

**CLINTON-GLEN GARDNER
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

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



**CLINTON-GLEN GARDNER
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Other Information - Part I	
Introduction Section	
Letter of Transmittal	1 - 4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
 Financial section	
Independent Auditors' Report	8 - 11
 Required Supplementary Information - Part I	
Management's Discussion and Analysis	12 - 20
 Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	21 - 22
A-2 Statement of Activities	23
 B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	24 - 25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26 - 27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds	
B-4 Combining Statement of Net Position	29
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	30
B-6 Combining Statement of Cash Flows	31
Fiduciary Funds	
B-7 Statement of Net Position	N/A
B-8 Statement of Changes in Net Position	N/A
 Notes to the Financial Statements	32 - 67

**CLINTON-GLEN GARDNER
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 General Fund - Budgetary Comparison Schedule	68 - 74
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	75
 Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	76
 Required Supplementary Information - Part III	
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	77
L-2 Schedule of District's Contributions - Public Employees Retirement System	78
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	79
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	80
 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	81
 Notes to the Required Supplementary Information - Part III	82

**CLINTON-GLEN GARDNER
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Information - Part II	
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	83 - 85
E-2 Schedule of Preschool Education Aid Expenditure	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	86
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	87
F-2a to Schedule of Project Revenues, Expenditures, Project Balance and F-2b Project Status - Budgetary Basis	88 - 89
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Net Position	N/A
G-2 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Statement of Cash Flows	N/A
H. Fiduciary Funds	N/A
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	90
I-2 Schedule of Obligations Under Leases	N/A
I-3 Debt Service Fund - Budgetary Comparison Schedule	91
J. Statistical Section	
J-1 Net Position by Component	92
J-2 Changes in Net Position	93 - 95
J-3 Fund Balances - Governmental Funds	96
J-4 Changes in Fund Balances - Governmental Funds	97 - 98
J-5 General Fund - Other Local Revenues by Source	99
J-6 Assessed Value and Actual Value of Taxable Property	100 - 102
J-7 Direct and Overlapping Property Tax Rates	103 - 104
J-8 Principal Property Taxpayers	105 - 106

**CLINTON-GLEN GARDNER
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
J. Statistical Section	
J-9 Property Tax Levies and Collections	107 - 109
J-10 Ratios of Outstanding Debt by Type	110
J-11 Ratios of Net General Bonded Debt Outstanding	111
J-12 Direct and Overlapping Governmental Activities Debt	112 - 113
J-13 Legal Debt Margin Information	114
J-14 Demographic and Economic Statistics	115 - 116
J-15 Principal Employers	117
J-16 Full Time Equivalent District Employees by Function/Program	118
J-17 Operating Statistics	119
J-18 School Building Information	120
J-19 Schedule of Required Maintenance Expenditures by School Facility	121
J-20 Insurance Schedule	122
Single Audit Section	
K. Single Audit Section	
Other Reporting Required by Government Auditing Standards - Part I	
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	123 - 124
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	125 - 128
Supplementary Information	
K-3 Schedule of Expenditures of Federal Awards, Schedule A	129
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	130 - 131
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	132 - 133
Other Reporting Required by Government Auditing Standards - Part II	
K-6 Schedule of Findings and Questioned Costs - Section	134 - 136
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	137



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

Bernadette Wang, *Business Administrator*
bwang@cpsnj.org

Dr. Jenine Kastner, *Director Special Services*
jkastner@cpsnj.org

Matthew Stanbro, *Assistant
Principal/Curriculum Coordinator*
mstanbro@cpsnj.org

November 13, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Clinton-Glen Gardner School District for the fiscal year ending June 30, 2023, 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 2022-2023 fiscal year with an enrollment of 440.0. The following depicts district enrollment variations over the past 10 years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
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	3.10%
2020-2021	426.0	(2.70%)
2021-2022	440.0	3.29%
2022-2023	440.0	0.00%

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 is also 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, 2023.

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 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.

On January 25, 2022, the District successfully passed a Bond Referendum in the amount of \$985,000. The bonds were issued on March 15, 2022, at an interest rate of 2.16% payable over 5 years. The Referendum allowed the new playground project to take place. The balance of the principal on bonds as of June 30, 2023 is \$835,000. The playground is used daily by hundreds of students and is accessible for all CPS students.

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-Operating District

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, CPAs, 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

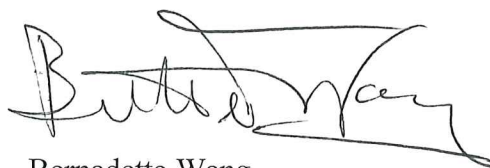
Clinton Public School has a long history of grant awards and academic achievements. The COVID 19 pandemic has allowed the District to benefit from the additional ESSER and ARP grants from the Federal government over the next 3 years. The grants will enable the District to maintain operations and ensure continuity of services that will benefit the community.

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, 2023

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Meghan Moore	President	2023
Ashley Dunker	Vice President	2024
Daniel Brkich		2023
Laura Burr		2025
Theresa Tsakalakos		2024
Jacklyn Carruthers	Lebanon Borough Board	2023
<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, 2023

AUDIT FIRM

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

FINANCIAL ADVISOR

Phoenix Advisors, LLC
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

Citizens Bank
55 Old Highway 22
Clinton, NJ 08809



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clinton-Glen Gardner School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, 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 District, as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 is the responsibility of Management and, 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.

Supplementary 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 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 presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, 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 Holk, CPA, PSA
NO. 20CS00265600

November 13, 2023
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, 2023
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, 2023. 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 2023 are as follows:

- In total, net position increased \$698,536 which represents a 7.87% increase from fiscal year 2022.
- General revenues accounted for \$12,971,538, or 90.18% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,412,178 or 9.82% to total revenues of \$14,383,716.
- Total assets of governmental activities increased by \$89,932 as cash and cash equivalents decreased by \$1,338,518, receivables and other assets increased by \$525,072 and capital assets increased by \$903,378.
- The School District had \$13,685,180 in expenses; only \$1,412,178 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,971,538 were adequate to provide for these programs.
- The general fund had \$12,216,264 in revenues, and \$12,349,117 in expenditures and other financing. The general fund's balance decreased \$132,853 over 2022.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Using this Annual Comprehensive Financial Report (ACFR)

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 2023?" 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, 2023
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, 2023
Unaudited

Table 1 provides a summary of the School District's net position at June 30, 2023 compared to June 30, 2022.

Table 1
Net Position

	6/30/23	6/30/22	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 3,876,695	\$ 4,585,432	\$ (708,737)	-15.46%
Capital assets	9,062,999	8,159,106	903,893	11.08%
Total assets	<u>12,939,694</u>	<u>12,744,538</u>	<u>195,156</u>	1.53%
 Deferred outflows of resources	 343,358	 415,484	 (72,126)	 -17.36%
Liabilities				
Long-term liabilities	2,801,134	2,927,297	(126,163)	-4.31%
Other liabilities	286,197	164,420	121,777	74.06%
Total liabilities	<u>3,087,331</u>	<u>3,091,717</u>	<u>(4,386)</u>	-0.14%
 Deferred inflows of resources	 622,407	 1,193,527	 (571,120)	 -47.85%
Net position				
Net investment in capital assets	7,743,999	6,460,106	1,283,893	19.87%
Restricted	2,386,822	3,317,745	(930,923)	-28.06%
Unrestricted	<u>(557,507)</u>	<u>(903,073)</u>	<u>345,566</u>	38.27%
Total net position	<u>\$ 9,573,314</u>	<u>\$ 8,874,778</u>	<u>\$ 698,536</u>	7.87%

Total assets increased by \$195,156. Cash and cash equivalents decreased by \$1,199,716, receivables and other assets increased by \$490,979 and capital assets increased by \$903,893. 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, increased by \$345,566. This is primarily due to decreases in amounts considered for the PERS pension 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, 2023
Unaudited

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 2
Changes in Net Position

	6/30/23	6/30/22	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 899,936	\$ 401,730	\$ 498,206	124.02%
Operating grants and contributions	512,242	552,582	(40,340)	-7.30%
General revenues				
Property taxes	7,996,357	7,961,545	34,812	0.44%
Unrestricted grants	4,852,743	5,366,349	(513,606)	-9.57%
Other	122,438	16,078	106,360	661.53%
Total revenues	<u>14,383,716</u>	<u>14,298,284</u>	<u>85,432</u>	0.60%
Expenses				
Instruction				
Regular	5,889,398	5,822,937	66,461	1.14%
Special	2,050,619	2,326,308	(275,689)	-11.85%
Other	168,006	107,797	60,209	55.85%
Support services				
Tuition	242,024	110,798	131,226	118.44%
Student & instructional related services	2,714,481	2,582,037	132,444	5.13%
General & business administration	545,483	567,269	(21,786)	-3.84%
School administration	514,476	533,382	(18,906)	-3.54%
Maintenance	863,109	727,126	135,983	18.70%
Transportation	414,801	325,533	89,268	27.42%
Food service	165,241	145,353	19,888	13.68%
Childcare service	68,991	85,616	(16,625)	-19.42%
Interest on long-term debt	48,551	39,237	9,314	23.74%
Total expenses	<u>13,685,180</u>	<u>13,373,393</u>	<u>311,787</u>	2.33%
Increase (decrease) in net position	<u>\$ 698,536</u>	<u>\$ 924,891</u>	<u>\$ (226,355)</u>	-24.47%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental Activities

Property taxes made up 55.59% of revenues for district-wide activities for the Clinton-Glen Gardner School District for fiscal year 2023.

Instruction comprises 59.25% of district expenses. Support services and interest on long-term debt make up 40.75% 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	
	6/30/23	6/30/22	6/30/23	6/30/22
Instruction	\$ 8,108,023	\$ 8,257,042	\$ 7,435,112	\$ 7,874,381
Support services				
Tuition	242,024	110,798	65,309	110,798
Student & instructional staff	2,714,481	2,582,037	2,490,026	2,344,247
General & business administration	545,483	567,269	545,483	567,269
School administration	514,476	533,382	514,476	533,382
Plant operations & maintenance	863,109	727,126	863,109	727,126
Pupil transportation	414,801	325,533	414,801	325,533
Food service	165,241	145,353	(63,858)	(81,555)
Childcare service	68,991	85,616	(40,007)	(21,337)
Interest on long-term debt	48,551	39,237	48,551	39,237
Total expenses	<u>\$ 13,685,180</u>	<u>\$ 13,373,393</u>	<u>\$ 12,273,002</u>	<u>\$ 12,419,081</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, 2023
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 90.18%. 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 \$12,984,118 and expenditures of \$13,921,122.

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 2023, 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 \$9,996,104, \$661,564 over original budgeted estimates of \$9,334,540. 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, 2023
Unaudited

Capital Assets

At the end of the fiscal year 2023, the School District had \$9,062,999 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows June 30, 2023 balances compared to June 30, 2022.

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

	6/30/23	6/30/22	Variance	
			Dollars	Percent
Land	\$ 320,100	\$ 320,100	\$ -	0.00%
Construction in progress	-	209,774	(209,774)	-100.00%
Land improvements	1,157,588	48,197	1,109,391	2301.78%
Buildings & improvements	7,171,998	7,387,300	(215,302)	-2.91%
Machinery & equipment	413,313	193,735	219,578	113.34%
	<u>\$ 9,062,999</u>	<u>\$ 8,159,106</u>	<u>\$ 903,893</u>	<u>11.08%</u>

* - Undefined

Overall capital assets increased \$903,893 from fiscal year 2022 to fiscal year 2023. Increases in capital assets were primarily for improvements to the playground.

Long-term liabilities

At June 30, 2023, the School District had \$2,801,134 of long-term liabilities. This amount is detailed in Table 5 below for June 30, 2023 compared to June 30, 2022.

At June 30, 2023, the legal debt limit is \$18,536,898. General obligation debt at June 30, 2023 is \$1,319,000 resulting in a legal debt margin of \$17,217,898.

Table 5
Long-Term Liabilities at Year End

	6/30/23	6/30/22	Variance	
			Dollars	Percent
General obligation bonds	\$ 1,319,000	\$ 1,699,000	\$ (380,000)	-22.37%
Compensated absences	165,656	178,383	(12,727)	-7.13%
PERS net pension liability	1,316,478	1,049,914	266,564	25.39%
	<u>\$ 2,801,134</u>	<u>\$ 2,927,297</u>	<u>\$ (126,163)</u>	<u>-4.31%</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

For the Future

The 2022-2023 school year brought us closer to a pre-COVID educational experience. We expanded educational and extra curricular activities, maintained small class sizes and worked to position our district for preschool expansion. As we look to the future we are excited about continued enrollment growth and high quality educational experiences for our students.

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.

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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,027	\$ 319,914	\$ 333,941
Due from other funds	-	800	800
Receivables, net	1,120,985	5,544	1,126,529
Inventory	-	5,374	5,374
Restricted cash and cash equivalents	2,410,051	-	2,410,051
Capital assets, net			
Land	320,100	-	320,100
Other capital assets, net of depreciation	8,713,518	29,381	8,742,899
Total assets	<u>12,578,681</u>	<u>361,013</u>	<u>12,939,694</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>343,358</u>	<u>-</u>	<u>343,358</u>
Liabilities			
Accounts payable	166,111	-	166,111
Accrued interest	9,461	-	9,461
Due to other funds	800	-	800
Payroll deductions and withholdings payable	60,742	-	60,742
Unearned revenue	22,250	3,621	25,871
Unemployment compensation claims payable	23,212	-	23,212
Long-term liabilities			
Due within one year	558,984	-	558,984
Due beyond one year	2,242,150	-	2,242,150
Total liabilities	<u>3,083,710</u>	<u>3,621</u>	<u>3,087,331</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>622,407</u>	<u>-</u>	<u>622,407</u>

See accompanying notes to the financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 7,714,618	\$ 29,381	\$ 7,743,999
Restricted for			
Capital reserve	1,782,290	-	1,782,290
Emergency reserve	622	-	622
Maintenance reserve	432,821	-	432,821
Student activities	59,084	-	59,084
Unemployment claims	79,081	-	79,081
Capital projects	32,924	-	32,924
Unrestricted	(885,518)	328,011	(557,507)
Total net position	\$ 9,215,922	\$ 357,392	\$ 9,573,314

See accompanying notes to the financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

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	\$ 2,974,865	\$ 2,914,533	\$ 572,353	\$ 64,531	\$ -	\$ (5,252,514)	\$ -	\$ (5,252,514)
Special education	935,046	983,310	-	11,953	-	(1,906,403)	-	(1,906,403)
Other special education	80,302	51,961	-	24,074	-	(108,189)	-	(108,189)
Other instruction	129,702	38,304	-	-	-	(168,006)	-	(168,006)
Support services								
Tuition	242,024	-	-	176,715	-	(65,309)	-	(65,309)
Students and instruction related services	1,731,503	982,978	81,694	142,761	-	(2,490,026)	-	(2,490,026)
General and business administration services	347,303	198,180	-	-	-	(545,483)	-	(545,483)
School administration services	312,428	202,048	-	-	-	(514,476)	-	(514,476)
Plant operations and maintenance	747,592	115,517	-	-	-	(863,109)	-	(863,109)
Pupil transportation	414,801	-	-	-	-	(414,801)	-	(414,801)
Interest on long-term debt	48,551	-	-	-	-	(48,551)	-	(48,551)
Total governmental activities	<u>7,964,117</u>	<u>5,486,831</u>	<u>654,047</u>	<u>420,034</u>	<u>-</u>	<u>(12,376,867)</u>	<u>-</u>	<u>(12,376,867)</u>
Business-type activities								
Food service	165,241	-	136,891	92,208	-	-	63,858	63,858
Childcare	68,991	-	108,998	-	-	-	40,007	40,007
Total business-type activities	<u>234,232</u>	<u>-</u>	<u>245,889</u>	<u>92,208</u>	<u>-</u>	<u>-</u>	<u>103,865</u>	<u>103,865</u>
Total primary government	<u>\$ 8,198,349</u>	<u>\$ 5,486,831</u>	<u>\$ 899,936</u>	<u>\$ 512,242</u>	<u>\$ -</u>	<u>(12,376,867)</u>	<u>103,865</u>	<u>(12,273,002)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						7,813,804	-	7,813,804
Property taxes levied for debt service						182,553	-	182,553
Federal and state aid not restricted						4,852,743	-	4,852,743
Investment earnings						37,024	1,357	38,381
Miscellaneous income						84,057	-	84,057
Total general revenues, special items and transfers						<u>12,970,181</u>	<u>1,357</u>	<u>12,971,538</u>
Change in net position						593,314	105,222	698,536
Net position - beginning						8,622,608	252,170	8,874,778
Net position - ending						<u>\$ 9,215,922</u>	<u>\$ 357,392</u>	<u>\$ 9,573,314</u>

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 14,027	\$ -	\$ -	\$ -	\$ 14,027
Due from other funds	132,428	-	-	-	132,428
Receivables from other governments					
Federal	-	152,599	-	-	152,599
State	502,651	-	-	-	502,651
Other local governments	462,247	-	-	-	462,247
Other accounts receivable	3,488	-	-	-	3,488
Restricted cash and cash equivalents	2,317,851	59,084	33,116	-	2,410,051
Total assets	\$ 3,432,692	\$ 211,683	\$ 33,116	\$ -	\$ 3,677,491
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 800	\$ 132,236	\$ 192	\$ -	\$ 133,228
Accounts payable	164,173	1,938	-	-	166,111
Payroll deductions and withholdings payable	60,742	-	-	-	60,742
Unearned revenue	3,825	18,425	-	-	22,250
Unemployment compensation claims payable	23,212	-	-	-	23,212
Total liabilities	252,752	152,599	192	-	405,543

See accompanying notes to the financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital reserve	\$ 1,782,290	\$ -	\$ -	\$ -	\$ 1,782,290
Emergency reserve	622	-	-	-	622
Maintenance reserve	432,821	-	-	-	432,821
Student Activities	-	59,084	-	-	59,084
Unemployment claims	79,081	-	-	-	79,081
Committed fund balance					
Encumbrances	220,530	-	32,924	-	253,454
Assigned fund balance					
Designated for subsequent year's expenditures	33,907	-	-	-	33,907
Unassigned fund balance	630,689	-	-	-	630,689
Total fund balances	<u>3,179,940</u>	<u>59,084</u>	<u>32,924</u>	<u>-</u>	<u>3,271,948</u>
Total liabilities and fund balances	<u>\$ 3,432,692</u>	<u>\$ 211,683</u>	<u>\$ 33,116</u>	<u>\$ -</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 \$15,763,120 and the accumulated depreciation is \$6,729,502.	9,033,618
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(279,049)
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.	(2,801,134)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(9,461)</u>
Total net position of governmental activities	<u>\$ 9,215,922</u>

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 7,813,804	\$ -	\$ -	\$ 182,553	\$ 7,996,357
Tuition charges					
Individuals	25,231	-	-	-	25,231
Other LEAs	547,122	-	-	-	547,122
Interest on investments	37,024	-	-	-	37,024
Miscellaneous	84,057	81,694	-	-	165,751
Total local sources	8,507,238	81,694	-	182,553	8,771,485
State sources	3,709,026	9,633	-	83,573	3,802,232
Federal sources	-	410,401	-	-	410,401
Total revenues	12,216,264	501,728	-	266,126	12,984,118
Expenditures					
Current					
Instructional					
Regular instruction	2,955,217	19,648	-	-	2,974,865
Special education instruction	923,093	11,953	-	-	935,046
Other special instruction	63,368	16,934	-	-	80,302
Other instruction	129,702	-	-	-	129,702
Support service and undistributed costs					
Tuition	65,309	176,715	-	-	242,024
Student and instruction related services	1,511,415	220,088	-	-	1,731,503
General and business administrative services	347,303	-	-	-	347,303
School administrative services	312,428	-	-	-	312,428
Plant operations and maintenance	747,592	-	-	-	747,592
Pupil transportation	414,801	-	-	-	414,801
Unallocated benefits	4,314,291	27,140	-	-	4,341,431

See accompanying notes to the 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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 400,455	\$ 24,883	\$ 808,453	\$ -	\$ 1,233,791
Debt service					
Principal	-	-	-	380,000	380,000
Interest & other charges	14,143	-	-	36,191	50,334
Total expenditures	<u>12,199,117</u>	<u>497,361</u>	<u>808,453</u>	<u>416,191</u>	<u>13,921,122</u>
Excess (deficit) of revenues over (under) expenditures	17,147	4,367	(808,453)	(150,065)	(937,004)
Other financing sources (uses)					
Transfers	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	(132,853)	4,367	(808,453)	(65)	(937,004)
Fund balances, July 1	<u>3,312,793</u>	<u>54,717</u>	<u>841,377</u>	<u>65</u>	<u>4,208,952</u>
Fund balances, June 30	<u><u>\$ 3,179,940</u></u>	<u><u>\$ 59,084</u></u>	<u><u>\$ 32,924</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,271,948</u></u>

See accompanying notes to the 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, 2023

Total net changes in fund balances - governmental fund (from B-2)	\$	(937,004)
---	----	-----------

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

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

Capital outlays	\$ 1,233,791	
Depreciation and amortization expense	<u>(330,413)</u>	903,378

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	380,000
-------------------------	---------

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.

232,430

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.

1,783

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.

12,727

Change in net position of governmental activities	\$	<u><u>593,314</u></u>
---	----	-----------------------

See accompanying notes to the financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2023

	Food Service Fund	Child Care Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 152,138	\$ 167,776	\$ 319,914
Receivables from other governments			
State	84	-	84
Federal	1,909	-	1,909
Due from Other Funds	800	-	800
Accounts receivable	3,551	-	3,551
Inventory	5,374	-	5,374
Total current assets	<u>163,856</u>	<u>167,776</u>	<u>331,632</u>
Noncurrent assets			
Capital assets	136,335	-	136,335
Less: accumulated depreciation	106,954	-	106,954
Total noncurrent assets	<u>29,381</u>	<u>-</u>	<u>29,381</u>
Total assets	<u>193,237</u>	<u>167,776</u>	<u>361,013</u>
Liabilities			
Current liabilities			
Unearned revenues - commodities	811	-	811
Unearned revenues - prepaid sales	2,810	-	2,810
Total liabilities	<u>3,621</u>	<u>-</u>	<u>3,621</u>
Net position			
Net investment in capital assets	29,381	-	29,381
Unrestricted	160,235	167,776	328,011
Total net position	<u>\$ 189,616</u>	<u>\$ 167,776</u>	<u>\$ 357,392</u>

See accompanying notes to the 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, 2023

	Food Service Fund	Child Care Program	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 80,172	\$ -	\$ 80,172
Daily sales - non-reimbursable programs	31,745	-	31,745
Satellite sales	24,974	-	24,974
Child care revenues	-	108,998	108,998
Total operating revenues	<u>136,891</u>	<u>108,998</u>	<u>245,889</u>
Operating expenses			
Cost of sales - reimbursable programs	60,861	-	60,861
Cost of sales - non-reimbursable programs	19,439	-	19,439
Commodity food costs	14,137	-	14,137
Salaries	35,571	65,420	100,991
Support services - employee benefits	5,222	-	5,222
Purchased professional/technical services	1,682	-	1,682
Purchased property services	8,098	-	8,098
Other purchased services			
Insurance	6,267	-	6,267
Management fee	8,840	-	8,840
Supplies and materials	131	3,571	3,702
Depreciation	4,993	-	4,993
Total operating expenses	<u>165,241</u>	<u>68,991</u>	<u>234,232</u>
Operating income (loss)	<u>(28,350)</u>	<u>40,007</u>	<u>11,657</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	2,249	-	2,249
Federal sources			
National school lunch program			
Cash assistance	75,822	-	75,822
Non-cash assistance (commodities)	14,137	-	14,137
Other sources			
Interest earned on investments	1,357	-	1,357
Total non-operating revenues (expenses)	<u>93,565</u>	<u>-</u>	<u>93,565</u>
Change in net position	65,215	40,007	105,222
Net position, beginning	<u>124,401</u>	<u>127,769</u>	<u>252,170</u>
Net position, ending	<u>\$ 189,616</u>	<u>\$ 167,776</u>	<u>\$ 357,392</u>

See accompanying notes to the financial statements.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Food Service Fund	Child Care Program	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 114,769	\$ 108,998	\$ 223,767
Receipts for satellite sales	19,340	-	19,340
Payments to food service management company	(139,719)	-	(139,719)
Payments to employees	-	(65,420)	(65,420)
Payments to vendors (net)	(8,434)	(3,637)	(12,071)
Net cash provided by (used for) operating activities	<u>(14,044)</u>	<u>39,941</u>	<u>25,897</u>
Cash flows from non-capital financing activities			
State sources	3,051	-	3,051
Federal sources	113,425	-	113,425
Net interfund transactions	580	-	580
Net cash provided by (used for) non-capital financing activities	<u>117,056</u>	<u>-</u>	<u>117,056</u>
Cash flows from capital financing activities:			
Acquisition of equipment	(5,508)	-	(5,508)
Net cash provided by (used for) capital financing activities	<u>(5,508)</u>	<u>-</u>	<u>(5,508)</u>
Cash flows from capital investing activities			
Interest earned on investments	1,357	-	1,357
Net cash provided by (used for) investing activities	<u>1,357</u>	<u>-</u>	<u>1,357</u>
Net increase (decrease) in cash and cash equivalents	98,861	39,941	138,802
Cash and cash equivalents, beginning	<u>53,277</u>	<u>127,835</u>	<u>181,112</u>
Cash and cash equivalents, ending	<u><u>\$ 152,138</u></u>	<u><u>\$ 167,776</u></u>	<u><u>\$ 319,914</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (28,350)	\$ 40,007	\$ 11,657
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	4,993	-	4,993
Federal food donation program	14,137	-	14,137
Increase (decrease) in accounts payable	-	(66)	(66)
(Increase) decrease in accounts receivable	(3,551)	-	(3,551)
(Increase) decrease in inventory	(1,341)	-	(1,341)
Increase (decrease) in unearned revenue	68	-	68
Net cash provided by (used for) operating activities	<u><u>\$ (14,044)</u></u>	<u><u>\$ 39,941</u></u>	<u><u>\$ 25,897</u></u>

See accompanying notes to the 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, 2023 of 440 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)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are 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.

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. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

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.

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)
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.

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

The district does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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.

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 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.

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, 2023.

J. Capital assets

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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.

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.

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, 2023, 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.

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

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

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, 2023, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	2,675,883
Total bank balances	<u>\$ 2,925,883</u>

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 2,743,992</u>
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 14,027
Enterprise funds, Statement of Net Position	B-4	319,914
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	2,410,051
Total cash and cash equivalents		<u>\$ 2,743,992</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, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 320,100	\$ -	\$ -	\$ 320,100
Construction in progress	209,774	-	209,774	-
Total	529,874	-	209,774	320,100
Capital assets, being depreciated & amortized				
Land improvements	211,481	1,143,228	-	1,354,709
Building and improvements	13,141,728	42,018	-	13,183,746
Furniture and equipment	757,249	258,319	111,003	904,565
Total	14,110,458	1,443,565	111,003	15,443,020
Accumulated depreciation & amortization				
Land improvements	163,286	33,835	-	197,121
Building and improvements	5,754,426	257,322	-	6,011,748
Furniture and equipment	592,380	39,256	111,003	520,633
Total	6,510,092	330,413	111,003	6,729,502
Total capital assets, being depreciated, net	7,600,366	1,113,152	-	8,713,518
Transfer	-	(209,774)	(209,774)	-
Governmental activities capital assets, net	\$ 8,130,240	\$ 903,378	\$ -	\$ 9,033,618

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 and equipment	\$ 130,827	\$ 5,508	\$ -	\$ 136,335
Less: accumulated depreciation	101,961	4,993	-	106,954
Business type activities capital assets, net	<u>\$ 28,866</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 29,381</u>

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

Instruction	
Regular	\$ 147,659
Special education	46,411
Other special instruction	3,986
Other instruction	6,398
Support services	
Student & instruction	85,943
General & business administration	17,238
School administration	15,507
Plant maintenance	7,271
Total depreciation and amortization expense, governmental activities	<u>\$ 330,413</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 1,699,000	\$ -	\$ 380,000	\$ 1,319,000	\$ 535,000
Compensated absences payable	178,383	-	12,727	165,656	23,984
PERS net pension liability	1,049,914	266,564	-	1,316,478	-
Total governmental activities long-term liabilities	<u>\$ 2,927,297</u>	<u>\$ 266,564</u>	<u>\$ 392,727</u>	<u>\$ 2,801,134</u>	<u>\$ 558,984</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 535,000	\$ 29,237	\$ 564,237
2025	429,000	17,470	446,470
2026	180,000	7,668	187,668
2027	175,000	3,780	178,780
Total	<u>\$ 1,319,000</u>	<u>\$ 58,155</u>	<u>\$ 1,377,155</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$985,000 - 2022 general obligation bonds, due in annual installments of \$150,000 to \$300,000, beginning March 15, 2023, through March 15, 2027, interest at 2.16%. \$ 835,000

\$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%. 484,000

\$ 1,319,000

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, 2023 is \$18,536,898. General obligation debt at June 30, 2023 is \$1,319,000, resulting in a legal debt margin of \$17,217,898.

Note 6 - Pension plans

A. Public employees' retirement systems (PERS)

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Plan description (continued)

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 the Division's annual financial statement which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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, 2022 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, 2022 measurement date.

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, 2021 through June 30, 2022. 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 non-contributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Contributions (continued)

The 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 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, 2023 was 15.15% 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.

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation 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 related to this legislation. 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 collective 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 6 - Pension plans (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, 2022:

Net pension liability	\$ 1,316,478
Proportionate share	0.008723379%

Plan fiduciary net position as a percentage of the total pension liability	62.91%
--	--------

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	2.75 - 6.55%
--	--------------

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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (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, 2022 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	4.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	7.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	4.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (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, 2022 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 (7.00%)	\$ 1,316,478
At a 1% lower rate (6.00%)	1,705,612
At a 1% higher rate (8.00%)	1,005,947

Collective deferred outflows of resources and deferred inflows of resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,502	\$ 8,379
Changes of assumptions	4,079	197,129
Net difference between projected and actual earnings on pension plan investments	54,488	-
Changes in proportion and differences between District contributions and proportionate share of contributions	165,283	416,899
District contributions subsequent to the measurement date	110,006	-
Total	<u>\$ 343,358</u>	<u>\$ 622,407</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, 2023, the Plan measurement date is June 30, 2022) of \$110,006 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (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, 2022 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 16,559	\$ (7,057)	\$ 9,502
Changes of assumptions	5,468	(1,389)	4,079
Differences between expected and actual experience	-	54,488	54,488
Deferred inflows of resources			
Differences between expected and actual experience	(7,516)	(863)	(8,379)
Changes of assumptions	(373,776)	176,647	(197,129)
Difference between projected and actual earnings on pension plan investments	(276,575)	276,575	-
Net of deferred outflows	<u>\$ (635,840)</u>	<u>\$ 498,401</u>	<u>\$ (137,439)</u>

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

Fiscal Year Ending June 30,

2023	\$ (112,926)
2024	(57,532)
2025	(28,057)
2026	61,210
2027	(134)
Total	<u>\$ (137,439)</u>

Pension expense (benefit)

For the year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$122,424), which represents the District's proportionate share of allocable plan pension revenue of (\$95,340), plus the net amortization of deferred amounts from changes in proportion of (\$20,870), plus other adjustments to the net pension liability of (\$6,214). 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, 2022 measurement date are as follows:

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Pension expense (benefit) (continued)

Service cost	\$ 63,456
Interest on total pension liability	254,503
Benefits changes	738
Member contributions	(52,918)
Administrative expense	1,136
Expected investment return net of investment expense	(169,889)
Pension expense related to specific liabilities of individual employers	(912)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	3,013
Changes of assumptions	(190,242)
Difference between projected and actual investment earnings on pension plan investments	(4,225)
Pension expense (benefit)	<u>\$ (95,340)</u>

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Plan description (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and 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 contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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.

During the State fiscal year ending June 30, 2022, the State of New Jersey contributed \$1,473,318 to the TPAF for normal pension benefits on behalf of the District.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$ 26,822,904
Less: State proportionate share of net pension liability	8,660,319
Net pension liability	<u>\$ 18,162,585</u>

Proportionate share	0.0352026180%
---------------------	---------------

Plan fiduciary net position as a percentage of the total pension liability	32.29%
--	--------

Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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 years of service)	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (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, 2022 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 weighing 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, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 the actuarially determined contributions for the State. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2022 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 (7.00%)	\$ 18,162,585
At a 1% lower rate (6.00%)	21,296,017
At a 1% higher rate (8.00%)	15,523,062

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

Service cost	\$ 420,018
Interest on total pension liability	1,808,986
Benefits changes	-
Member contributions	(318,895)
Administrative expense	4,441
Expected investment return net of investment expense	(697,012)
Pension expense related to specific liabilities of individual employers	(139)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	70,536
Changes of assumptions	(842,275)
Difference between projected and actual investment earnings on pension plan investments	43,146
Pension expense (benefit)	<u>\$ 488,806</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (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 (\$9,000 in 2023) 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/njdcrp.

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 2023 was \$3,202.

D. Other pension plan information

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$393,486 to the TPAF for postretirement medical benefits, \$20,497 for non-contributory insurance premiums, \$526 for long-term disability insurance, and \$1,477,368 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 \$321,389 during the year ended June 30, 2023 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 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

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.

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 7 - 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, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 50,646,462,966
District's proportionate share of the State's OPEB liability	19,659,257
Employer OPEB expense and related revenue	571,338

Allocable proportionate percentage	0.03888166435%
------------------------------------	----------------

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2021	\$ 23,274,704
Service cost	921,021
Interest cost	520,992
Change of benefit terms	-
Differences between expected and actual experiences	715,815
Changes of assumptions	(5,273,772)
Member contributions	16,555
Gross benefit payments	(516,058)
Total OPEB liability at June 30, 2022	<u>\$ 19,659,257</u>

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54% as of the June 30, 2022 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF</u>	<u>PERS</u>
Salary increases (based on years of service)	2.75% - 4.25%	2.75% - 6.55%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - 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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 Safety (PFRS), General (PERS), and Teachers (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreasing to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreasing to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2022 was 3.54%. 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, 2022 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:

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$ 19,659,257
At a 1% lower rate (2.54%)	23,107,389
At a 1% higher rate (4.54%)	16,895,752

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	\$ 19,659,257
At a 1% lower rate (1% decrease)	16,249,578
At a 1% higher rate (1% increase)	24,138,078

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$571,338 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 8 - Deferred compensation

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2023 is as follows:

	Receivable	Payable
General fund	\$ 132,428	\$ 800
Proprietary Fund	800	-
Special revenue	-	132,236
Capital project fund	-	192
	<u>\$ 133,228</u>	<u>\$ 133,228</u>

The special revenue fund had an interfund payable for \$132,236 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 capital projects fund to the general fund represents \$192 of interest income not yet transferred to the general fund. The balance due from the general fund to the proprietary fund represents \$800 of subsidy income not yet transferred to the proprietary fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$ 2,764
Supplies	2,610
Total	<u>\$ 5,374</u>

Note 11 - 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.

Note 12 - 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 Annual Comprehensive Financial Report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management (continued)

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 available for claims of the District's unemployment compensation insurance fund:

<u>Fiscal Year</u>	<u>Other</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Available for Claims</u>
2022 - 2023	\$ -	\$ 891	\$ 9,745	\$ 3,949	\$ 102,293
2021 - 2022	-	42	9,453	-	95,606
2020 - 2021	2,443	66	8,152	189	86,111

Note 13 - 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 N.J.A.C. 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 13 - 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 \$239,555 to their capital reserve account and \$72,406 to their maintenance reserve account by Board Resolution in June 2023 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	\$ 1,800,030	\$ 239,555	\$ 17,705	\$ 200,000	\$ 475,000	\$ 1,782,290
Emergency	110,578	-	506	-	110,462	622
Maintenance	432,788	72,406	-	11,723	84,096	432,821
Total	<u>\$ 2,343,396</u>	<u>\$ 311,961</u>	<u>\$ 18,211</u>	<u>\$ 211,723</u>	<u>\$ 669,558</u>	<u>\$ 2,215,733</u>

Note 14 - 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, 2023 is as follows:

Restricted

Capital reserve account - represents funds restricted to capital projects in the District's long-range facilities Plan. \$ 1,782,290

Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education. 622

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). 432,821

Unemployment - represents funds accumulated for future unemployment claims. 79,081

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. 220,530

Assigned

Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024 33,907

Unassigned

Undesignated - represents fund balance which has not been restricted or designated. 720,256

Total fund balance - budgetary basis (Exhibit C-1) 3,269,507

Last state aid payments not recognized on GAAP basis (89,567)

Total fund balance - GAAP basis (Exhibit B-1) \$ 3,179,940

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - 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, 2023 is \$0.

Note 16 - 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 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2023 of (\$885,518) 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.

Note 18 - Subsequent events

The District has evaluated subsequent events through November 13, 2023, 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, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Revenues					
Local sources					
Local tax levy	\$ 7,813,804	\$ -	\$ 7,813,804	\$ 7,813,804	\$ -
Tuition from individuals	-	-	-	14,350	14,350
Tuition from other LEAs within the state	520,278	-	520,278	547,122	26,844
Tuition from summer school	15,105	-	15,105	10,881	(4,224)
Unrestricted miscellaneous revenues	-	-	-	101,979	101,979
Interest earned on current expense emergency reserve	-	-	-	506	506
Interest earned on capital reserve funds	650	-	650	17,705	17,055
Other restricted miscellaneous revenues	-	-	-	891	891
Total	8,349,837	-	8,349,837	8,507,238	157,401
State sources					
School Choice Aid	39,717	-	39,717	39,717	-
Categorical Transportation Aid	101,114	-	101,114	101,114	-
Extraordinary Aid	-	-	-	468,072	468,072
Categorical Special Education Aid	332,321	-	332,321	332,321	-
Equalization Aid	473,414	-	473,414	473,414	-
Categorical Security Aid	38,137	-	38,137	38,137	-
Other State Aid	-	-	-	2,184	2,184
Stabilization Aid	-	-	-	33,907	33,907
TPAF Pension (on-behalf)	-	-	-	1,477,368	1,477,368
TPAF Non-contributory insurance	-	-	-	20,497	20,497
TPAF Social Security (reimbursed)	-	-	-	321,389	321,389
TPAF Postretirement benefits	-	-	-	393,486	393,486
TPAF Long-term disability insurance	-	-	-	526	526
Total	984,703	-	984,703	3,702,132	2,717,429
Total revenues	\$ 9,334,540	\$ -	\$ 9,334,540	\$ 12,209,370	\$ 2,874,830
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 207,321	\$ -	\$ 207,321	\$ 187,333	\$ 19,988
Grades 1-5	1,227,930	6,929	1,234,859	1,202,588	32,271
Grades 6-8	1,178,885	113,743	1,292,628	1,292,628	-
Home instruction					
Salaries of teacher	3,000	1,150	4,150	4,150	-
Purchased professional - educational services	2,000	(1,150)	850	420	430
Regular programs - undistributed instruction					
Other salaries for instruction	38,287	380	38,667	38,667	-
Other purchased services	84,000	(6,428)	77,572	60,242	17,330
General supplies	104,952	118,912	223,864	164,539	59,325
Textbooks	-	4,650	4,650	4,650	-
Total	2,846,375	238,186	3,084,561	2,955,217	129,344

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Special education					
Multiple disabilities					
Salaries of teachers	\$ 147,384	\$ 70	\$ 147,454	\$ 147,453	\$ 1
Other salaries for instruction	31,917	245	32,162	32,162	-
General supplies	6,800	(4,920)	1,880	1,157	723
Total	186,101	(4,605)	181,496	180,772	724
Resource room/resource center					
Salaries of teachers	540,378	2,140	542,518	452,831	89,687
Other salaries for instruction	70,050	(23,786)	46,264	39,879	6,385
General supplies	10,028	(6,564)	3,464	3,464	-
Total	620,456	(28,210)	592,246	496,174	96,072
Autism					
Salaries of teachers	86,242	(16,300)	69,942	69,941	1
Other salaries for instruction	73,111	619	73,730	73,730	-
General supplies	3,000	(2,226)	774	774	-
Total	162,353	(17,907)	144,446	144,445	1
Preschool disabilities - part-time					
Salaries of teachers	72,942	(1,383)	71,559	71,559	-
Other salaries for instruction	31,272	(1,839)	29,433	29,433	-
General supplies	1,000	(290)	710	710	-
Total	105,214	(3,512)	101,702	101,702	-
Total special education	1,074,124	(54,234)	1,019,890	923,093	96,797
Basic skills/remedial					
Salaries of teachers	98,061	(71,215)	26,846	26,846	-
General supplies	750	3,800	4,550	4,550	-
Total	98,811	(67,415)	31,396	31,396	-
Bilingual education - instruction					
Salaries of teachers	31,241	-	31,241	31,241	-
General supplies	750	(19)	731	731	-
Total	31,991	(19)	31,972	31,972	-
School-sponsored co/extra curricular activities - instruction					
Salaries	56,900	9,803	66,703	66,703	-
Supplies and materials	400	553	953	953	-
Total	57,300	10,356	67,656	67,656	-
School-sponsored athletics - instruction					
Salaries	37,974	(8,802)	29,172	29,172	-
Purchased services	7,000	(2,267)	4,733	4,733	-
Supplies and materials	2,000	83	2,083	2,083	-
Total	46,974	(10,986)	35,988	35,988	-

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Summer school - instruction					
Salaries of teachers	\$ 13,000	\$ 5,249	\$ 18,249	\$ 18,249	\$ -
Other salaries of instruction	12,000	(4,191)	7,809	7,809	-
General supplies	300	(300)	-	-	-
Total	25,300	758	26,058	26,058	-
Total instruction regular	\$ 4,180,875	\$ 116,646	\$ 4,297,521	\$ 4,071,380	\$ 226,141
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 72,450	\$ (72,450)	\$ -	\$ -	\$ -
Tuition to cssd & regional day schools	-	13,065	13,065	13,065	-
Tuition to priv. school for the disabled w/i state	-	52,244	52,244	52,244	-
Total	72,450	(7,141)	65,309	65,309	-
Undistributed expenditures - health services					
Salaries	78,572	6,349	84,921	84,921	-
Purchased professional and technical services	1,500	-	1,500	1,500	-
Other purchased services	150	(65)	85	85	-
Supplies and materials	4,996	3,984	8,980	8,980	-
Other objects	300	(66)	234	234	-
Total	85,518	10,202	95,720	95,720	-
Undistributed expenditures - speech, ot, pt & related services					
Salaries	146,499	-	146,499	146,499	-
Purchased professional - educational services	5,000	4,656	9,656	9,656	-
Supplies and materials	1,000	(322)	678	678	-
Total	152,499	4,334	156,833	156,833	-
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	-	59,970	59,970	59,970	-
Purchased professional - educational services	367,000	14,451	381,451	381,451	-
Total	367,000	74,421	441,421	441,421	-
Undistributed expenditures - guidance					
Salaries of other professional staff	112,464	20,808	133,272	133,272	-
Supplies and materials	500	2,925	3,425	3,425	-
Total	112,964	23,733	136,697	136,697	-
Undistributed expenditures - child study teams					
Salaries of other professional staff	295,011	(29,283)	265,728	265,728	-
Salaries of secretarial and clerical assistants	82,091	-	82,091	82,091	-
Purchased professional - educational services	2,000	(1,045)	955	955	-
Other purchased services	9,700	(751)	8,949	8,949	-
Supplies and materials	2,500	(993)	1,507	1,507	-
Other objects	1,000	(725)	275	275	-
Total	392,302	(32,797)	359,505	359,505	-

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	\$ 56,937	\$ -	\$ 56,937	\$ 56,937	\$ -
Salaries of other professional staff	52,650	(12,364)	40,286	40,286	-
Salaries of facilitators, math & literacy coaches	23,709	23,710	47,419	47,419	-
Total	133,296	11,346	144,642	144,642	-
Undistributed expenditures - edu. media service/sch. library					
Salaries	85,022	495	85,517	85,517	-
Salaries of technology coordinators	79,166	-	79,166	79,166	-
Other purchased services	1,500	(509)	991	991	-
Supplies and materials	4,500	(836)	3,664	3,664	-
Total	170,188	(850)	169,338	169,338	-
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	3,000	(2,974)	26	26	-
Other purchased services	17,300	(10,067)	7,233	7,233	-
Supplies and materials	2,000	(2,000)	-	-	-
Total	22,300	(15,041)	7,259	7,259	-
Undistributed expend. - support service - general admin.					
Salaries	87,498	(1,500)	85,998	85,998	-
Legal services	10,000	(7,183)	2,817	2,817	-
Audit fees	22,000	(1,000)	21,000	21,000	-
Architectural/engineering services	10,000	(10,000)	-	-	-
Other purchased professional services	6,750	2,425	9,175	9,175	-
Communications/telephone	22,000	(5,010)	16,990	16,990	-
BOE other purchased services	1,000	(450)	550	550	-
Miscellaneous purchased services	14,501	4,556	19,057	19,057	-
General supplies	3,500	(1,981)	1,519	1,519	-
BOE in-house training/meeting supplies	200	(165)	35	35	-
Miscellaneous expenditures	3,000	(2,150)	850	850	-
BOE membership dues and fees	4,750	(391)	4,359	4,359	-
Total	185,199	(22,849)	162,350	162,350	-
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	194,905	-	194,905	194,905	-
Salaries of secretarial and clerical assistants	47,444	(1,188)	46,256	46,256	-
Supplies and materials	3,000	(3,000)	-	-	-
Other objects	11,149	14,666	25,815	25,815	-
Total	256,498	10,478	266,976	266,976	-
Undistributed expenditures - central services					
Salaries	180,009	-	180,009	180,009	-
Purchased professional services	1,000	100	1,100	1,100	-
Miscellaneous purchased services	1,500	(780)	720	720	-
Supplies and materials	6,092	393	6,485	393	6,092
Other objects	3,000	(269)	2,731	2,731	-
Total	191,601	(556)	191,045	184,953	6,092

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - admin. info. technology					
Salaries	\$ 8,796	\$ -	\$ 8,796	\$ 8,796	\$ -
Purchased technical services	36,615	41	36,656	36,656	-
Supplies and materials	5,000	(5,000)	-	-	-
Total	50,411	(4,959)	45,452	45,452	-
Undistributed expend. - required maint. for school facilities					
Salaries	150,239	20,703	170,942	170,942	-
Cleaning, repair, and maintenance services	99,000	49,439	148,439	130,489	17,950
General supplies	17,300	(16,713)	587	587	-
Total	266,539	53,429	319,968	302,018	17,950
Undistributed expenditures - custodial services					
Salaries	131,320	10,896	142,216	142,216	-
Purchased professional and technical services	2,000	(2,000)	-	-	-
Cleaning, repair, and maintenance service	37,088	(7,505)	29,583	29,583	-
Other purchased property services	14,000	(2,774)	11,226	11,226	-
Insurance	57,269	(587)	56,682	56,682	-
Miscellaneous purchased services	600	(600)	-	-	-
General supplies	61,000	(14,521)	46,479	46,479	-
Energy (natural gas)	60,000	(12,623)	47,377	47,377	-
Energy (electricity)	97,000	13,532	110,532	110,532	-
Other objects	-	589	589	589	-
Total	460,277	(15,593)	444,684	444,684	-
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	8,500	(7,610)	890	890	-
General supplies	6,000	(6,000)	-	-	-
Total	14,500	(13,610)	890	890	-
Undistributed expenditures - security					
Purchased professional and technical services	750	(750)	-	-	-
Cleaning, repair, and maintenance service	250	(250)	-	-	-
General supplies	1,500	(1,500)	-	-	-
Total	2,500	(2,500)	-	-	-
Undistributed expenditures - student transportation service					
Management fee - ESC & CTSA trans. program	3,000	(500)	2,500	2,500	-
Contract service - aid in lieu pymts - non-public schools	22,000	(6,670)	15,330	13,286	2,044
Contract service - aid in lieu pymts - choice school students	8,000	(4,540)	3,460	3,460	-
Contract service (oth. than between home & school) - vend.	11,000	11,138	22,138	21,548	590
Contract service (reg. students) - ESCs & CTSA	135,000	(19,022)	115,978	115,978	-
Contract service (spl. ed. students) - ESCs & CTSA	64,750	193,279	258,029	258,029	-
Total	243,750	173,685	417,435	414,801	2,634

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Unallocated benefits - employee benefits					
Social Security contributions	\$ 105,000	\$ 29,765	\$ 134,765	\$ 106,366	\$ 28,399
Other retirement contributions - PERS	105,000	5,006	110,006	110,006	-
Other retirement contributions - ERIP	6,000	(3,628)	2,372	2,372	-
Other retirement contributions - regular	6,000	18,295	24,295	24,295	-
Workmen's compensation	49,748	(612)	49,136	49,136	-
Health benefits	1,786,885	(48,761)	1,738,124	1,738,124	-
Tuition reimbursement	77,721	(40,857)	36,864	36,864	-
Other employee benefits	10,000	(6,085)	3,915	3,915	-
Unused sick payment to terminated/retired staff	-	29,947	29,947	29,947	-
Total	<u>2,146,354</u>	<u>(16,930)</u>	<u>2,129,424</u>	<u>2,101,025</u>	<u>28,399</u>
On-behalf TPAF Pension contribution	-	-	-	1,477,368	(1,477,368)
On-behalf TPAF Non-contributory insurance	-	-	-	20,497	(20,497)
On-behalf TPAF Postretirement medical benefits	-	-	-	393,486	(393,486)
On-behalf TPAF Long-term disability insurance	-	-	-	526	(526)
Reimbursed TPAF Social Security contribution	-	-	-	321,389	(321,389)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,213,266</u>	<u>(2,213,266)</u>
Total undistributed expenditures	<u>\$ 5,326,146</u>	<u>\$ 228,802</u>	<u>\$ 5,554,948</u>	<u>\$ 7,713,139</u>	<u>\$ (2,158,191)</u>
Total current	<u>\$ 9,507,021</u>	<u>\$ 345,448</u>	<u>\$ 9,852,469</u>	<u>\$11,784,519</u>	<u>\$ (1,932,050)</u>
Capital outlay					
Equipment					
Kindergarten	\$ 15,878	\$ -	\$ 15,878	\$ 15,878	\$ -
Grades 1-5	60,248	77,876	138,124	138,124	-
Grades 6-8	14,573	-	14,573	14,573	-
Special education - instruction					
Resource room/resource center	60,738	-	60,738	60,738	-
Undistributed					
Undistributed expenditures - instruction	-	35,557	35,557	-	35,557
Undistributed expenditures - central services	-	5,156	5,156	5,156	-
Undistributed expenditures - admin. info. technology	49,907	5,355	55,262	5,356	49,906
Undistributed expend. - required maint. for school facilities	10,960	10,331	21,291	19,901	1,390
Undistributed expenditures - custodial services	-	15,729	15,729	15,729	-
Total equipment	<u>212,304</u>	<u>150,004</u>	<u>362,308</u>	<u>275,455</u>	<u>86,853</u>
Facilities acquisition and construction service					
Architectural/engineering services	22,493	10,149	32,642	32,642	-
Construction services	313,000	10,752	323,752	92,358	231,394
Land and improvements	-	3,618	3,618	-	3,618
Assessment for debt service on SDA funding	14,143	-	14,143	14,143	-
Total facilities acquisition and construction service	<u>349,636</u>	<u>24,519</u>	<u>374,155</u>	<u>139,143</u>	<u>235,012</u>
Total capital outlay	<u>\$ 561,940</u>	<u>\$ 174,523</u>	<u>\$ 736,463</u>	<u>\$ 414,598</u>	<u>\$ 321,865</u>
Total expenditures	<u>\$ 10,068,961</u>	<u>\$ 519,971</u>	<u>\$ 10,588,932</u>	<u>\$12,199,117</u>	<u>\$ (1,610,185)</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ (734,421)	\$ (519,971)	\$ (1,254,392)	\$ 10,253	\$ 1,264,645
Other financing sources (uses)					
Capital reserve - transfer to debt service	(150,000)	(650)	(150,650)	(150,000)	650
Total other financing sources (uses)	(150,000)	(650)	(150,650)	(150,000)	650
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(884,421)	(520,621)	(1,405,042)	(139,747)	1,265,295
Fund balances, July 1	3,409,254	-	3,409,254	3,409,254	-
Fund balances, June 30	\$ 2,524,833	\$ (520,621)	\$ 2,004,212	\$ 3,269,507	\$ 1,265,295
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (299,609)	\$ -	\$ (299,609)	\$ (299,609)	\$ -
Increase in capital reserve	-	439,000	439,000	439,000	-
Interest deposit to capital reserve	650	-	650	17,705	17,055
Withdrawal from capital reserve	(475,000)	-	(475,000)	(475,000)	-
Interest earned on emergency reserve	-	-	-	506	506
Withdrawal from emergency reserve	(110,462)	-	(110,462)	(110,462)	-
Increase in maintenance reserve	-	72,406	72,406	72,406	-
Withdrawal from maintenance reserve	-	(84,096)	(84,096)	(72,373)	11,723
Interest earned on unemployment compensation	-	-	-	891	891
Budgeted fund balance	-	(947,931)	(947,931)	287,189	1,235,120
Total	\$ (884,421)	\$ (520,621)	\$ (1,405,042)	\$ (139,747)	\$ 1,265,295
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 1,782,290	
Emergency reserve				622	
Maintenance reserve				432,821	
Unemployment compensation				79,081	
Committed fund balance					
Year-end encumbrances				220,530	
Assigned fund balance					
Designated for subsequent year's expenditures					
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures					
July 1, 2023 - June 30, 2024				33,907	
Unassigned fund balance				720,256	
Fund balance per budgetary basis				3,269,507	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(89,567)	
Fund balance per governmental funds (GAAP)				\$ 3,179,940	

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 18,425	\$ 81,694	\$ 100,119	\$ 81,694	\$ (18,425)
Federal sources	658,637	(200)	658,437	365,151	(293,286)
Total revenues	<u>\$ 677,062</u>	<u>\$ 81,494</u>	<u>\$ 758,556</u>	<u>\$ 446,845</u>	<u>\$ (311,711)</u>
Expenditures					
Instruction					
Salaries	\$ 93,304	\$ -	\$ 93,304	\$ 33,648	\$ 59,656
Other purchased services	2,806	-	2,806	-	2,806
Supplies	40,864	(8,093)	32,771	14,887	17,884
Other objects	13,316	-	13,316	-	13,316
Total	<u>150,290</u>	<u>(8,093)</u>	<u>142,197</u>	<u>48,535</u>	<u>93,662</u>
Support services					
Tuition	120,910	55,805	176,715	176,715	-
Salaries	21,105	2,559	23,664	20,000	3,664
Employee benefits	45,294	(2,559)	42,735	27,140	15,595
Purchased professional & technical services	131,774	(37,269)	94,505	80,690	13,815
Purchased property services	40,000	(35,000)	5,000	-	5,000
Other purchased services	16,312	-	16,312	1,495	14,817
Supplies	27,834	(5,643)	22,191	10,576	11,615
Student activities	-	77,327	77,327	77,327	-
Total	<u>403,229</u>	<u>55,220</u>	<u>458,449</u>	<u>393,943</u>	<u>64,506</u>
Capital outlay					
Facility acquisition and construction services	87,910	54,883	142,793	-	142,793
Equipment	35,633	(24,883)	10,750	-	10,750
Total	<u>123,543</u>	<u>30,000</u>	<u>153,543</u>	<u>-</u>	<u>153,543</u>
Total expenditures	<u>\$ 677,062</u>	<u>\$ 77,127</u>	<u>\$ 754,189</u>	<u>\$ 442,478</u>	<u>\$ 311,711</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 4,367	\$ 4,367	\$ 4,367	\$ -
Fund balances, July 1	<u>54,717</u>	<u>-</u>	<u>54,717</u>	<u>54,717</u>	<u>-</u>
Fund balances, June 30	<u>\$ 54,717</u>	<u>\$ 4,367</u>	<u>\$ 59,084</u>	<u>\$ 59,084</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 59,084	
Fund balance per budgetary basis				<u>\$ 59,084</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, 2023

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 12,209,370	\$ 446,845
Differences - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	54,883
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	96,461	-
State aid receivable current year	(89,567)	-
Total revenues (GAAP basis)	<u>\$ 12,216,264</u>	<u>\$ 501,728</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 12,199,117	\$ 442,478
Differences - budget to GAAP		
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 - prior year	-	54,883
Total expenditures (GAAP basis)	<u>\$ 12,199,117</u>	<u>\$ 497,361</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2014	0.0085999806%	\$ 1,610,152	\$ 604,752	266.25%	52.08%
2015	0.0095359971%	2,140,640	595,102	359.71%	47.93%
2016	0.0087528422%	2,592,341	622,818	416.23%	40.14%
2017	0.0097687461%	2,274,008	647,797	351.04%	48.10%
2018	0.0093441400%	1,839,815	699,483	263.02%	53.60%
2019	0.0108324675%	1,951,846	850,674	229.45%	56.27%
2020	0.0117547800%	1,917,011	726,532	263.86%	58.32%
2021	0.0088626558%	1,049,914	649,798	161.58%	70.33%
2022	0.0087233791%	1,316,478	676,471	194.61%	62.91%
2023	N/A	N/A	726,321	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 56,822	\$ (56,822)	\$ -	\$ 604,752	9.40%
2015	70,897	(70,897)	-	595,102	11.91%
2016	81,984	(81,984)	-	622,818	13.16%
2017	77,759	(77,759)	-	647,797	12.00%
2018	90,497	(90,497)	-	699,483	12.94%
2019	92,944	(92,944)	-	850,674	10.93%
2020	105,368	(105,368)	-	726,532	14.50%
2021	128,599	(128,599)	-	649,798	19.79%
2022	103,792	(103,792)	-	676,471	15.34%
2023	110,006	(110,006)	-	726,321	15.15%

N/A = Information not available

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

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	District's proportion		State's proportion			as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
2014	0.00%	\$ -	\$ 18,983,034	\$ 18,983,034	\$ 3,377,598	0.00%	33.64%
2015	0.00%	-	21,642,198	21,642,198	3,508,604	0.00%	28.71%
2016	0.00%	-	27,384,693	27,384,693	3,858,459	0.00%	22.33%
2017	0.00%	-	24,065,131	24,065,131	3,791,671	0.00%	25.41%
2018	0.00%	-	23,927,825	23,927,825	3,905,788	0.00%	26.49%
2019	0.00%	-	22,230,350	22,230,350	3,910,663	0.00%	26.95%
2020	0.00%	-	24,022,238	24,022,238	3,987,852	0.00%	24.60%
2021	0.00%	-	26,966,861	26,966,861	4,138,081	0.00%	35.52%
2022	0.00%	-	18,162,585	18,162,585	4,343,810	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	4,504,930	N/A	N/A

N/A = Information 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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 150,255	\$ (150,255)	\$ -	\$ 3,377,598	4.45%
2015	185,123	(185,123)	-	3,508,604	5.28%
2016	278,712	(278,712)	-	3,858,459	7.22%
2017	401,470	(401,470)	-	3,791,671	10.59%
2018	567,331	(567,331)	-	3,905,788	14.53%
2019	727,330	(727,330)	-	3,910,663	18.60%
2020	728,313	(728,313)	-	3,987,852	18.26%
2021	826,668	(826,668)	-	4,138,081	19.98%
2022	1,059,932	(1,059,932)	-	4,343,810	24.40%
2023	1,473,318	(1,473,318)	-	4,504,930	32.70%

N/A = Information not available

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

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 19,975,643	\$ 19,975,643	\$ 4,439,468	0.00%	0.00%
2018	0.00%	-	17,178,291	17,178,291	4,605,271	0.00%	0.00%
2019	0.00%	-	15,727,046	15,727,046	4,761,337	0.00%	0.00%
2020	0.00%	-	25,854,733	25,854,733	4,714,384	0.00%	0.00%
2021	0.00%	-	23,274,704	23,274,704	4,787,879	0.00%	0.00%
2022	0.00%	-	19,659,257	19,659,257	5,020,281	0.00%	0.00%
2023	N/A	N/A	N/A	N/A	5,231,251	N/A	N/A

N/A = Information not available

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- 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 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreasing to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreasing to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There was a decrease in liability from June 30, 2022 to June 30, 2023 due to employers adopting Chapter 44 provisions.

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, 2023

	Total Brought Forward	ESSA Title IA	ESSA Title IIA	IDEA Basic	Total
Revenues					
Local sources	\$ 81,694	\$ -	\$ -	\$ -	\$ 81,694
Federal sources	86,576	24,074	10,845	243,656	365,151
Total revenues	<u>\$ 168,270</u>	<u>\$ 24,074</u>	<u>\$ 10,845</u>	<u>\$ 243,656</u>	<u>\$ 446,845</u>
Expenditures					
Instruction					
Salaries	\$ 19,648	\$ 14,000	\$ -	\$ -	\$ 33,648
Supplies	-	2,934	-	11,953	14,887
Total	<u>19,648</u>	<u>16,934</u>	<u>-</u>	<u>11,953</u>	<u>48,535</u>
Support services					
Tuition	18,736	-	-	157,979	176,715
Salaries	20,000	-	-	-	20,000
Employee benefits	20,000	7,140	-	-	27,140
Purchased professional and technical services	5,973	-	9,350	65,367	80,690
Other purchased services	-	-	1,495	-	1,495
Supplies	2,219	-	-	8,357	10,576
Student activities	77,327	-	-	-	77,327
Total	<u>144,255</u>	<u>7,140</u>	<u>10,845</u>	<u>231,703</u>	<u>393,943</u>
Total expenditures	<u>\$ 163,903</u>	<u>\$ 24,074</u>	<u>\$ 10,845</u>	<u>\$ 243,656</u>	<u>\$ 442,478</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 4,367	\$ -	\$ -	\$ -	\$ 4,367
Fund balances, July 1	<u>54,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,717</u>
Fund balances, June 30	<u>\$ 59,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,084</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	IDEA Preschool	CRRSA CARES	CRRSA ESSER II	Total Carried Forward
Revenues					
Local sources	\$ 81,694	\$ -	\$ -	\$ -	\$ 81,694
Federal sources	78,384	5,973	1,277	942	86,576
Total revenues	<u>\$ 160,078</u>	<u>\$ 5,973</u>	<u>\$ 1,277</u>	<u>\$ 942</u>	<u>\$ 168,270</u>
Expenditures					
Instruction					
Salaries	\$ 19,648	\$ -	\$ -	\$ -	\$ 19,648
Supplies	-	-	-	-	-
Total	<u>19,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,648</u>
Support services					
Tuition	18,736	-	-	-	18,736
Salaries	20,000	-	-	-	20,000
Employee benefits	20,000	-	-	-	20,000
Purchased professional and technical services	-	5,973	-	-	5,973
Other purchased services	-	-	-	-	-
Supplies	-	-	1,277	942	2,219
Student activities	77,327	-	-	-	77,327
Total	<u>136,063</u>	<u>5,973</u>	<u>1,277</u>	<u>942</u>	<u>144,255</u>
Total expenditures	<u>\$ 155,711</u>	<u>\$ 5,973</u>	<u>\$ 1,277</u>	<u>\$ 942</u>	<u>\$ 163,903</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 4,367	\$ -	\$ -	\$ -	\$ 4,367
Fund balances, July 1	<u>54,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,717</u>
Fund balances, June 30	<u>\$ 59,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,084</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	ARP NJTSS Mental Health	ARP Accelerated Learning	ARP IDEA Basic	Student Activities	Total Carried Forward
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ 81,694	\$ 81,694
Federal sources	40,000	19,648	18,736	-	78,384
Total revenues	<u>\$ 40,000</u>	<u>\$ 19,648</u>	<u>\$ 18,736</u>	<u>\$ 81,694</u>	<u>\$ 160,078</u>
Expenditures					
Instruction					
Salaries	\$ -	\$ 19,648	\$ -	\$ -	\$ 19,648
Supplies	-	-	-	-	-
Total	<u>-</u>	<u>19,648</u>	<u>-</u>	<u>-</u>	<u>19,648</u>
Support services					
Tuition	-	-	18,736	-	18,736
Salaries	20,000	-	-	-	20,000
Employee benefits	20,000	-	-	-	20,000
Purchased professional and technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
Supplies	-	-	-	-	-
Student activities	-	-	-	77,327	77,327
Total	<u>40,000</u>	<u>-</u>	<u>18,736</u>	<u>77,327</u>	<u>136,063</u>
Total expenditures	<u>\$ 40,000</u>	<u>\$ 19,648</u>	<u>\$ 18,736</u>	<u>\$ 77,327</u>	<u>\$ 155,711</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 4,367	\$ 4,367
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,717</u>	<u>54,717</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,084</u>	<u>\$ 59,084</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

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, 2023

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/23
			Prior Years	Current Year	
Facilities improvement project	12/13/16	\$ 985,000	\$ 971,832	\$ -	\$ 13,168
Playground acquisition and installation project	1/25/22	985,000	160,297	808,453	16,250
		<u>\$ 1,970,000</u>	<u>\$ 1,132,129</u>	<u>\$ 808,453</u>	<u>\$ 29,418</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, 2023

Expenditures	
Construction services	\$ 775,811
Other professional fees	32,642
Total expenditures	<u>808,453</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(808,453)
Net position - beginning	<u>841,377</u>
Net position - ending	<u><u>\$ 32,924</u></u>
Analysis of balance	
Capital project fund balance	\$ 29,418
Interest earnings	3,506
	<u><u>\$ 32,924</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, 2023

	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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Acquisition and Installation of a New Playground
For the Fiscal Year Ended June 30, 2023

	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				
Site improvements	140,214	775,811	916,025	840,000
Construction contingency	-	-	-	42,000
Purchased professional services				
Architectural/engineering fees	-	32,642	32,642	66,500
Bond/legal fees	16,083	-	16,083	25,500
Other professional fees	4,000	-	4,000	11,000
Total expenditures	<u>20,083</u>	<u>808,453</u>	<u>968,750</u>	<u>985,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 964,917</u>	<u>\$ (808,453)</u>	<u>\$ 16,250</u>	<u>\$ -</u>

Additional Project Information

Project number	0910-030-22-1000
Grant date	N/A
Bond authorization date	01/25/22
Bonds authorized	\$ 985,000
Bonds issued	985,000
Original authorized cost	985,000
Additional authorized cost	-
Revised authorized cost	985,000
Percentage completion	98.35%

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/22	Issued	Retired	Balance 06/30/23
			Date	Amount					
School bonds of 2014	08/15/14	\$ 2,104,000	02/15/24	\$ 235,000	2.25%	\$ 714,000	\$ -	\$ 230,000	\$ 484,000
			02/15/25	249,000	2.38%	-	-	-	-
School bonds of 2022	03/30/22	985,000	03/15/24	300,000	2.16%	985,000	-	150,000	835,000
			03/15/25	180,000	2.16%	-	-	-	-
			03/15/26	180,000	2.16%	-	-	-	-
			03/15/27	175,000	2.16%	-	-	-	-
						\$ 1,699,000	\$ -	\$ 380,000	\$ 1,319,000

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 182,553	\$ -	\$ 182,553	\$ 182,553	\$ -
State sources					
Debt service aid type II	83,573	-	83,573	83,573	-
Total revenues	<u>266,126</u>	<u>-</u>	<u>266,126</u>	<u>266,126</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	380,000	-	380,000	380,000	-
Interest	36,191	-	36,191	36,191	-
Total expenditures	<u>416,191</u>	<u>-</u>	<u>416,191</u>	<u>416,191</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(150,065)	-	(150,065)	(150,065)	-
Other financing sources (uses)					
Transfer in from capital reserve account	150,000	-	150,000	150,000	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(65)</u>	<u>-</u>	<u>(65)</u>	<u>(65)</u>	<u>-</u>
Fund balance, July 1	<u>65</u>	<u>-</u>	<u>65</u>	<u>65</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses					
Budgeted fund balance	<u>\$ (65)</u>	<u>\$ -</u>	<u>\$ (65)</u>	<u>\$ (65)</u>	<u>\$ -</u>

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

STATISTICAL SECTION

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 5,385,724	\$ 4,662,010	\$ 5,225,571	\$ 4,483,417	\$ 5,822,224	\$ 6,434,956	\$ 6,814,968	\$ 7,077,232	\$ 6,431,240	\$ 7,714,618
Restricted	577,993	1,725,179	1,303,263	2,356,352	1,387,321	1,107,020	1,778,100	2,221,262	3,317,745	2,386,822
Unrestricted	(1,310,609)	(1,229,777)	(1,396,410)	(1,387,070)	(1,690,297)	(1,491,368)	(1,713,220)	(1,497,865)	(1,126,377)	(885,518)
Total governmental activities	<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>\$ 6,879,848</u>	<u>\$ 7,800,629</u>	<u>\$ 8,622,608</u>	<u>\$ 9,215,922</u>
Business-type activities										
Net investment in capital assets	\$ 7,779	\$ 16,495	\$ 21,574	\$ 32,652	\$ 48,440	\$ 43,260	\$ 38,392	\$ 33,629	\$ 28,866	\$ 29,381
Unrestricted	76,435	116,126	129,964	117,164	120,122	137,369	165,303	115,629	223,304	328,011
Total business-type activities	<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>	<u>\$ 149,258</u>	<u>\$ 252,170</u>	<u>\$ 357,392</u>
District-wide										
Net investment in capital assets	\$ 5,393,503	\$ 4,678,505	\$ 5,247,145	\$ 4,516,069	\$ 5,870,664	\$ 6,478,216	\$ 6,853,360	\$ 7,110,861	\$ 6,460,106	\$ 7,743,999
Restricted	577,993	1,725,179	1,303,263	2,356,352	1,387,321	1,107,020	1,778,100	2,221,262	3,317,745	2,386,822
Unrestricted	(1,234,174)	(1,113,651)	(1,266,446)	(1,269,906)	(1,570,175)	(1,353,999)	(1,547,917)	(1,382,236)	(903,073)	(557,507)
Total district-wide	<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>\$ 7,083,543</u>	<u>\$ 7,949,887</u>	<u>\$ 8,874,778</u>	<u>\$ 9,573,314</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,215,086	\$ 3,995,146	\$ 4,584,497	\$ 5,147,748	\$ 5,556,786	\$ 5,201,026	\$ 5,024,532	\$ 5,841,998	\$ 5,822,937	\$ 5,889,398
Special education	1,626,623	1,738,146	2,213,199	2,012,624	2,531,457	2,179,224	2,109,723	2,302,432	2,175,500	1,918,356
Other instruction	86,365	94,110	103,495	159,826	105,645	463,989	456,539	342,013	258,605	300,269
Support services										
Tuition	266,197	243,486	246,464	251,609	137,068	147,062	36,742	13,391	110,798	242,024
Student & instruction related services	1,348,496	1,674,594	1,730,507	1,895,810	2,167,741	2,194,268	2,220,216	2,564,098	2,582,037	2,714,481
General & business administrative services	501,436	501,297	495,027	558,749	627,512	724,352	610,620	595,803	567,269	545,483
School administration	299,817	359,739	421,853	451,628	525,590	424,743	417,858	525,789	533,382	514,476
Plant operations & maintenance	581,535	626,109	572,807	745,852	830,132	578,606	737,158	689,463	727,126	863,109
Pupil transportation	274,744	289,391	257,418	237,328	212,529	269,878	233,661	242,606	325,533	414,801
Interest on long-term debt	82,234	99,843	83,905	84,181	83,341	69,223	54,186	42,766	39,237	48,551
Total governmental activities expenses	8,282,533	9,621,861	10,709,172	11,545,355	12,777,801	12,252,371	11,901,235	13,160,359	13,142,424	13,450,948
Business-type activities										
Food service	126,646	124,270	132,856	133,835	131,262	111,608	88,045	60,774	145,353	165,241
Child care	126,384	96,710	99,986	129,577	132,281	126,529	72,403	60,923	85,616	68,991
Total business-type activities	253,030	220,980	232,842	263,412	263,543	238,137	160,448	121,697	230,969	234,232
Total district expenses	\$ 8,535,563	\$ 9,842,841	\$ 10,942,014	\$ 11,808,767	\$ 13,041,344	\$ 12,490,508	\$ 12,061,683	\$ 13,282,056	\$ 13,373,393	\$ 13,685,180

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 34,607	\$ 28,250	\$ 20,045	\$ 73,123	\$ 62,010	\$ 24,020	\$ 59,638	\$ 115,663	\$ 278,953	\$ 654,047
Operating grants & contributions	170,529	180,347	174,306	165,509	182,247	132,831	217,182	144,202	341,498	420,034
Total governmental activities	<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>	<u>259,865</u>	<u>620,451</u>	<u>1,074,081</u>
Business-type activities										
Charges for services										
Food service	87,708	85,615	80,117	82,629	85,080	70,901	59,511	131	15,824	136,891
Child care	134,188	144,852	125,574	136,043	136,569	143,604	91,952	18,428	106,953	108,998
Operating grants & contributions	37,972	38,888	46,068	43,018	40,155	35,625	32,051	48,541	211,084	92,208
Total business-type activities	<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>	<u>67,100</u>	<u>333,861</u>	<u>338,097</u>
Total district-wide program revenues	<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>	<u>\$ 326,965</u>	<u>\$ 954,312</u>	<u>\$ 1,412,178</u>
Net (expense) revenues										
Governmental activities	\$ (8,077,397)	\$ (9,413,264)	\$ (10,514,821)	\$ (11,306,723)	\$ (12,533,544)	\$ (12,095,520)	\$ (11,624,415)	\$ (12,900,494)	\$ (12,521,973)	\$ (12,376,867)
Business-type activities	6,838	48,375	18,917	(1,722)	(1,739)	11,993	23,066	(54,597)	102,892	103,865
Total district-wide net expenses	<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>	<u>\$ (12,955,091)</u>	<u>\$ (12,419,081)</u>	<u>\$ (12,273,002)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 6,176,403	\$ 6,299,930	\$ 6,547,034	\$ 6,719,150	\$ 6,853,532	\$ 6,990,599	\$ 7,195,106	\$ 7,425,545	\$ 7,660,592	\$ 7,813,804
Taxes levied for debt service	537,661	501,796	297,463	309,618	311,324	314,222	299,592	295,645	300,953	182,553
Unrestricted grants & contributions	1,861,933	3,082,105	3,632,374	4,574,753	5,442,761	5,280,575	4,708,862	6,082,082	5,366,349	4,852,743
Investment earnings	1,390	6,916	6,483	14,304	28,555	27,449	18,236	2,583	1,816	37,024
Miscellaneous income	9,037	26,821	6,479	9,173	7,817	14,035	73,601	15,420	14,242	84,057
Special item - gain (loss) on disposition of assets	-	-	-	-	(22,891)	-	-	-	-	-
Operating transfer	-	-	-	-	(21,005)	-	-	-	-	-
Total governmental activities	<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>	<u>13,821,275</u>	<u>13,343,952</u>	<u>12,970,181</u>
Business-type activities										
Investment earnings	48	32	-	-	-	-	-	10	20	1,357
Miscellaneous income	-	-	-	-	-	74	-	150	-	-
Special item - gain (loss) on disposition of assets	-	-	-	-	(520)	-	-	-	-	-
Operating transfer	-	-	-	-	21,005	-	-	-	-	-
Total business-type activities	<u>48</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>20,485</u>	<u>74</u>	<u>-</u>	<u>160</u>	<u>20</u>	<u>1,357</u>
Total district-wide	<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>	<u>\$ 13,821,435</u>	<u>\$ 13,343,972</u>	<u>\$ 12,971,538</u>
Change in net position										
Governmental activities	\$ 509,027	\$ 504,304	\$ (24,988)	\$ 320,275	\$ 66,549	\$ 531,360	\$ 670,982	\$ 920,781	\$ 821,979	\$ 593,314
Business-type activities	6,886	48,407	18,917	(1,722)	18,746	12,067	23,066	(54,437)	102,912	105,222
Total district	<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>	<u>\$ 866,344</u>	<u>\$ 924,891</u>	<u>\$ 698,536</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 577,993	\$ 728,955	\$ 831,129	\$ 1,015,505	\$ 1,037,928	\$ 904,677	\$ 1,631,735	\$ 2,138,947	\$ 2,421,586	\$ 2,294,814
Committed	29,479	196,739	43,591	196,623	85,984	145,428	62,313	181,088	299,609	220,530
Assigned	-	-	-	-	-	-	-	-	-	33,907
Unassigned	131,317	139,131	212,719	281,203	212,784	414,512	380,177	533,444	591,598	630,689
Total general fund	<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>\$ 2,074,225</u>	<u>\$ 2,853,479</u>	<u>\$ 3,312,793</u>	<u>\$ 3,179,940</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,619	\$ 65,576	\$ 54,717	\$ 59,084
Capital projects fund	-	996,223	471,135	890,179	28,424	16,674	16,674	16,674	841,377	32,924
Debt service fund	-	-	999	450,668	320,969	185,669	47,072	65	65	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 996,223</u>	<u>\$ 472,134</u>	<u>\$ 1,340,847</u>	<u>\$ 349,393</u>	<u>\$ 202,343</u>	<u>\$ 146,365</u>	<u>\$ 82,315</u>	<u>\$ 896,159</u>	<u>\$ 92,008</u>
							*			

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 6,714,064	\$ 6,801,726	\$ 6,844,497	\$ 7,028,768	\$ 7,164,856	\$ 7,304,821	\$ 7,494,698	\$ 7,721,190	\$ 7,961,545	\$ 7,996,357
Tuition charges	23,072	21,331	15,840	72,700	57,412	19,820	59,638	93,686	235,538	572,353
Interest earnings	1,390	6,916	6,483	14,304	28,555	27,449	18,236	2,583	1,816	37,024
Miscellaneous	30,603	43,169	10,142	14,737	12,667	21,906	91,259	49,044	58,396	165,751
Rents and royalties	-	-	4,205	423	4,598	4,200	-	-	-	-
State sources	1,861,933	2,060,640	2,310,923	2,517,174	2,631,610	3,175,973	3,042,046	3,307,265	3,675,080	3,802,232
Federal sources	160,499	170,918	170,643	159,945	177,397	124,960	199,524	132,555	340,759	410,401
Total revenues	8,791,561	9,104,700	9,362,733	9,808,051	10,077,095	10,679,129	10,905,401	11,306,323	12,273,134	12,984,118
Expenditures										
Instruction										
Regular instruction	2,315,569	2,351,082	2,612,392	2,653,564	2,568,736	2,643,123	2,555,727	2,588,719	2,748,493	2,955,217
Special education instruction	891,693	881,981	932,565	876,619	989,032	977,392	995,981	1,007,045	1,007,417	923,093
Other special instruction	197,423	190,695	224,098	167,043	178,055	182,378	122,872	73,645	32,923	63,368
Other instruction	82,361	89,750	99,775	88,801	101,534	104,854	112,620	67,457	97,431	129,702
Support services										
Tuition	171,096	150,477	246,464	161,560	48,549	105,324	36,742	13,391	110,798	65,309
Student & inst related services	944,721	959,368	1,094,985	1,068,259	1,183,194	1,183,051	1,206,060	1,240,427	1,303,120	1,511,415
General administration	221,603	131,529	150,619	176,750	179,265	145,897	150,069	167,652	171,505	162,350
School administration services	187,559	211,005	222,827	228,880	245,734	252,353	244,284	239,560	265,557	266,976
Central services	157,048	175,520	179,165	185,926	191,357	165,893	177,681	177,293	180,412	184,953
Administrative information technology	28,904	41,886	45,667	40,725	36,462	36,891	77,395	47,663	50,722	45,452
Plant operations & maintenance	510,361	505,893	500,443	618,788	677,134	574,489	612,680	554,748	613,069	747,592
Pupil transportation	274,744	289,391	257,418	237,328	212,529	269,878	233,661	242,606	325,533	414,801
Employee benefits	1,217,177	1,247,043	1,313,412	1,292,017	1,506,772	1,633,997	1,629,876	1,676,654	1,890,710	2,101,025
On-behalf TPAF Pension & Social Security contribution	652,189	824,236	899,358	1,019,282	1,216,527	1,333,020	1,396,863	1,699,508	2,122,186	2,213,266
Capital outlay	195,772	28,099	-	18,976	91,352	159,284	122,012	134,613	91,582	400,455
Capital projects	-	1,111,283	525,088	116,287	861,755	11,750	-	-	160,297	808,453
Special revenue funds	170,529	180,347	174,306	165,509	182,247	132,831	217,182	183,222	395,772	497,361
Debt service										
Principal	465,000	450,000	275,000	320,000	645,000	780,000	558,959	429,705	380,479	380,000
Interest & other charges	87,806	66,856	110,626	82,132	88,945	74,853	59,365	47,211	36,970	50,334
Total expenditures	\$ 8,771,555	\$ 9,886,441	\$ 9,864,208	\$ 9,518,446	\$ 11,204,179	\$ 10,767,258	\$ 10,510,029	\$ 10,591,119	\$ 11,984,976	\$ 13,921,122

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 20,006	\$ (781,741)	\$ (501,475)	\$ 289,605	\$ (1,127,084)	\$ (88,129)	\$ 395,372	\$ 715,204	\$ 288,158	\$ (937,004)
Other financing sources (uses)										
Leases (non-budgeted)	-	-	-	-	-	69,000	-	-	-	-
Proceeds from bond issue	-	2,104,000	-	985,000	-	-	-	-	985,000	-
Transfers in (out)	-	-	-	-	(21,005)	-	-	-	-	-
Total other financing sources (uses)	-	2,104,000	-	985,000	(21,005)	69,000	-	-	985,000	-
Net change in fund balances	<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>	<u>\$ 715,204</u>	<u>\$ 1,273,158</u>	<u>\$ (937,004)</u>
Debt service as a percentage of non-capital expenditures	6.89%	6.28%	4.31%	4.48%	7.71%	8.78%	6.33%	4.78%	3.69%	3.50%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 1,390	\$ 3,410	\$ 6,483	\$ 9,502	\$ 28,555	\$ 27,449	\$ 18,236	\$ 2,583	\$ 1,816	\$ 37,024
Tuition	23,072	21,331	15,840	72,700	57,412	19,820	59,638	93,686	235,538	572,353
Refunds	800	-	-	-	-	-	-	-	-	-
Rental	8,045	4,175	4,205	423	4,598	4,200	-	-	-	-
Prior year										
Refunds	1,025	20,680	657	204	3,959	11,171	29,589	9,525	5,820	69,013
Outstanding checks canceled	692	-	-	1,454	-	-	340	3,110	-	5,838
Lease proceeds	-	-	-	-	-	-	38,618	-	-	-
Insurance recovery	3,750	-	-	-	-	-	-	-	-	-
Services provided to other LEA's	-	-	-	-	-	-	-	-	-	8,077
Workshop fee	3,490	2,745	-	3,000	-	-	-	-	-	-
iPad insurance	2,657	6,140	3,438	4,110	2,750	2,835	2,700	-	-	730
Miscellaneous	114	-	-	405	1,108	29	2,354	2,785	8,422	399
Annual totals	<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>	<u>\$ 111,689</u>	<u>\$ 251,596</u>	<u>\$ 693,434</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 5,995,800	\$ 6,050,500	\$ 5,149,900	\$ 5,154,400	\$ 4,752,700	\$ 3,628,200	\$ 3,152,200	\$ 2,967,700	\$ 5,889,700	\$ 5,291,700
Residential	265,511,000	266,926,800	270,059,300	274,311,500	278,608,000	285,448,400	290,187,300	296,853,200	316,540,000	334,665,700
Farm regular	119,750	119,750	119,750	119,750	119,750	119,750	119,750	119,750	-	-
Q farm	53,850	45,700	46,500	44,300	49,800	52,900	54,500	51,600	34,300	52,500
Commercial	73,645,300	73,680,100	72,417,800	72,190,800	72,392,800	75,963,400	78,780,900	76,351,900	79,391,900	81,739,400
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	8,401,300	8,401,300	9,791,600	15,228,800	16,994,900	19,832,000	20,062,400	20,465,000	21,272,200	21,939,800
Total assessed value	353,727,000	355,224,150	357,584,850	367,049,550	372,917,950	385,044,650	392,357,050	396,809,150	423,128,100	443,689,100
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
Net valuation taxable	<u>\$ 353,727,000</u>	<u>\$ 355,224,150</u>	<u>\$ 357,584,850</u>	<u>\$ 367,049,550</u>	<u>\$ 372,917,950</u>	<u>\$ 385,044,650</u>	<u>\$ 392,357,050</u>	<u>\$ 396,809,150</u>	<u>\$ 423,128,100</u>	<u>\$ 443,689,100</u>
Estimated actual county equalized value	<u>\$ 381,523,007</u>	<u>\$ 382,454,942</u>	<u>\$ 382,402,791</u>	<u>\$ 387,632,855</u>	<u>\$ 387,286,271</u>	<u>\$ 398,390,740</u>	<u>\$ 413,355,510</u>	<u>\$ 419,548,689</u>	<u>\$ 430,095,650</u>	<u>\$ 460,067,503</u>
Percentage of net valuation to estimated actual equalized value	<u>92.71%</u>	<u>92.88%</u>	<u>93.51%</u>	<u>94.69%</u>	<u>96.29%</u>	<u>96.65%</u>	<u>94.92%</u>	<u>94.58%</u>	<u>98.38%</u>	<u>96.44%</u>
Total direct school tax rate (b)	<u>\$ 1.425</u>	<u>\$ 1.443</u>	<u>\$ 1.424</u>	<u>\$ 1.403</u>	<u>\$ 1.372</u>	<u>\$ 1.342</u>	<u>\$ 1.374</u>	<u>\$ 1.412</u>	<u>\$ 1.327</u>	<u>\$ 1.279</u>
					*			*	*	*

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 1,325,403	\$ 1,241,203	\$ 1,241,203	\$ 1,308,003	\$ 1,171,103	\$ 1,158,600	\$ 1,158,600	\$ 1,097,000	\$ 1,097,000	\$ 1,008,200
Residential	129,138,100	129,097,500	129,471,200	129,537,400	130,257,300	130,459,400	129,632,200	129,723,900	129,405,900	129,331,000
Farm regular	1,965,400	1,960,900	1,960,900	1,960,900	2,003,500	1,940,200	2,304,200	2,335,600	2,335,600	2,335,600
Q farm	38,542	44,758	44,758	44,958	44,958	42,363	43,263	43,263	43,263	43,263
Commercial	4,823,300	4,823,300	4,823,300	4,904,700	4,746,100	4,746,100	4,746,100	4,746,100	4,746,100	4,740,100
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	1,212,500	1,212,500	1,212,500	1,212,500	1,212,500	1,549,400	1,549,400	1,482,000	1,482,000
Total assessed value	139,064,545	138,948,761	139,322,461	139,537,061	140,004,061	140,127,763	140,002,363	140,063,863	139,678,463	139,508,763
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
Net valuation taxable	<u>\$ 139,064,545</u>	<u>\$ 138,948,761</u>	<u>\$ 139,322,461</u>	<u>\$ 139,537,061</u>	<u>\$ 140,004,061</u>	<u>\$ 140,127,763</u>	<u>\$ 140,002,363</u>	<u>\$ 140,063,863</u>	<u>\$ 139,678,463</u>	<u>\$ 139,508,763</u>
Estimated actual county equalized value	<u>\$ 157,585,366</u>	<u>\$ 155,042,135</u>	<u>\$ 154,510,881</u>	<u>\$ 155,455,727</u>	<u>\$ 159,204,072</u>	<u>\$ 163,034,047</u>	<u>\$ 169,967,662</u>	<u>\$ 170,934,663</u>	<u>\$ 178,525,643</u>	<u>\$ 193,735,263</u>
Percentage of net valuation to estimated actual equalized value	<u>88.25%</u>	<u>89.62%</u>	<u>90.17%</u>	<u>89.76%</u>	<u>87.94%</u>	<u>85.95%</u>	<u>82.37%</u>	<u>81.94%</u>	<u>78.24%</u>	<u>72.01%</u>
Total direct school tax rate (b)	<u>\$ 1.212</u>	<u>\$ 1.266</u>	<u>\$ 1.327</u>	<u>\$ 1.425</u>	<u>\$ 1.567</u>	<u>\$ 1.577</u>	<u>\$ 1.590</u>	<u>\$ 1.598</u>	<u>\$ 1.742</u>	<u>\$ 1.698</u>

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 7,321,203	\$ 7,291,703	\$ 6,391,103	\$ 6,462,403	\$ 5,923,803	\$ 4,786,800	\$ 4,310,800	\$ 4,064,700	\$ 6,986,700	\$ 6,299,900
Residential	394,649,100	396,024,300	399,530,500	403,848,900	408,865,300	415,907,800	419,819,500	426,577,100	445,945,900	463,996,700
Farm regular	2,085,150	2,080,650	2,080,650	2,080,650	2,123,250	2,059,950	2,423,950	2,455,350	2,335,600	2,335,600
Q farm	92,392	90,458	91,258	89,258	94,758	95,263	97,763	94,863	77,563	95,763
Commercial	78,468,600	78,503,400	77,241,100	77,095,500	77,138,900	80,709,500	83,527,000	81,098,000	84,138,000	86,479,500
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	9,606,500	9,613,800	11,004,100	16,441,300	18,207,400	21,044,500	21,611,800	22,014,400	22,754,200	23,421,800
Total assessed value	492,791,545	494,172,911	496,907,311	506,586,611	512,922,011	525,172,413	532,359,413	536,873,013	562,806,563	583,197,863
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
Net valuation taxable	<u>\$ 492,791,545</u>	<u>\$ 494,172,911</u>	<u>\$ 496,907,311</u>	<u>\$ 506,586,611</u>	<u>\$ 512,922,011</u>	<u>\$ 525,172,413</u>	<u>\$ 532,359,413</u>	<u>\$ 536,873,013</u>	<u>\$ 562,806,563</u>	<u>\$ 583,197,863</u>
Estimated actual county equalized value	<u>\$ 539,108,373</u>	<u>\$ 537,497,077</u>	<u>\$ 536,913,672</u>	<u>\$ 543,088,582</u>	<u>\$ 546,490,343</u>	<u>\$ 561,424,787</u>	<u>\$ 583,323,172</u>	<u>\$ 590,483,352</u>	<u>\$ 608,621,293</u>	<u>\$ 653,802,766</u>
Percentage of net valuation to estimated actual equalized value	<u>91.41%</u>	<u>91.94%</u>	<u>92.55%</u>	<u>93.28%</u>	<u>93.86%</u>	<u>93.54%</u>	<u>91.26%</u>	<u>90.92%</u>	<u>92.47%</u>	<u>89.20%</u>

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
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	General	(From J-6)				
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	
2014	\$ 1.273	\$ 0.152	\$ 1.425	\$ 0.567	\$ 0.685	\$ 0.401	\$ 3.078
2015	1.302	0.141	1.443	0.538	0.735	0.401	3.117
2016	1.351	0.073	1.424	0.544	0.789	0.398	3.155
2017	1.330	0.073	1.403	0.559	0.803	0.392	3.157
2018	* 1.301	0.071	1.372	0.579	0.817	0.393	3.161
2019	1.271	0.071	1.342	0.605	0.837	0.390	3.174
2020	1.308	0.066	1.374	0.610	0.852	0.397	3.233
2021	* 1.347	0.065	1.412	0.627	0.872	0.399	3.310
2022	* 1.267	0.060	1.327	0.641	0.875	0.384	3.227
2023	* 1.250	0.029	1.279	0.645	0.817	0.391	3.132

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	General	(From J-6)				
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	
2014	\$ 1.212	\$ -	\$ 1.212	\$ 0.742	\$ 0.580	\$ 0.420	\$ 2.954
2015	1.266	-	1.266	0.650	0.620	0.420	2.956
2016	1.298	0.029	1.327	0.673	0.630	0.413	3.043
2017	1.394	0.031	1.425	0.575	0.639	0.413	3.052
2018	1.534	0.033	1.567	0.556	0.644	0.429	3.196
2019	1.544	0.033	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
2021	1.566	0.032	1.598	0.730	0.674	0.460	3.462
2022	1.707	0.035	1.742	0.766	0.674	0.481	3.663
2023	1.659	0.039	1.698	0.902	0.674	0.523	3.797

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

	2023			2014		
	Taxable Assessed	Rank	% of Total District Net	Taxable Assessed	Rank	% of Total District Net
	Value		Assessed Value	Value		Assessed Value
Park Valley Clinton LLC	\$ 7,805,300	1	1.76%	\$ -		0.00%
Ansuya Riverbend LLC	5,671,000	2	1.28%	-		0.00%
MRP Halstead Place LLC	4,813,800	3	1.08%	-		0.00%
FMCD Realty LP C/O M Lazowsky	3,919,500	4	0.88%	4,338,900	2	1.23%
SNG Properties LLC	3,621,000	5	0.82%	5,112,000	1	1.45%
Unity Bancorp Inc	3,394,800	6	0.77%	-		0.00%
J & C Ventures 2021 LLC						
& Jag 2020 LLC	3,361,500	7	0.76%	-		0.00%
Clinton Garden Associates	3,331,700	8	0.75%	3,615,700	4	1.02%
Old 22 Urban Renewal Assoc LLC	3,150,000	9	0.71%	-		0.00%
Clinton Village APTS LLC	3,148,500	10	0.71%	-		0.00%
Great Atlantic & Pacific Tea Co	-		0.00%	3,860,400	3	1.09%
Clinton Unity Group LLC	-		0.00%	3,281,500	5	0.93%
Goldstar Property LLC	-		0.00%	3,257,800	6	0.92%
Hunterdon Realty LLC	-		0.00%	3,091,000	7	0.87%
Rowland House LLC						
& Clinton II LLC	-		0.00%	2,677,800	8	0.76%
Bank of America	-		0.00%	1,823,600	9	0.52%
Chrisellan Investors	-		0.00%	1,725,300	10	0.49%
	<u>\$ 42,217,100</u>		<u>9.52%</u>	<u>\$ 32,784,000</u>		<u>9.28%</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

	2023			2014		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed		District Net	Assessed		District Net
	Value		Assessed Value	Value		Assessed Value
Individual Property Owner	\$ 1,256,400	1	0.90%	\$ 1,216,700	1	0.87%
Eastern Concrete Materials	794,500	3	0.57%	794,500	3	0.57%
Cutts Heritage Investment LLC	599,000	4	0.43%	-		0.00%
Individual Property Owner	598,500	2	0.43%	990,400	2	0.71%
School Street Properties	585,500	5	0.42%	-		0.00%
Individual Property Owner	516,850	6	0.37%	604,900	4	0.43%
Samtram Property LLC	501,300	7	0.36%	-		0.00%
Individual Property Owner	492,500	8	0.35%	595,700	5	0.43%
Individual Property Owner	486,700	9	0.35%	535,400	8	0.39%
Individual Property Owner	485,012	10	0.35%	531,600	9	0.38%
Glen Gardner Partnership	-		0.00%	585,500	6	0.42%
Heartland Inc	-		0.00%	584,000	7	0.42%
Terminus Occidentalis LLC	-		0.00%	531,200	10	0.38%
	<u>\$ 6,316,262</u>		<u>4.53%</u>	<u>\$ 6,969,900</u>		<u>5.00%</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
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
2021	7,721,190	5,272,137	252,766	2,153,408	42,879
2022	7,961,545	5,424,250	254,877	2,236,342	46,076
2023	7,996,357	5,421,248	126,656	2,392,556	55,897

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
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%
2021	5,524,903	5,524,903	100.00%
2022	5,679,127	5,679,127	100.00%
2023	5,547,904	5,096,384	91.86%

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
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%
2021	2,196,287	2,226,287	101.37%
2022	2,282,418	2,282,418	100.00%
2023	2,448,453	2,448,453	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.

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 Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2014	\$ 1,405,000	\$ -	\$ 41,158	\$ -	\$ -	\$ 1,446,158	0.42%	\$ 312
2015	3,059,000	-	-	-	-	3,059,000	0.84%	665
2016	2,784,000	-	-	-	-	2,784,000	0.75%	605
2017	3,449,000	-	-	-	-	3,449,000	0.89%	744
2018	2,804,000	-	-	-	-	2,804,000	0.71%	605
2019	2,024,000	-	59,143	-	-	2,083,143	0.51%	451
2020	1,484,000	-	40,184	-	-	1,524,184	0.36%	330
2021	1,074,000	-	20,479	-	-	1,094,479	0.25%	239
2022	1,699,000	-	-	-	-	1,699,000	0.38%	381
2023	1,319,000	-	-	-	-	1,319,000	N/A	295

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		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 1,405,000	\$ -	\$ 1,405,000	0.29%	\$ 304
2015	3,059,000	-	3,059,000	0.62%	665
2016	2,784,000	-	2,784,000	0.56%	605
2017	3,449,000	-	3,449,000	0.68%	744
2018	2,804,000	-	2,804,000	0.55%	605
2019	2,024,000	-	2,024,000	0.39%	438
2020	1,484,000	-	1,484,000	0.28%	321
2021	1,074,000	-	1,074,000	0.20%	234
2022	1,699,000	-	1,699,000	0.30%	381
2023	1,319,000	-	1,319,000	0.23%	295

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

(a) See Exhibit J-6 for property tax data.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
By Constituent District-Town of Clinton
As of December 31, 2022

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 3,162,582	100.00%	\$ 3,162,582
Regional High School	6,960,000	5.02%	349,676
County general obligation debt	74,164,045	1.87%	<u>1,389,759</u>
Subtotal, overlapping debt			4,902,017
School District direct debt			<u>1,200,535</u>
Total direct and overlapping debt			<u><u>\$ 6,102,552</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, 2022

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 1,395,862	100.00%	\$ 1,395,862
Regional High School	6,960,000	2.09%	145,186
County general obligation debt	74,164,045	0.78%	577,031
Subtotal, overlapping debt			2,118,079
School District direct debt			498,465
Total direct and overlapping debt			\$ 2,616,544

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 2023

		Equalized Valuation Basis	
	2022	\$	631,482,404
	2021		608,558,336
	2020		613,649,019
		\$	<u>1,853,689,759</u>
Average equalized valuation of taxable property		\$	<u>617,896,586</u>
Debt limit (3.0% of average equalization value)	(a)	\$	18,536,898
Total net debt applicable to limit			<u>1,319,000</u>
Legal debt margin		\$	<u>17,217,898</u>

		Fiscal Year				
		2019	2020	2021	2022	2023
Debt limit	\$	16,430,080	\$ 16,814,131	\$ 17,276,000	\$ 17,807,643	\$ 18,536,898
Total net debt applicable		<u>2,024,000</u>	<u>1,484,000</u>	<u>1,074,000</u>	<u>1,699,000</u>	<u>1,319,000</u>
Legal debt margin	\$	<u>14,406,080</u>	<u>15,330,131</u>	<u>16,202,000</u>	<u>16,108,643</u>	<u>17,217,898</u>
Total net debt applicable to the limit as a percentage of debt limit		12.32%	8.83%	6.22%	9.54%	7.12%

		Fiscal Year				
		2014	2015	2016	2017	2018
Debt limit	\$	16,530,684	\$ 16,170,134	\$ 16,100,929	\$ 16,163,220	\$ 16,236,719
Total net debt applicable		<u>3,509,000</u>	<u>3,059,000</u>	<u>2,784,000</u>	<u>3,449,000</u>	<u>2,804,000</u>
Legal debt margin	\$	<u>13,021,684</u>	<u>13,111,134</u>	<u>13,316,929</u>	<u>12,714,220</u>	<u>13,432,719</u>
Total net debt applicable to the limit as a percentage of debt limit		21.23%	18.92%	17.29%	21.34%	17.27%

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	2,680	\$ 201,576,200	\$ 75,215	4.6%
2015	2,669	210,482,678	78,862	3.7%
2016	2,656	215,085,536	80,981	3.5%
2017	2,700	226,160,100	83,763	3.3%
2018	2,697	229,007,664	84,912	3.2%
2019	2,692	236,718,328	87,934	2.4%
2020	2,693	247,610,578	91,946	6.9%
2021	2,675	254,360,400	95,088	4.6%
2022	2,779	278,700,352	100,288	3.1%
2023	2,787	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 2020 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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	1,948	\$ 146,518,820	\$ 75,215	5.1%
2015	1,930	152,203,660	78,862	4.3%
2016	1,942	157,265,102	80,981	4.2%
2017	1,938	162,332,694	83,763	3.4%
2018	1,937	164,474,544	84,912	3.5%
2019	1,928	169,536,752	87,934	3.3%
2020	1,925	176,996,050	91,946	7.7%
2021	1,910	181,618,080	95,088	5.0%
2022	1,677	168,182,976	100,288	2.6%
2023	1,684	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 2020 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

2023

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

			Percentage of
			Total Municipal
Employer	Employees	Rank	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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function/program										
Instruction										
Regular	34.2	35.5	36.4	36.4	36.7	36.7	35.3	38.2	39.1	38.6
Special education	19.5	18.0	16.5	16.5	16.2	16.2	16.4	16.0	16.4	16.9
Support services										
Student and instruction related services	10.9	9.4	11.5	11.5	11.5	10.5	10.8	12.0	12.9	11.9
General administration	1.5	0.9	1.4	1.3	1.5	1.5	1.8	1.8	0.8	0.8
School administration services	2.3	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.3	2.3
Central services	1.8	2.0	2.1	2.1	2.1	2.1	2.1	2.5	2.1	2.1
Plant operations and maintenance	5.0	4.6	4.6	4.8	4.7	3.7	4.0	4.1	4.7	3.7
Total	<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>	<u>76.6</u>	<u>78.3</u>	<u>76.3</u>

Source: District Personnel Records

See independent auditors' report.

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

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
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	7.66%	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%
2021	426	9,979,590	23,426	5.03%	46	1 to 9.26	420.3	410.6	-3.53%	97.69%
2022	440	11,315,648	25,717	9.78%	48	1 to 9.17	421.8	398.4	0.35%	94.46%
2023	440	12,281,880	27,913	8.54%	47	1 to 9.36	439.7	413.0	4.24%	93.92%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</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	478	480	456	442	429	425	422	422	435	441

Number of schools at June 30, 2023:

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>
2014	\$ 160,104
2015	149,592
2016	152,020
2017	233,910
2018	274,254
2019	181,026
2020	208,327
2021	225,820
2022	206,004
2023	302,018
Total school facilities	<u><u>\$ 2,093,075</u></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)

See independent auditors' report.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	Coverage	Deductible
School Commercial Package Policy - NJ School Insurance Group		
Property - Building Blanket and Contents	\$ 21,739,741	\$ 5,000
General Liability	31,000,000	-
Auto 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
Cyber Liability - BCS Insurance Co.		
Cyber Liability	1,000,000	5,000
Cyber Deception	250,000	5,000
Student Accident - Bollinger Insurance Co.		
Student Accident Policy	6,000,000	-
Catastrophe - Fireman's Fund	25,000,000	-
Environmental Liability - Beazley/Lloyd's		
Environmental Liability	500,000	10,000
Microbial Matter	-	Max 250,000
Public Employees' Faithful Performance - Selective Insurance		
Treasurer	182,000	-
School Board Secretary	175,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

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

Honorable President and
Members of the Board of Education
Clinton-Glen Gardner School District
Clinton, 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 (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters


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

Clinton-Glen Gardner School District's Response to Findings

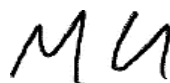
Government Auditing Standards requires the auditor to perform limited procedures on Clinton-Glen Gardner School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing 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

November 13, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Clinton-Glen Gardner School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. 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.

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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We identified certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit 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 the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



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

November 13, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2023		
					From	To	Def. Rev. (Accts. Rec)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A210100	IDEA-0910-22	\$ 120,710	07/01/21	06/30/22	\$ (20,690)	\$ (72,646)	\$ 79,996	\$ -	\$ -	\$ -	\$ (13,340)	\$ -	\$ -
IDEA Basic-Carryover	84.027A	H027A210100	IDEA-0910-22	122,959	07/01/21	06/30/22	-	(48,064)	48,064	-	-	-	-	-	-
IDEA Basic-Carryover	84.027A	H027A210100	IDEA-0910-22	120,710	07/01/21	06/30/22	-	120,710	-	120,710	-	-	-	-	-
IDEA Basic	84.027A	H027A220100	IDEA-0910-23	122,946	07/01/22	06/30/23	-	-	66,028	122,946	-	-	(56,918)	-	-
IDEA Preschool	84.173A	H173A210114	IDEA-0910-22	5,578	07/01/21	06/30/22	(852)	-	852	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A220114	IDEA-0910-23	5,973	07/01/22	06/30/23	-	-	5,973	5,973	-	-	-	-	-
Total special education cluster (IDEA)							(21,542)	-	200,913	249,629	-	-	(70,258)	-	-
Title I A	84.010	S010A200030	ESSA-0910-21	29,228	07/01/20	06/30/21	(14,926)	-	14,926	-	-	-	-	-	-
Title I A	84.010	S010A210030	ESSA-0910-22	24,787	07/01/21	06/30/22	(21,451)	(3,023)	20,846	313	-	-	(3,941)	-	-
Title I A - Carryover	84.010	S010A210030	ESSA-0910-22	24,787	07/01/21	06/30/22	-	3,023	-	3,023	-	-	-	-	-
Title I A	84.010	S010A220030	ESSA-0910-23	21,051	07/01/22	06/30/23	-	-	18,374	20,738	-	-	(2,364)	-	-
Title II A	84.367A	S367A210029	ESSA-0910-22	15,030	07/01/21	06/30/22	(989)	(4,232)	5,221	-	-	-	-	-	-
Title II A - Carryover	84.367A	S367A210029	ESSA-0910-22	15,030	07/01/21	06/30/22	-	4,232	-	4,232	-	-	-	-	-
Title II A	84.367A	S367A220029	ESSA-0910-23	15,530	07/01/22	06/30/23	-	-	4,927	6,613	-	-	(1,686)	-	-
COVID-19															
ARP IDEA Preschool	84.173X	H173X210114	ARP-0910-22	1,598	07/01/21	09/30/22	(1,598)	-	-	-	-	-	(1,598)	-	-
ARP IDEA Basic	84.027X	H173X210100	ARP-0910-22	18,736	07/01/21	09/30/22	-	-	18,736	18,736	-	-	-	-	-
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-0910-23	95,799	03/13/20	09/30/23	(32,064)	-	-	942	-	-	(33,006)	-	-
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-0910-23	45,000	03/13/20	09/30/23	(7,171)	-	7,171	-	-	-	-	-	-
CRRSA - CARES	84.425D	S425D210027	CRRSA-0910-23	1,277	03/13/20	09/30/23	-	-	1,277	1,277	-	-	-	-	-
ARP - ESSER															
ARP - ESSER	84.425U	S425U210027	ESSER-0910-24	215,302	03/13/20	09/30/24	(52,003)	-	45,250	-	-	-	(6,753)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-0910-24	50,000	03/13/20	09/30/24	-	-	14,655	19,648	-	-	(4,993)	-	-
NJTSS Mental Health	84.425U	S425U210027	ESSER-0910-24	45,000	03/13/20	09/30/24	-	-	12,000	40,000	-	-	(28,000)	-	-
Total Special Revenue Fund							(151,744)	-	364,296	365,151	-	-	(152,599)	-	-
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund															
Child Nutrition Cluster															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	12,519	10/01/21	09/30/22	1,201	-	-	1,201	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	13,747	10/01/22	09/30/23	-	-	13,747	12,936	-	-	-	811	-
Cash Assistance	10.555	221NJ304N1099	N/A	188,533	10/01/21	09/30/22	(38,530)	-	38,530	-	-	-	-	-	-
Cash Assistance	10.555	231NJ304N1199	N/A	47,947	10/01/22	09/30/23	-	-	46,119	47,947	-	-	(1,828)	-	-
School Breakfast Program															
Cash Assistance	10.553	221NJ304N1099	N/A	3,707	10/01/21	09/30/22	(982)	-	982	-	-	-	-	-	-
Cash Assistance	10.553	231NJ304N1199	N/A	1,335	10/01/22	09/30/23	-	-	1,254	1,335	-	-	(81)	-	-
Total Child Nutrition Cluster							(38,311)	-	100,632	63,419	-	-	(1,909)	811	-
Supply Chain Assistance	10.555	231NJ304N1199	N/A	26,540	07/01/21	06/30/22	-	-	26,540	26,540	-	-	-	-	-
Total Enterprise Fund							(38,311)	-	127,172	89,959	-	-	(1,909)	811	-
Total Federal Awards							\$ (190,055)	\$ -	\$ 491,468	\$ 455,110	\$ -	\$ -	\$ (154,508)	\$ 811	\$ -

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, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	23-495-034-5120-089	\$ 332,321	07/01/22	06/30/23	\$ -	\$ -	\$ 302,094	\$ 332,321	\$ -	\$ -	\$ -	\$ -	\$ 30,227	\$ 332,321
Equalization Aid	23-495-034-5120-078	473,414	07/01/22	06/30/23	-	-	430,353	473,414	-	-	-	-	43,061	473,414
School Choice Aid	23-495-034-5120-068	39,717	07/01/22	06/30/23	-	-	36,104	39,717	-	-	-	-	3,613	39,717
Security Aid	23-495-034-5120-084	38,137	07/01/22	06/30/23	-	-	34,668	38,137	-	-	-	-	3,469	38,137
Transportation Aid	23-495-034-5120-014	101,114	07/01/22	06/30/23	-	-	91,917	101,114	-	-	-	-	9,197	101,114
Stabilization Aid	23-495-034-5120-128	33,907	07/01/22	06/30/23	-	-	33,907	33,907	-	-	-	-	-	33,907
Extraordinary Aid	22-100-034-5120-044	435,875	07/01/21	06/30/22	(435,875)	-	435,875	-	-	-	-	-	-	435,875
Extraordinary Aid	23-100-034-5120-044	468,072	07/01/22	06/30/23	-	-	-	468,072	-	(468,072)	-	-	-	468,072
Non-Public Transportation Aid	22-495-034-5120-014	2,320	07/01/21	06/30/22	(2,320)	-	2,320	-	-	-	-	-	-	2,320
Non-Public Transportation Aid	23-495-034-5120-014	2,184	07/01/22	06/30/23	-	-	-	2,184	-	(2,184)	-	-	-	2,184
On-Behalf TPAF Pension contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	1,477,368	07/01/22	06/30/23	-	-	1,477,368	1,477,368	-	-	-	-	-	1,477,368
On-Behalf TPAF Pension contribution - Non-Contributory Insurance	23-495-034-5094-004	20,497	07/01/22	06/30/23	-	-	20,497	20,497	-	-	-	-	-	20,497
On-Behalf TPAF Pension contribution - Postretirement Medical	23-495-034-5094-001	393,486	07/01/22	06/30/23	-	-	393,486	393,486	-	-	-	-	-	393,486
On-Behalf TPAF Pension contribution - Long-term Disability Insurance	23-495-034-5094-004	526	07/01/22	06/30/23	-	-	526	526	-	-	-	-	-	526
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	308,668	07/01/21	06/30/22	(30,824)	-	30,824	-	-	-	-	-	-	308,668
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	321,389	07/01/22	06/30/23	-	-	288,994	321,389	-	(32,395)	-	-	-	321,389
Total General Fund					(469,019)	-	3,578,933	3,702,132	-	(502,651)	-	-	89,567	4,448,995
State Department of Education														
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	9,633	07/01/21	06/30/22	(9,633)	-	9,633	-	-	-	-	-	-	9,633
Total Special Revenue Fund					(9,633)	-	9,633	-	-	-	-	-	-	9,633
State Department of Education														
Debt Service Fund														
Debt Service Aid - State Support	23-495-034-5120-017	83,573	07/01/22	06/30/23	-	-	83,573	83,573	-	-	-	-	-	83,573
Total Debt Service Fund					-	-	83,573	83,573	-	-	-	-	-	83,573
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	4,377	07/01/21	06/30/22	(886)	-	886	-	-	-	-	-	-	4,377
State School Lunch Program	23-100-010-3350-023	2,249	07/01/22	06/30/23	-	-	2,165	2,249	-	(84)	-	-	-	2,249
Total Enterprise Fund					(886)	-	3,051	2,249	-	(84)	-	-	-	6,626

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, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (479,538)</u>	<u>\$ -</u>	<u>\$ 3,675,190</u>	\$ 3,787,954	<u>\$ -</u>	<u>\$ (502,735)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,567</u>	<u>\$ 4,548,827</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - teachers' pension & annuity fund	23-495-034-5094-002							1,477,368						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							20,497						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							393,486						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							526						
Total for State Financial Assistance - Major Program Determination								<u>\$ 1,896,077</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, 2023

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 \$6,894 for the general fund and \$54,883 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, 2023

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:

	Federal	State	Total
General fund	\$ -	\$ 3,709,026	\$ 3,709,026
Special revenue fund	410,401	9,633	420,034
Debt service fund	-	83,573	83,573
Food service fund	89,959	2,249	92,208
Total awards and financial assistance	<u>\$ 500,360</u>	<u>\$ 3,804,481</u>	<u>\$ 4,304,841</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, 2023. 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, 2023.

Note 6 - Indirect costs

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

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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
For the Fiscal Year Ended June 30, 2023

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:

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>23-495-034-5120-084</i>	<i>Security Aid</i>
<i>23-495-034-5120-068</i>	<i>School Choice Aid</i>
<i>23-495-034-5120-128</i>	<i>Stabilization Aid</i>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

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

Federal Awards

There were no findings or questioned costs for the year ended June 30, 2023.

State Awards

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

Finding 2023-001

Criteria

The District shall obtain two quotations for purchases over the threshold and evidence of the quotation process shall be kept.

Condition

Quotations were not obtained for all purchases over the threshold.

Context

As part of our audit procedures, it was noted quotations were not obtained for all purchases over the threshold.

Cause

Unknown

Effect

The District is not in compliance with state purchasing requirements.

Recommendation

Quotations shall be obtained for all contracts expected to exceed the quotation threshold.

View of Responsible Officials and Planned Corrective Action (unaudited)

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

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, 2023

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings.