$ 75,006	\$ 50,642	\$ 43,029	\$ 82,619
<b>Total assets</b>	<b>\$ 75,006</b>	<b>\$ 50,642</b>	<b>\$ 43,029</b>	<b>\$ 82,619</b>
<b>Liabilities</b>				
Due to other funds	\$ 24,138	\$ -	\$ 1,789	\$ 22,349
Due to student groups	50,868	50,642	41,240	60,270
<b>Total liabilities</b>	<b>\$ 75,006</b>	<b>\$ 50,642</b>	<b>\$ 43,029</b>	<b>\$ 82,619</b>

H-4

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2020**

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
<b>Assets</b>				
Cash and cash equivalents	\$ 66,088	\$ 5,841,702	\$ 5,822,815	\$ 84,975
<b>Total assets</b>	<b>\$ 66,088</b>	<b>\$ 5,841,702</b>	<b>\$ 5,822,815</b>	<b>\$ 84,975</b>
<b>Liabilities</b>				
Due to other funds	\$ 22,312	\$ 8,225	\$ -	\$ 30,537
Payroll deductions & withholdings	43,776	2,453,811	2,443,149	54,438
Net payroll	-	3,379,666	3,379,666	-
<b>Total liabilities</b>	<b>\$ 66,088</b>	<b>\$ 5,841,702</b>	<b>\$ 5,822,815</b>	<b>\$ 84,975</b>

See independent auditors' report.

## **LONG-TERM DEBT**

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, 2020**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/19	Issued	Retired	Balance 06/30/20
			Date	Amount					
Refunding school bonds of 2009	08/15/09	\$ 1,505,000	08/15/20	\$ 140,000	3.63%	\$ 420,000	\$ -	\$ 140,000	\$ 280,000
			08/15/21	140,000	3.75%	-	-	-	-
School bonds of 2014	08/15/14	2,104,000	02/15/21	215,000	2.00%	1,359,000	-	210,000	1,149,000
			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	02/08/17	985,000	02/15/21	55,000	1.53%	245,000	-	190,000	55,000
						<u>\$ 2,024,000</u>	<u>\$ -</u>	<u>\$ 540,000</u>	<u>\$ 1,484,000</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations Under Capital Leases**  
**For the Fiscal Year Ended June 30, 2020**

Issue	Interest Rate	Amount of Original Issue	Balance 07/01/19	Issued	Retired	Balance 06/30/20
Copiers and a server	3.894%	\$ 69,000	\$ 59,143	-	\$ 18,959	\$ 40,184
			<u>\$ 59,143</u>	<u>-</u>	<u>\$ 18,959</u>	<u>\$ 40,184</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 152,775	\$ -	\$ 152,775	\$ 152,775	\$ -
Local tax levy - pre-merger debt	146,817	-	146,817	146,817	-
State sources					
Debt service aid type II	147,033	-	147,033	147,033	-
Total revenues	<u>446,625</u>	<u>-</u>	<u>446,625</u>	<u>446,625</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	540,000	-	540,000	540,000	-
Interest	45,225	-	45,225	45,222	3
Total expenditures	<u>585,225</u>	<u>-</u>	<u>585,225</u>	<u>585,222</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	(138,600)	-	(138,600)	(138,597)	3
Fund balance, July 1	<u>185,669</u>	<u>-</u>	<u>185,669</u>	<u>185,669</u>	<u>-</u>
Fund balance, June 30	<u>\$ 47,069</u>	<u>\$ -</u>	<u>\$ 47,069</u>	<u>\$ 47,072</u>	<u>\$ 3</u>
Recapitulation of excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses					
Budgeted fund balance	<u>\$ (138,600)</u>	<u>\$ -</u>	<u>\$ (138,600)</u>	<u>\$ (138,597)</u>	<u>\$ 3</u>

See independent auditors' report.

## **STATISTICAL SECTION**

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Statistical Section J Series**

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
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
<b>REVENUE CAPACITY</b>	
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
<b>DEBT CAPACITY</b>	
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
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
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
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Government activities</b>										
Net investment in capital assets	\$ 4,371,285	\$ 4,537,465	\$ 4,893,462	\$ 5,385,724	\$ 4,662,010	\$ 5,225,571	\$ 4,483,417	\$ 5,822,224	\$ 6,434,956	\$ 6,814,968
Restricted	167,217	197,547	397,671	577,993	1,725,179	1,303,263	2,356,352	1,387,321	1,107,020	1,619,842
Unrestricted	182,420	422,659	237,414	(1,310,609)	(1,229,777)	(1,396,410)	(1,387,070)	(1,690,297)	(1,491,368)	(1,713,220)
<b>Total governmental activities</b>	<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>	<u>\$ 5,519,248</u>	<u>\$ 6,050,608</u>	<u>\$ 6,721,590</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 19,570	\$ 13,217	\$ 11,526	\$ 7,779	\$ 16,495	\$ 21,574	\$ 32,652	\$ 48,440	\$ 43,260	\$ 38,392
Unrestricted	131,618	174,323	65,802	76,435	116,126	129,964	117,164	120,122	137,369	165,303
<b>Total business-type activities</b>	<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>	<u>\$ 168,562</u>	<u>\$ 180,629</u>	<u>\$ 203,695</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 4,390,855	\$ 4,550,682	\$ 4,904,988	\$ 5,393,503	\$ 4,678,505	\$ 5,247,145	\$ 4,516,069	\$ 5,870,664	\$ 6,478,216	\$ 6,853,360
Restricted	167,217	197,547	397,671	577,993	1,725,179	1,303,263	2,356,352	1,387,321	1,107,020	1,619,842
Unrestricted	314,038	596,982	303,216	(1,234,174)	(1,113,651)	(1,266,446)	(1,269,906)	(1,570,175)	(1,353,999)	(1,547,917)
<b>Total district-wide</b>	<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>	<u>\$ 5,687,810</u>	<u>\$ 6,231,237</u>	<u>\$ 6,925,285</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,064,929	\$ 3,282,752	\$ 3,307,290	\$ 3,215,086	\$ 3,995,146	\$ 4,584,497	\$ 5,147,748	\$ 5,556,786	\$ 5,201,026	\$ 5,024,532
Special education	1,557,303	1,537,296	1,650,654	1,626,623	1,738,146	2,213,199	2,012,624	2,531,457	2,179,224	2,109,723
Other instruction	74,827	75,067	84,814	86,365	94,110	103,495	159,826	105,645	463,989	456,539
Support services										
Tuition	181,942	258,451	244,655	266,197	243,486	246,464	251,609	137,068	147,062	36,742
Student & instruction related services	1,346,673	1,250,154	1,392,448	1,348,496	1,674,594	1,730,507	1,895,810	2,167,741	2,194,268	2,220,216
General & business administrative services	553,444	678,237	569,239	501,436	501,297	495,027	558,749	627,512	724,352	610,620
School administration	268,637	244,835	273,660	299,817	359,739	421,853	451,628	525,590	424,743	417,858
Plant operations & maintenance	536,418	567,423	671,284	581,535	626,109	572,807	745,852	830,132	578,606	737,158
Pupil transportation	294,709	314,598	273,342	274,744	289,391	257,418	237,328	212,529	269,878	233,661
Interest on long-term debt	142,942	128,355	102,179	82,234	99,843	83,905	84,181	83,341	69,223	54,186
Total governmental activities expenses	<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>	<u>12,777,801</u>	<u>12,252,371</u>	<u>11,901,235</u>
Business-type activities										
Food service	127,014	124,732	129,346	126,646	124,270	132,856	133,835	131,262	111,608	88,045
Child care	142,781	139,139	123,450	126,384	96,710	99,986	129,577	132,281	126,529	72,403
Total business-type activities	<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>	<u>263,543</u>	<u>238,137</u>	<u>160,448</u>
Total district expenses	<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>	<u>\$ 13,041,344</u>	<u>\$ 12,490,508</u>	<u>\$ 12,061,683</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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Charges for services	\$143,409	\$73,900	\$27,742	\$34,607	\$28,250	\$20,045	\$73,123	\$62,010	\$24,020	\$ 59,638
Operating grants & contributions	197,376	167,463	181,008	170,529	180,347	174,306	165,509	182,247	132,831	217,182
Capital grants & contributions	-	64,576	10,124	-	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>244,257</u>	<u>156,851</u>	<u>276,820</u>
Business-type activities										
Charges for services										
Food service	101,467	95,156	85,273	87,708	85,615	80,117	82,629	85,080	70,901	59,511
Child care	181,453	178,671	110,082	134,188	144,852	125,574	136,043	136,569	143,604	91,952
Operating grants & contributions	29,152	26,255	37,174	37,972	38,888	46,068	43,018	40,155	35,625	32,051
Total business-type activities program revenues	<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>	<u>261,804</u>	<u>250,130</u>	<u>183,514</u>
Total district-program revenues	<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>	<u>\$ 506,061</u>	<u>\$ 406,981</u>	<u>\$ 460,334</u>
Net (expense) revenues										
Governmental activities	\$ (7,681,039)	\$ (8,031,229)	\$ (8,350,691)	\$ (8,077,397)	\$ (9,413,264)	\$ (10,514,821)	\$ (11,306,723)	\$ (12,533,544)	\$ (12,095,520)	\$ (11,624,415)
Business-type activities	<u>42,277</u>	<u>36,211</u>	<u>(20,267)</u>	<u>6,838</u>	<u>48,375</u>	<u>18,917</u>	<u>(1,722)</u>	<u>(1,739)</u>	<u>11,993</u>	<u>23,066</u>
Total district-wide net expenses	<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>	<u>\$ (12,535,283)</u>	<u>\$ (12,083,527)</u>	<u>\$ (11,601,349)</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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 5,979,490	\$ 6,055,296	\$ 6,055,296	\$ 6,176,403	\$ 6,299,930	\$ 6,547,034	\$ 6,719,150	\$ 6,853,532	\$ 6,990,599	\$ 7,195,106
Taxes levied for debt service	509,311	526,121	532,545	537,661	501,796	297,463	309,618	311,324	314,222	299,592
Unrestricted grants & contributions	1,651,392	1,883,405	1,986,350	1,861,933	3,082,105	3,632,374	4,574,753	5,442,761	5,280,575	4,708,862
Investment earnings	3,590	3,073	1,689	1,390	6,916	6,483	14,304	28,555	27,449	18,236
Miscellaneous income	5,193	83	441	9,037	26,821	6,479	9,173	7,817	14,035	73,601
Special item - gain (loss) on disposition of assets	-	-	55,286	-	-	-	-	(22,891)	-	-
Operating transfer	-	-	90,000	-	-	-	-	(21,005)	-	-
Total governmental activities	<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>	<u>12,600,093</u>	<u>12,626,880</u>	<u>12,295,397</u>
Business-type activities										
Investment earnings	168	141	55	48	32	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	74	-
Special item - gain (loss) on disposition of assets	-	-	-	-	-	-	-	(520)	-	-
Operating transfer	-	-	(90,000)	-	-	-	-	21,005	-	-
Total business-type activities	<u>168</u>	<u>141</u>	<u>(89,945)</u>	<u>48</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>20,485</u>	<u>74</u>	<u>-</u>
Total district-wide	<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>	<u>\$ 12,620,578</u>	<u>\$ 12,626,954</u>	<u>\$ 12,295,397</u>
Change in net position										
Governmental activities	\$ 467,937	\$ 436,749	\$ 370,916	\$ 509,027	\$ 504,304	\$ (24,988)	\$ 320,275	\$ 66,549	\$ 531,360	\$ 670,982
Business-type activities	42,445	36,352	(110,212)	6,886	48,407	18,917	(1,722)	18,746	12,067	23,066
Total district	<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>	<u>\$ 85,295</u>	<u>\$ 543,427</u>	<u>\$ 694,048</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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 170,079	\$ 200,409	\$ 397,671	\$ 577,993	\$ 728,955	\$ 831,129	\$ 1,015,505	\$ 1,037,928	\$ 904,677	\$ 1,556,096
Committed	4,311	135,081	146,262	29,479	196,739	43,591	196,623	85,984	145,428	62,313
Assigned	-	181,251	30,000	-	-	-	-	-	-	-
Unassigned	189,267	193,869	144,850	131,317	139,131	212,719	281,203	212,784	414,512	380,177
Total general fund	<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>	<u>\$ 1,336,696</u>	<u>\$ 1,464,617</u>	<u>\$ 1,998,586</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ 996,223	\$ 471,135	\$ 890,179	\$ 28,424	\$ 16,674	\$ 16,674
Debt service fund	-	-	-	-	-	999	450,668	320,969	185,669	47,072
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,223</u>	<u>\$ 472,134</u>	<u>\$ 1,340,847</u>	<u>\$ 349,393</u>	<u>\$ 202,343</u>	<u>\$ 63,746</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax levy	\$ 6,488,801	\$ 6,581,417	\$ 6,587,841	\$ 6,714,064	\$ 6,801,726	\$ 6,844,497	\$ 7,028,768	\$ 7,164,856	\$ 7,304,821	\$ 7,494,698
Tuition charges	142,369	64,450	26,650	23,072	21,331	15,840	72,700	57,412	19,820	59,638
Interest earnings	3,590	3,073	1,669	1,390	6,916	6,483	14,304	28,555	27,449	18,236
Miscellaneous	15,597	18,745	19,739	30,603	43,169	10,142	14,737	12,667	21,906	91,259
Rents and royalties	-	-	-	-	-	4,205	423	4,598	4,200	-
State sources	1,626,274	1,860,552	1,986,350	1,861,933	2,060,640	2,310,923	2,517,174	2,631,610	3,175,973	3,042,046
State sources - capital projects	-	64,576	-	-	-	-	-	-	-	-
Federal sources	213,130	181,104	172,926	160,499	170,918	170,643	159,945	177,397	124,960	199,524
<b>Total revenues</b>	<b>8,489,761</b>	<b>8,773,917</b>	<b>8,795,175</b>	<b>8,791,561</b>	<b>9,104,700</b>	<b>9,362,733</b>	<b>9,808,051</b>	<b>10,077,095</b>	<b>10,679,129</b>	<b>10,905,401</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,167,949	2,140,059	2,297,341	2,315,569	2,351,082	2,612,392	2,653,564	2,568,736	2,643,123	2,555,727
Special education instruction	861,954	813,675	851,116	891,693	881,981	932,565	876,619	989,032	977,392	995,981
Other special instruction	182,015	192,768	218,102	197,423	190,695	224,098	167,043	178,055	182,378	122,872
Other instruction	71,266	71,386	80,908	82,361	89,750	99,775	88,801	101,534	104,854	112,620
<b>Support services</b>										
Tuition	95,361	166,803	142,727	171,096	150,477	246,464	161,560	48,549	105,324	36,742
Student & inst related services	872,713	820,473	912,176	944,721	959,368	1,094,985	1,068,259	1,183,194	1,183,051	1,206,060
General administration	221,784	219,939	242,270	221,603	131,529	150,619	176,750	179,265	145,897	150,069
School administration services	177,960	183,410	186,453	187,559	211,005	222,827	228,880	245,734	252,353	244,284
Central services	147,860	151,469	152,881	157,048	175,520	179,165	185,926	191,357	165,893	177,681
Administrative information technology	24,364	27,914	31,597	28,904	41,886	45,667	40,725	36,462	36,891	77,395
Plant operations & maintenance	535,505	566,606	674,443	510,361	505,893	500,443	618,788	677,134	574,489	612,680
Pupil transportation	294,709	314,598	273,342	274,744	289,391	257,418	237,328	212,529	269,878	233,661
Employee benefits	1,288,745	1,274,384	1,280,565	1,217,177	1,247,043	1,313,412	1,292,017	1,506,772	1,633,997	1,629,876
On-behalf TPAF Pension & Social Security contribution	547,095	624,779	781,792	652,189	824,236	899,358	1,019,282	1,216,527	1,333,020	1,396,863
Capital outlay	-	240,000	67,743	195,772	28,099	-	18,976	91,352	159,284	122,012
Capital projects	-	153,845	-	-	1,111,283	525,088	116,287	861,755	11,750	-
Special revenue funds	197,376	167,463	191,132	170,529	180,347	174,306	165,509	182,247	132,831	217,182
<b>Debt service</b>										
Principal	405,000	415,000	440,000	465,000	450,000	275,000	320,000	645,000	780,000	558,959
Interest & other charges	137,816	122,393	107,680	87,806	66,856	110,626	82,132	88,945	74,853	59,365
<b>Total expenditures</b>	<b>8,229,472</b>	<b>8,666,964</b>	<b>8,932,268</b>	<b>8,771,555</b>	<b>9,886,441</b>	<b>9,864,208</b>	<b>9,518,446</b>	<b>11,204,179</b>	<b>10,767,258</b>	<b>10,510,029</b>

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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over (under) expenditures	\$ 260,289	\$ 106,953	\$ (137,093)	\$ 20,006	\$ (781,741)	\$ (501,475)	\$ 289,605	\$ (1,127,084)	\$ (88,129)	\$ 395,372
Other financing sources (uses)										
Capital leases (non-budgeted)	-	240,000	-	-	-	-	-	-	69,000	-
Proceeds from bond issue	-	-	-	-	2,104,000	-	985,000	-	-	-
Insurance claim proceeds for storm damage	-	-	55,266	-	-	-	-	-	-	-
Transfers in (out)	(25,000)	-	90,000	-	-	-	-	(21,005)	-	-
Total other financing sources (uses)	(25,000)	240,000	145,266	-	2,104,000	-	985,000	(21,005)	69,000	-
Net change in fund balances	<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>	<u>\$ (1,148,089)</u>	<u>\$ (19,129)</u>	<u>\$ 395,372</u>
Debt service as a percentage of non-capital expenditures	7.06%	6.95%	6.59%	6.89%	6.28%	4.31%	4.48%	7.71%	8.78%	6.33%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay.

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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest income	\$ 3,590	\$ 3,156	\$ 1,669	\$ 1,390	\$ 3,410	\$ 6,483	\$ 9,502	\$ 28,555	\$ 27,449	\$ 18,236
Tuition	142,369	64,450	26,650	23,072	21,331	15,840	72,700	57,412	19,820	59,638
Refunds	-	-	-	800	-	-	-	-	-	-
Rental	1,040	9,450	943	8,045	4,175	4,205	423	4,598	4,200	-
Prior year										
Refunds	1,651	-	440	1,025	20,680	657	204	3,959	11,171	29,589
Outstanding checks canceled	-	-	-	692	-	-	1,454	-	-	340
Lease Proceeds	-	-	-	-	-	-	-	-	-	38,618
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	2,750	2,835	2,700
Miscellaneous	-	-	-	114	-	-	405	1,108	29	2,354
Annual totals	<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>	<u>\$ 98,382</u>	<u>\$ 65,504</u>	<u>\$ 151,475</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 Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 5,158,160	\$ 4,891,560	\$ 6,798,400	\$ 5,995,800	\$ 6,050,500	\$ 5,149,900	\$ 5,154,400	\$ 4,752,700	\$ 3,628,200	\$ 3,152,200
Residential	318,264,300	314,374,900	268,505,400	265,511,000	266,926,800	270,059,300	274,311,500	278,608,000	285,448,400	290,187,300
Farm regular	-	-	-	119,750	119,750	119,750	119,750	119,750	119,750	119,750
Q farm	38,200	38,200	38,200	53,850	45,700	46,500	44,300	49,800	52,900	54,500
Commercial	89,369,300	81,246,500	75,335,700	73,645,300	73,680,100	72,417,800	72,190,800	72,392,800	75,963,400	78,780,900
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	9,638,600	9,638,600	8,694,800	8,401,300	8,401,300	9,791,600	15,228,800	16,994,900	19,832,000	20,062,400
<b>Total assessed value</b>	<b>422,468,560</b>	<b>410,189,760</b>	<b>359,372,500</b>	<b>353,727,000</b>	<b>355,224,150</b>	<b>357,584,850</b>	<b>367,049,550</b>	<b>372,917,950</b>	<b>385,044,650</b>	<b>392,357,050</b>
Public utilities (a)	1,150,337	1,207,689	1,207,689	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 423,618,897</b>	<b>\$ 411,397,449</b>	<b>\$ 360,580,189</b>	<b>\$ 353,727,000</b>	<b>\$ 355,224,150</b>	<b>\$ 357,584,850</b>	<b>\$ 367,049,550</b>	<b>\$ 372,917,950</b>	<b>\$ 385,044,650</b>	<b>\$ 392,357,050</b>
Estimated actual county equalized value	\$ 401,632,430	\$ 390,744,000	\$ 378,185,031	\$ 381,523,007	\$ 382,454,942	\$ 382,402,791	\$ 387,632,855	\$ 387,286,271	\$ 398,390,740	\$ 413,355,510
Percentage of net valuation to estimated actual equalized value	105.47%	105.29%	95.34%	92.71%	92.88%	93.51%	94.69%	96.29%	96.65%	94.92%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.165</b>	<b>\$ 1.200</b>	<b>\$ 1.379</b>	<b>\$ 1.425</b>	<b>\$ 1.443</b>	<b>\$ 1.424</b>	<b>\$ 1.403</b>	<b>\$ 1.372</b>	<b>\$ 1.342</b>	<b>\$ 1.374</b>

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 equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

\* Revalued/Reassessed

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 1,363,103	\$ 1,331,803	\$ 1,239,203	\$ 1,325,403	\$ 1,241,203	\$ 1,241,203	\$ 1,308,003	\$ 1,171,103	\$ 1,158,600	\$ 1,158,600
Residential	128,684,700	128,702,700	128,632,500	129,138,100	129,097,500	129,471,200	129,537,400	130,257,300	130,459,400	129,632,200
Farm regular	2,430,300	2,430,300	2,479,000	1,965,400	1,960,900	1,960,900	1,960,900	2,003,500	1,940,200	2,304,200
Q farm	50,687	50,687	50,687	38,542	44,758	44,758	44,958	44,958	42,363	43,263
Commercial	4,869,500	4,869,500	4,869,500	4,823,300	4,823,300	4,823,300	4,904,700	4,746,100	4,746,100	4,746,100
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	1,212,500	1,212,500	1,212,500	1,212,500	1,212,500	1,549,400
<b>Total assessed value</b>	<b>139,172,090</b>	<b>139,158,790</b>	<b>139,044,690</b>	<b>139,064,545</b>	<b>138,948,761</b>	<b>139,322,461</b>	<b>139,537,061</b>	<b>140,004,061</b>	<b>140,127,763</b>	<b>140,002,363</b>
Public utilities (a)	289,166	289,166	-	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 139,461,256</b>	<b>\$ 139,447,956</b>	<b>\$ 139,044,690</b>	<b>\$ 139,064,545</b>	<b>\$ 138,948,761</b>	<b>\$ 139,322,461</b>	<b>\$ 139,537,061</b>	<b>\$ 140,004,061</b>	<b>\$ 140,127,763</b>	<b>\$ 140,002,363</b>
Estimated actual county equalized value	\$ 181,519,271	\$ 171,924,493	\$ 162,454,364	\$ 157,585,366	\$ 155,042,135	\$ 154,510,881	\$ 155,455,727	\$ 159,204,072	\$ 163,034,047	\$ 169,967,662
Percentage of net valuation to estimated actual equalized value	76.83%	81.11%	85.59%	88.25%	89.62%	90.17%	89.76%	87.94%	85.95%	82.37%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.176</b>	<b>\$ 1.192</b>	<b>\$ 1.220</b>	<b>\$ 1.212</b>	<b>\$ 1.266</b>	<b>\$ 1.327</b>	<b>\$ 1.425</b>	<b>\$ 1.567</b>	<b>\$ 1.577</b>	<b>\$ 1.590</b>

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 equipment 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 (continued)**  
**All Constituent Districts Combined**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 6,521,263	\$ 6,223,363	\$ 8,037,603	\$ 7,321,203	\$ 7,291,703	\$ 6,391,103	\$ 6,462,403	\$ 5,923,803	\$ 4,786,800	\$ 4,310,800
Residential	446,949,000	443,077,600	397,137,900	394,649,100	396,024,300	399,530,500	403,848,900	408,865,300	415,907,800	419,819,500
Farm regular	2,430,300	2,430,300	2,479,000	2,085,150	2,080,650	2,080,650	2,080,650	2,123,250	2,059,950	2,423,950
Q farm	88,887	88,887	88,887	92,392	90,458	91,258	89,258	94,758	95,263	97,763
Commercial	94,238,800	86,116,000	80,205,200	78,468,600	78,503,400	77,241,100	77,095,500	77,138,900	80,709,500	83,527,000
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	10,843,800	10,843,800	9,900,000	9,606,500	9,613,800	11,004,100	16,441,300	18,207,400	21,044,500	21,611,800
<b>Total assessed value</b>	<b>561,640,650</b>	<b>549,348,550</b>	<b>498,417,190</b>	<b>492,791,545</b>	<b>494,172,911</b>	<b>496,907,311</b>	<b>506,586,611</b>	<b>512,922,011</b>	<b>525,172,413</b>	<b>532,359,413</b>
Public utilities (a)	1,439,503	1,496,855	1,207,689	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 563,080,153</b>	<b>\$ 550,845,405</b>	<b>\$ 499,624,879</b>	<b>\$ 492,791,545</b>	<b>\$ 494,172,911</b>	<b>\$ 496,907,311</b>	<b>\$ 506,586,611</b>	<b>\$ 512,922,011</b>	<b>\$ 525,172,413</b>	<b>\$ 532,359,413</b>
Estimated actual county equalized value	\$ 583,151,701	\$ 562,668,493	\$ 540,639,395	\$ 539,108,373	\$ 537,497,077	\$ 536,913,672	\$ 543,088,582	\$ 546,490,343	\$ 561,424,787	\$ 583,323,172
Percentage of net valuation to estimated actual equalized value	96.56%	97.90%	92.41%	91.41%	91.94%	92.55%	93.28%	93.86%	93.54%	91.26%
<b>Total direct school tax rate (b)</b>	<b>\$ 2.341</b>	<b>\$ 2.392</b>	<b>\$ 2.599</b>	<b>\$ 2.637</b>	<b>\$ 2.709</b>	<b>\$ 2.751</b>	<b>\$ 2.828</b>	<b>\$ 2.939</b>	<b>\$ 2.919</b>	<b>\$ 2.964</b>

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 equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

\* Revalued/Reassessed

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) Total Direct School Tax Rate	Municipality		County		
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	
2018	* 1.299	0.072	1.371	0.579	0.817	0.393	3.160	
2019	1.271	0.071	1.342	0.605	0.837	0.390	3.174	
2020	1.307	0.067	1.374	0.610	0.852	0.397	3.233	

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 (continued)**  
**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)			Municipality	County	
			Total Direct School Tax Rate					
2011	\$ 1.180	\$ -	\$ 1.180	\$ 0.740	\$ 0.490	\$ 0.450	\$ 2.860	
2012	1.190	-	1.190	0.690	0.500	0.440	2.820	
2013	1.220	-	1.220	0.690	0.530	0.420	2.860	
2014	1.210	-	1.210	0.740	0.580	0.420	2.950	
2015	1.240	0.030	1.270	0.650	0.620	0.420	2.960	
2016	1.297	0.030	1.327	0.673	0.630	0.413	3.043	
2017	1.393	0.032	1.425	0.575	0.639	0.413	3.052	
2018	1.533	0.034	1.567	0.556	0.644	0.429	3.196	
2019	1.543	0.034	1.577	0.638	0.654	0.438	3.307	
2020	1.558	0.032	1.590	0.722	0.664	0.458	3.434	

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**

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Park Valley Clinton LLC	\$ 7,260,700	1	1.85%	\$ -	
Ansuya Riverbend LLC	5,144,300	2	1.31%	-		-
SNG Properties LLC	4,437,000	3	1.13%	-		-
Halstead Place at Clinton LLC	4,393,600	4	1.12%	-		-
FMCD Realty LP C/O M Lazowsky	3,919,500	5	1.00%	2,079,600	8	0.49%
Unity Bancorp Inc	3,364,100	6	0.86%	-		-
Goldstar Property LLC	3,298,600	7	0.84%	3,396,800	4	0.80%
Highway 22 Grocery Owners LLC	3,156,500	8	0.80%	-		-
Clinton Garden Associates	3,020,000	9	0.77%	3,938,500	2	0.93%
Rowland House LLC/ Clinton II	2,850,000	10	0.73%	-		-
111 West Main Street Holdings LLC	-		-	7,810,000	1	1.84%
Clinton Unity Group	-		-	3,780,800	3	0.89%
Great Atlantic & Pacific Tea Co	-		-	2,887,000	5	0.68%
Rowland House LLC/ Clinton II	-		-	2,792,000	6	0.66%
Chrisellan Investors, Partnership	-		-	2,164,200	7	0.51%
Z & F LLC	-		-	1,926,300	9	0.45%
42 Main Street LLC	-		-	1,231,000	10	0.29%
	<u>\$ 40,844,300</u>		<u>10.41%</u>	<u>\$ 32,006,200</u>		<u>7.54%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Individual Property Owner	\$ 1,016,800	1	0.73%	\$ -	
Individual Property Owner	871,000	2	0.62%	-		-
Eastern Concrete Materials	794,500	3	0.57%	794,500	1	0.57%
NEC Holdings LLC	599,000	4	0.43%	-		-
Glen Gardner Partnership	585,500	5	0.42%	585,500	2	0.42%
Individual Property Owner	535,400	6	0.38%	-		-
Terminus Occidentalis	531,200	7	0.38%	-		-
Individual Property Owner	516,850	8	0.37%	-		-
Individual Property Owner	515,900	9	0.37%	-		-
Samtram Property LLC	501,300	10	0.36%	500,800	6	0.36%
Heartland Inc	-		-	584,000	3	0.42%
Individual Property Owner	-		-	515,000	4	0.37%
Individual Property Owner	-		-	515,000	5	0.37%
Individual Property Owner	-		-	495,500	7	0.36%
Individual Property Owner	-		-	463,000	8	0.33%
Individual Property Owner	-		-	462,000	9	0.33%
Individual Property Owner	-		-	460,000	10	0.33%
	<u>\$ 6,467,450</u>		<u>4.63%</u>	<u>\$ 5,375,300</u>		<u>3.86%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Property Tax Levies and Collections - Local Tax Levy by Constituent District**  
**Last Ten 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	7,028,768	4,880,678	267,993	1,838,472	41,625
2018	7,164,856	4,879,015	268,516	1,974,517	42,808
2019	7,304,821	4,813,667	267,000	2,176,932	47,222
2020	7,494,698	5,000,464	254,810	2,194,642	44,782

Source: District Records

See independent auditors' report.

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2011	\$ 4,928,064	\$ 4,928,064	100.00%
2012	4,941,615	4,941,615	100.00%
2013	4,925,452	4,925,452	100.00%
2014	5,016,340	5,016,340	100.00%
2015	5,116,041	5,116,041	100.00%
2016	5,086,140	5,086,140	100.00%
2017	5,148,671	5,148,671	100.00%
2018	5,147,531	5,147,531	100.00%
2019	5,080,667	5,080,667	100.00%
2020	5,255,274	5,255,274	100.00%

Source: District Records

Note:

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2011	\$ 1,560,737	\$ 1,560,737	100.00%
2012	1,639,802	1,639,802	100.00%
2013	1,662,389	1,662,389	100.00%
2014	1,697,724	1,697,724	100.00%
2015	1,685,685	1,685,685	100.00%
2016	1,758,357	1,758,357	100.00%
2017	1,880,097	1,729,391	91.98%
2018	2,017,325	2,168,031	107.47%
2019	2,224,154	2,223,954	99.99%
2020	2,239,424	2,194,842	98.01%

Source: District Records

Note:

- (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 Ended 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			
2011	\$ 2,725,000	\$ -	\$ 41,205	\$ -	\$ -	\$ 2,766,205	0.82%	\$ 589
2012	2,310,000	-	200,834	-	-	2,510,834	0.72%	538
2013	1,870,000	-	121,974	-	-	1,991,974	0.57%	429
2014	1,405,000	-	41,158	-	-	1,446,158	0.40%	313
2015	3,059,000	-	-	-	-	3,059,000	0.82%	664
2016	2,784,000	-	-	-	-	2,784,000	0.73%	607
2017	3,449,000	-	-	-	-	3,449,000	0.88%	746
2018	2,804,000	-	-	-	-	2,804,000	0.68%	607
2019	2,024,000	-	59,143	-	-	2,083,143	N/A	451
2020	1,484,000	-	40,184	-	-	1,524,184	N/A	331

Note: 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.

N/A Information is not available

See independent auditors' report.



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

Fiscal Year Ended 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		
2011	\$ 2,725,000	\$ -	\$ 2,725,000	0.48%	\$ 581
2012	2,310,000	-	2,310,000	0.42%	495
2013	1,870,000	-	1,870,000	0.37%	403
2014	1,405,000	-	1,405,000	0.29%	304
2015	3,059,000	-	3,059,000	0.62%	664
2016	2,784,000	-	2,784,000	0.56%	607
2017	3,449,000	-	3,449,000	0.68%	746
2018	2,804,000	-	2,804,000	0.55%	607
2019	2,024,000	-	2,024,000	0.39%	439
2020	1,484,000	-	1,484,000	0.28%	323

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

(a) See Exhibit J-7 for property tax data.

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

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, 2019**

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 3,771,772	100.00%	\$ 3,771,772
Regional High School	8,665,000	4.78%	414,207
County general obligation debt	85,870,478	1.83%	<u>1,574,158</u>
Subtotal, overlapping debt			5,760,137
School district direct debt			<u>1,414,954</u>
Total direct and overlapping debt			<u><u>\$ 7,175,091</u></u>

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

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

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

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt (continued)**  
**By Constituent District-Borough of Glen Gardner**  
**As of December 31, 2019**

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 1,676,862	100.00%	\$ 1,676,862
Regional High School	8,665,000	1.98%	171,180
County general obligation debt	85,870,478	0.76%	650,557
Subtotal, overlapping debt			2,498,599
School district direct debt			469,046
Total direct and overlapping debt			\$ 2,967,645

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 2020

	Equalized Valuation Basis	
	2019	\$ 581,668,267
	2018	555,394,017
	2017	544,350,815
		<u>\$ 1,681,413,099</u>
Average equalized valuation of taxable property		<u>\$ 560,471,033</u>
Debt limit (3.0% of average equalization value)	(a)	\$ 16,814,131
Total net debt applicable to limit		<u>1,484,000</u>
Legal debt margin		<u>\$ 15,330,131</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 16,100,929	\$ 16,163,220	\$ 16,236,719	\$ 16,430,080	\$ 16,814,131
Total net debt applicable	<u>2,784,000</u>	<u>3,449,000</u>	<u>2,804,000</u>	<u>2,024,000</u>	<u>1,484,000</u>
Legal debt margin	<u>\$ 13,316,929</u>	<u>\$ 12,714,220</u>	<u>\$ 13,432,719</u>	<u>\$ 14,406,080</u>	<u>\$ 15,330,131</u>
Total net debt applicable to the limit as a percentage of debt limit	17.29%	21.34%	17.27%	12.32%	8.83%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 18,243,612	\$ 17,813,780	\$ 17,007,105	\$ 16,530,684	\$ 16,170,134
Total net debt applicable	<u>2,725,000</u>	<u>2,310,000</u>	<u>1,870,000</u>	<u>3,509,000</u>	<u>3,059,000</u>
Legal debt margin	<u>\$ 15,518,612</u>	<u>\$ 15,503,780</u>	<u>\$ 15,137,105</u>	<u>\$ 13,021,684</u>	<u>\$ 13,111,134</u>
Total net debt applicable to the limit as a percentage of debt limit	14.94%	12.97%	11.00%	21.23%	18.92%

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

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>
2011	2,717	\$ 195,474,565	\$ 71,945	5.5%
2012	2,701	203,217,838	75,238	5.7%
2013	2,685	201,554,895	75,067	7.6%
2014	2,679	210,708,708	78,652	4.6%
2015	2,668	216,260,076	81,057	3.7%
2016	2,656	222,161,120	83,645	3.5%
2017	2,699	229,301,642	84,958	3.3%
2018	2,695	241,498,950	89,610	3.2%
2019	2,689	N/A	N/A	2.4%
2020	2,687	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.

N/A Information Not Available

**CLINTON-GLEN GARDNER SCHOOL DISTRICT  
Demographic and Economic Statistics (continued)  
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>
2011	1,976	\$ 142,163,320	\$ 71,945	5.2%
2012	1,965	147,842,670	75,238	5.4%
2013	1,953	146,605,851	75,067	4.9%
2014	1,947	153,135,444	78,652	5.1%
2015	1,937	157,007,409	81,057	4.3%
2016	1,934	161,769,430	83,645	4.2%
2017	1,924	163,459,192	84,958	3.4%
2018	1,925	172,499,250	89,610	3.5%
2019	1,917	N/A	N/A	3.3%
2020	1,911	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.

N/A Information Not Available

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

2020

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2011

Employer	Employees	Rank	Percentage of Total Municipal Employment
----------	-----------	------	--

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**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	33.2	29.8	33.2	34.2	35.5	36.4	36.4	36.7	36.7	35.3
Special education	19.0	18.0	19.0	19.5	18.0	16.5	16.5	16.2	16.2	16.4
Support services										
Student and instruction related services	12.9	12.9	11.9	10.9	9.4	11.5	11.5	11.5	10.5	10.8
General administration	1.5	1.5	1.5	1.5	0.9	1.4	1.3	1.5	1.5	1.8
School administration services	2.3	2.3	2.3	2.3	2.5	2.0	2.0	2.0	2.0	2.0
Central services	1.9	1.9	1.8	1.8	2.0	2.1	2.1	2.1	2.1	2.1
Plant operations and maintenance	-	-	-	5	4.6	4.6	4.8	4.7	3.7	4.0
Total	<u>70.8</u>	<u>66.4</u>	<u>69.7</u>	<u>75.2</u>	<u>72.9</u>	<u>74.5</u>	<u>74.6</u>	<u>74.7</u>	<u>72.7</u>	<u>72.4</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>June 30 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>
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	1.79%	95.99%
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 9.60	442.3	423.9	-2.96%	95.84%
2018	447	9,517,127	21,291	7.63%	46	1 to 9.70	443.9	424.6	0.36%	95.65%
2019	425	9,741,371	22,921	7.65%	45	1 to 9.40	425.0	403.9	-4.26%	95.04%
2020	438	9,769,693	22,305	-2.69%	45	1 to 9.73	435.7	421.9	2.52%	96.83%

Source: District Records

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

See independent auditors' report.

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

<u>District Building</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Elementary (1923)</u>										
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	507	496	477	478	480	456	442	429	425	422
<u>Number of schools at June 30, 2020:</u>										
Elementary	1									

Source: District Facilities Office

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 Ended</u>	<u>Amount</u>	<u>Total</u>
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
2018	274,254	274,254
2019	181,026	181,026
2020	208,327	208,327
Total school facilities	<u>\$ 1,703,428</u>	<u>\$ 1,703,428</u>

Source: District Records

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

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2020**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ School Insurance Group		
Property - Building Blanket and Contents	\$ 21,197,068	\$ 5,000
General Liability	31,000,000	-
Workers' Compensation	3,000,000	-
School Board Legal Liability	31,000,000	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.

**SINGLE AUDIT SECTION**



---

**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 fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2021.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency as finding number 2020-001.

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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 2020-001.

#### Clinton-Glen Gardner School District's Response to Findings

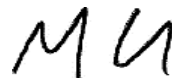
Clinton-Glen Gardner School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### 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.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA  
NO. 20CS00265600

January 13, 2021  
Flemington, New Jersey



---

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Clinton-Glen Gardner School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 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 fiscal year ended June 30, 2020. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and the OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and 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 federal and state program. However, our audit does not provide a legal determination of the District's compliance.

#### Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

#### Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule as 2020-001 to be a significant deficiency.

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. Also, as discussed above, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*BKC, CPAs, PC*

**BKC, CPAs, PC**

*MA*

Michael A. Holk, CPA, PSA  
NO. 20CS00265600

January 13, 2021  
Flemington, New Jersey

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Fiscal Year Ended June 30, 2020**

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/19	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2020		
	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	S010A190030	ESSA-0910-20	\$ 45,442	07/01/19	06/30/20	\$ -	\$ -	\$ 36,361	\$ 45,442	\$ -	\$ -	\$ (9,081)	\$ -	\$ -
Title I A	84.010A	S010S180030	ESSA-0910-19	47,980	07/01/18	06/30/19	(556)	-	14,394	13,838	-	-	-	-	-
IDEA Basic	84.027	H027A190100	IDEA-0910-20	117,251	07/01/19	06/30/20	-	-	37,982	57,845	-	-	(19,863)	-	-
IDEA Basic	84.027	H027A180100	IDEA-0910-19	118,242	07/01/18	06/30/19	(24,565)	(32,914)	57,479	-	-	-	-	-	-
IDEA Basic - Carryover	84.027	H027A180100	IDEA-0910-19	118,242	07/01/18	06/30/19	-	32,914	-	32,914	-	-	-	-	-
IDEA Preschool	84.173	H173A190114	IDEA-0910-20	5,514	07/01/19	06/30/20	-	-	4,392	4,392	-	-	-	-	-
IDEA Preschool	84.173	H173S180114	IDEA-0910-19	5,490	07/01/18	06/30/19	(5,490)	-	5,490	-	-	-	-	-	-
Rural Education Achievement Program	84.358A	S358B193030	S358A194203	38,241	07/01/19	06/30/20	-	-	-	38,241	-	-	(38,241)	-	-
CARES Act	84.425D	S425D200027	ESSER-0910-20	23,370	03/13/20	09/30/22	-	-	-	10,277	-	-	(10,277)	-	-
Total Special Revenue Fund							<u>(30,611)</u>	<u>-</u>	<u>156,098</u>	<u>202,949</u>	<u>-</u>	<u>-</u>	<u>(77,462)</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	201NJ304N1099	N/A	7,877	10/01/19	09/30/20	-	-	7,877	6,356	-	-	-	1,521	-
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	191NJ304N1099	N/A	9,757	10/01/18	09/30/19	1,497	-	-	1,497	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	191NJ304N1099	N/A	24,813	10/01/18	09/30/19	(4,272)	-	4,272	-	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	201NJ304N1099	N/A	23,165	10/01/19	09/30/20	-	-	22,277	23,165	-	-	(888)	-	-
Total Enterprise Fund							<u>(2,775)</u>	<u>-</u>	<u>34,426</u>	<u>31,018</u>	<u>-</u>	<u>-</u>	<u>(888)</u>	<u>1,521</u>	<u>-</u>
Total Federal Financial Assistance							<u>\$ (33,386)</u>	<u>\$ -</u>	<u>\$ 190,524</u>	<u>\$ 233,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,350)</u>	<u>\$ 1,521</u>	<u>\$ -</u>

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2020**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustment Repayment	Balance June 30, 2020			Memo		
				Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Education														
General Fund														
Special Education Categorical Aid	20-495-034-5120-089	\$ 254,322	07/01/19 06/30/20	\$ -	\$ -	\$ 229,180	\$ 254,322	\$ -	\$ -	\$ -	\$ -	\$ 25,142	\$ 254,322	
Equalization Aid	20-495-034-5120-078	673,606	07/01/19 06/30/20	-	-	607,015	673,606	-	-	-	-	66,591	673,606	
School Choice Aid	20-495-034-5120-068	51,433	07/01/19 06/30/20	-	-	46,348	51,433	-	-	-	-	5,085	51,433	
Security Aid	20-495-034-5120-084	38,137	07/01/19 06/30/20	-	-	34,367	38,137	-	-	-	-	3,770	38,137	
Adjustment Aid	20-495-034-5120-085	120,117	07/01/19 06/30/20	-	-	108,242	120,117	-	-	-	-	11,875	120,117	
Transportation Aid	20-495-034-5120-014	101,114	07/01/19 06/30/20	-	-	91,118	101,114	-	-	-	-	9,996	101,114	
Extraordinary Aid	20-100-034-5120-473	252,637	07/01/19 06/30/20	-	-	-	252,637	-	(252,637)	-	-	-	252,637	
Extraordinary Aid	19-100-034-5120-473	197,207	07/01/18 06/30/19	(197,207)	-	197,207	-	-	-	-	-	-	197,207	
Non-Public Transportation Aid	19-495-034-5120-014	3,480	07/01/18 06/30/19	(3,480)	-	3,480	-	-	-	-	-	-	3,480	
On-Behalf TPAF Pension contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002	800,166	07/01/19 06/30/20	-	-	800,166	800,166	-	-	-	-	-	800,166	
On-Behalf TPAF Pension contribution - Non-Contributory Insurance	20-495-034-5094-004	14,342	07/01/19 06/30/20	-	-	14,342	14,342	-	-	-	-	-	14,342	
On-Behalf TPAF Pension contribution - Postretirement Medical	20-495-034-5094-001	302,168	07/01/19 06/30/20	-	-	302,168	302,168	-	-	-	-	-	302,168	
On-Behalf TPAF Pension contribution - Long-term Disability Insurance	20-495-034-5094-004	726	07/01/19 06/30/20	-	-	726	726	-	-	-	-	-	726	
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	279,461	07/01/19 06/30/20	-	-	279,425	279,461	-	(36)	-	-	-	279,461	
Total General Fund				(200,687)	-	2,713,784	2,888,229	-	(252,673)	-	-	122,459	3,088,916	
State Department of Education														
Debt Service Fund														
Debt Service Aid - State Support	20-495-034-5120-017	147,033	07/01/19 06/30/20	-	-	147,033	147,033	-	-	-	-	-	147,033	
Total Debt Service Fund				-	-	147,033	147,033	-	-	-	-	-	147,033	
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	1,159	07/01/18 06/30/19	(207)	-	207	-	-	-	-	-	-	1,159	
State School Lunch Program	20-100-010-3350-023	1,033	07/01/19 06/30/20	-	-	769	1,033	-	(264)	-	-	-	1,033	
Total Enterprise Fund				(207)	-	976	1,033	-	(264)	-	-	-	2,192	

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2020**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019			Budgetary Expenditure	Adjustment Repayment	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (200,894)</u>	<u>\$ -</u>	<u>\$2,861,793</u>	\$3,036,295	<u>\$ -</u>	<u>\$ (252,937)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$122,459</u>	<u>\$3,238,141</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - teachers' pension & annuity fund	20-495-034-5094-002							800,166						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004							14,342						
On-Behalf TPAF Pension Contribution - Postretirement Medical	20-495-034-5094-001							302,168						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004							726						
Total for State Financial Assistance - Major Program Determinator								<u>\$1,918,893</u>						

See independent auditors' report.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2020**

Note 1 - General

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

Note 3 - Relationship of financial statements

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,784 for the general fund and (\$3,425) 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**  
**For the Fiscal Year Ended June 30, 2020**

Note 3 - Relationship of financial statements (continued)

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ -	\$ -	\$ 2,895,013	\$ 2,895,013
Special revenue fund	17,658	199,524	-	217,182
Debt service fund	-	-	147,033	147,033
Food service fund	-	31,018	1,033	32,051
Total awards and financial assistance	<u>\$ 17,658</u>	<u>\$ 230,542</u>	<u>\$ 3,043,079</u>	<u>\$ 3,291,279</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - 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 fiscal year ended June 30, 2020. 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 fiscal year ended June 30, 2020.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section I  
For the Fiscal Year Ended June 30, 2020**

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, 2020**

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?    X Yes    \_\_\_ 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? X Yes    \_\_\_ No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>20-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>20-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-495-034-5120-085</u>	<u>Adjustment Aid</u>

**CLINTON-GLEN GARDNER SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs - Section II and III**  
**For the Fiscal Year Ended June 30, 2020**

Section II - Financial Statement Findings and State Financial Assistance Findings and Questioned Costs

Finding 2020-001

Criteria

Cash balances in the financial reports of the District should be supported by bank reconciliations.

Condition

Bank reconciliation totals did not agree with cash balances detailed in the financial reports of the District.

Context

As part of our audit procedures, we compared cash balances as reported by the Board Secretary and the Treasurer to supporting bank reconciliations.

Cause

Bank reconciliations were not compared to cash balances in the financial reports of the District.

Effect

Bank reconciliations did not agree with cash balances detailed in the financial reports of the District.

Recommendation

Bank reconciliations should be compared to cash balances detailed in the financial statements and differences should be addressed in a timely manner.

Views of responsible officials and planned corrective action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**CLINTON-GLEN GARDNER SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section II and III  
For the Fiscal Year Ended June 30, 2020**

Section III - Federal Awards and Findings and Questioned Costs

Federal awards

There were no findings or questioned costs for the year ended June 30, 2020.

**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, 2020**

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on finding number 2019-001 and finding number 2019-002.