

**Clearview Regional High School**  
**Board of Education**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2008**

**CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT**

**MULLICA HILL, NEW JERSEY 08062**

**Clearview Regional High School Board of Education  
Mullica Hill, New Jersey 08062**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Of the

**Clearview Regional High School Board of Education  
Mullica Hill, New Jersey 08062**

**For the Fiscal Year Ended June 30, 2008**

Prepared by:

**Clearview Regional High School  
Board of Education Administration**

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## **INTRODUCTORY SECTION**

September 10, 2008

Honorable President and  
Members of the Board of Education  
Clearview Regional High School District  
Mullica Hill, NJ 08062

Dear Board Members and Constituents:

The comprehensive annual financial report of the Clearview Regional High School District for the fiscal year ended June 30, 2008, 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. 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 Report of Independent Auditors the Management's Discussion and Analysis, the basic financial statements including the district-wide statements fund statements, notes to the financial statements, required supplementary information other than MD&A including budgetary comparison schedules and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Clearview Regional High School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Amendments of 1996, the U.S. Office of Management and Budget Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Clearview Regional High School District is an independent reporting entity within the criteria adopted by the G.A.S.B. as established by Statement No. 14. All funds and account groups of the District are included in this report. The Clearview Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2007/08 fiscal year with an enrollment of 2,399 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2007-08	2,399	.3%
2006-07	2,391	4.4%
2005-06	2,291	3.3%
2004-05	2,216	3.2%
2003-04	2,147	5.5%
2002-03	2,035	6.8%
2001-02	1,906	-.7%
2000-01	1,920	10.6%
1999-00	1,736	4.9%
1998-99	1,655	8.5%

2. ECONOMIC CONDITION AND OUTLOOK:

The Clearview Regional High School District is experiencing a period of development and expansion which is expected to continue. The increasing number of families relocating to the area has resulted in an increased tax in residential developments and an increase in the annual daily enrollment.

3. MAJOR INITIATIVES:

Students continued to perform above the state averages (07/08) on the High School Proficiency Assessment (H.S.P.A.) which is administered to all eleventh grade students and must be passed in order to graduate.

	<u>Partially Proficient</u>	<u>Proficient</u>	<u>Advance Proficient</u>
Language Arts Literacy	7.6%	81.9%	10.5%
Mathematics	11.1%	61.7%	27.2%

Of those Seniors who graduated in June of 2008, 17.2% went to four year colleges in state, 24.7% went to four year colleges out of state, 49.3%- two year colleges, 4% - vocational or trade schools, 3.2% - employment, 1.3% - military, 0.3% - undecided.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2008.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups.

7. DEBT ADMINISTRATION:

At June 30, 2008, the District's outstanding debt issues included \$29,027,000 of general obligation bonds.

On December 1, 1997, the District issued general obligation bonds in the amount of \$10,105,000 to advance refund \$9,255,000 of the 1994 general obligation bonds which had call options. The 1997 refunding bonds were issued with a net bond premium of \$153,805 that was used, in part, to pay issuance costs of \$119,310. As a result of the advance refunding, the District reduced its total debt service requirements by \$399,191, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$295,453.

Bonds were issued on February 15, 2003. The proceeds were placed in the District's Capital Projects Fund to provide funds for capital improvements to the District's buildings and grounds. The improvements included the construction of additions and renovations to the Clearview Regional High School and the Clearview Regional Middle School, and to make the necessary onsite and offsite improvements and purchase of the necessary furniture and equipment associated with the construction and renovations in these facilities. The total amount of the bond is \$23,867,000.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by the state statute as detailed in "Notes to the Financial Statements", Note 2. The District has opted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("G.U.D.P.A."). G.U.D.P.A. 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.

10. 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.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, and the related OMB Circular No. A-133 and New Jersey State Treasury Circular Letter 04-04. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

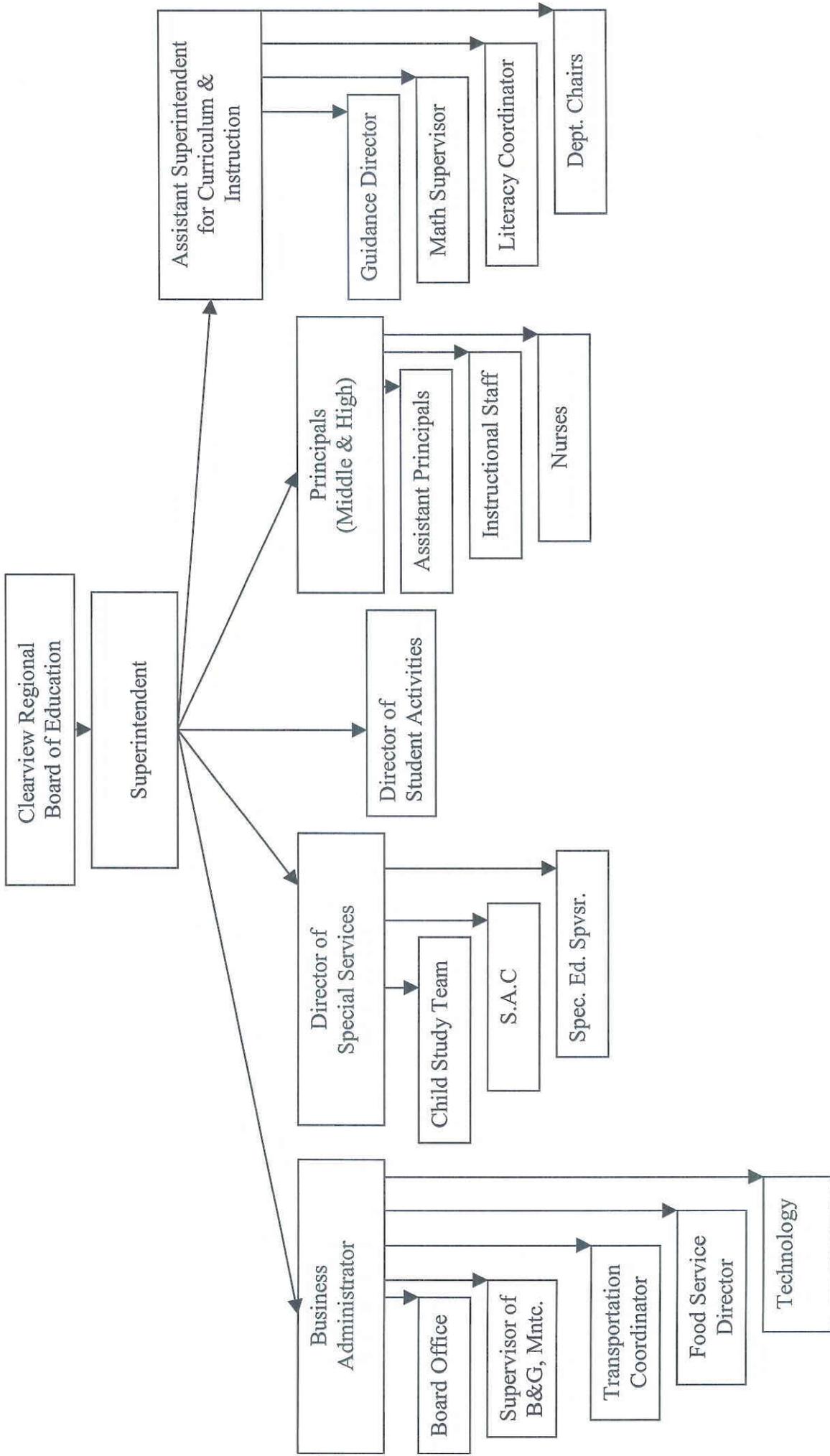
We would like to express our appreciation to the members of the Clearview Regional High School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of 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,

  
\_\_\_\_\_  
John Horchak III  
Superintendent

  
\_\_\_\_\_  
Esther R. Pennell, CPA  
Business Administrator

Organizational Chart 2007-08



**CLEARVIEW REGIONAL BOARD OF EDUCATION**  
**Mullica Hill, New Jersey**

**ROSTER OF OFFICIALS**  
**June 30, 2008**

**Board of Education Members**

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Michael Riggs	President	2011
Michael Wolk	Vice President	2010
Robin Atkins	Board Member	2009
Joseph Betlejewski	Board Member	2010
John Hughes	Board Member	2009
Raymond Miller	Board Member	2010
Frank P. Smith	Board Member	2011
Carmen Trifiletti	Board Member	2009
Timothy VanNoy	Board Member	2011

**OTHER OFFICIALS**

John Horchak III, Superintendent

Esther R. Pennell, CPA, Business Administrator

Frank P. Cavallo, Jr., Esquire, Solicitor

**CLEARVIEW REGIONAL BOARD OF EDUCATION  
Mullica Hill, New Jersey**

**List of Consultants**

Auditor: Petroni & Associates  
21 W. High Street  
Glassboro, NJ 08028

Contact: Nick Petroni  
Certified Public Accountant

Solicitor: Parker McCay  
Three Greentree Centre  
7001 Lincoln Drive West  
Marlton, NJ 08053

Contact: Frank Cavallo, Jr.

Treasurer: Gayle Tschopp (to June 30, 2008)

Depository: Susquehanna Patriot Bank  
114 N. Main Street  
Mullica Hill, NJ 08062

Contact: David Hibbard

**FINANCIAL SECTION**

# PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Clearview Regional High School District  
County of Gloucester  
Mullica Hill, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Board of Education of the Clearview Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clearview Regional High School Board of Education's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Clearview Regional High School Board of Education, in the County of Gloucester, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008 on our consideration of the Clearview Regional High School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison on pages 14 through 27 and 71 through 84 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clearview Regional High School Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PETRONI & ASSOCIATES



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 12, 2008

**Required Supplementary Information – Part I**

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

The District's management discussion and analysis of financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2008. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in connection with this document in order to enhance and clarify their understanding of the finances of the District.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (G.A.S.B.) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Comparative information between the current year (2007-2008) and the prior year (2006-2007) is required to be present in the MD& A.

**Financial Areas of Interest for 2007/2008**

- **Overview**

The current financial crisis persists throughout school districts across the State of New Jersey. This continues to cause communities, especially growing ones like ours, to increase local property taxes to meet the needs of the District. The number of students attending Clearview Regional over the past seven years increased approximately 495, which is a 26% increase in the student population.

<u>School Year</u>	<u>Students</u>
2001/2002	1879
2002/2003	2011
2003/2004	2134
2004/2005	2211
2005/2006	2285
2006/2007	2392
2007/2008	2399

As stated last year, the increased student enrollment has had a significant impact on a number of school operations.

**New Finance Law - 1701**

The State of New Jersey passed a new school finance law effective July 1, 2004. This law was intended to achieve two objectives: (1) to provide short-term property tax relief; and (2) greater accountability to the local voters. The major changes included:

- Reduction of surplus to 3% in 2004-05 and 2% in 2005-06
- Annual budget cap of 2.5% or the CPI
- New restriction of line item transfers
- Limited appropriation of surplus
- Limited Administrative spending

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

**Staffing**

The need for additional staff continues to have a substantial impact on the District budget. The District is committed to meeting the staffing needs in order to accommodate the growing student population.

The District hired several new staff members during 2007-08. There were two new teachers, a Guidance Director and a support staff member.

**Special Education**

The costs for the out-of-district placements continued to rise. The District incurred costs of \$1,412,735 for tuition. This does not include the cost for the transportation related to these students. The District continues to closely monitor these costs as they represent a substantial portion of the budget.

**Transportation**

The District's growth in student population continues to impact the transportation department. Additional drivers, buses, activity routes, and outside contracted routes resulted in considerable expenditure increases. The increase in staff time required to perform the tasks of transporting approximately 2,400 students is significant and costly. The Transportation Department expenditures for operations and salaries were approximately \$1,604,615. The District continues to provide transportation services to the Mantua Township School District. This adds another 1,650 students to the daily responsibilities of the Transportation Department. We continue to realize cost efficiencies in this area by maximizing fleet utilization. The 2007-08 transportation efficiency rating was 2.621.

- **State Aid**

State Aid has been approximately level for six fiscal years (2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and again in 2006-07). The State did provide the District in 2005-06 with \$105,200 in additional funds for Above Average Enrollment Growth (A.A.E.G.). These funds were awarded again for the 2006-07 year and were increased to \$191,389, an increase of \$86,189. In 2007-08 an additional \$344,956 was received in additional formula aid. This amounted to a 3% increase over the prior year general fund state aid amount.

- **Tax Rate and Base**

The final budget resulted in a tax decrease of 1.3 cents per hundred of assessed value for Mantua Township residents and increased 1.6 cents per hundred of assessed value for Harrison Township residents.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

The increase in the ratable base in Harrison Township was \$56,834,713 (8.02%) and increase in Mantua was \$18,575,328 (2.59%). The municipal tax is shared between the towns with Harrison's absorbing 49.24% while Mantua's is 50.76% during the 2007-08 school year.

- **Surplus**

The District has again infused a considerable amount of surplus into the budget. In 2006-07, \$561,893 was anticipated as Budgeted Fund Balance. In comparison, the District anticipated \$690,965 in Budgeted Fund Balance in 2007-08 and \$860,592 in the 2008-09 year.

The District made substantial "deposits" into surplus in 2007-08. There was a total of \$666,095 from unspent appropriations and \$339,840 from excess revenues. The "deposit" into surplus was a result of savings in several areas including health benefits, retirements, energy and insurance refunds. The interest income was also bolstered due to the increase in the interest rate relative to the anticipated rate. The revenues will not be realized in future years.

**Using this Comprehensive Annual Financial Report (C.A.F.R.)**

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 Clearview Regional District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. The General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Assets 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 of the financial transactions and asks the question, "How did we do financially during 2007-2008?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. These bases of accounting

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

take 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 assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District and whether it has improved or diminished. The causes of this change may be the result of many factors, some financial and some non-financial. 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 Assets 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- 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 School Store enterprise funds are reported as business activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's 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 the reader 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

**Enterprise Fund**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 47-68 of this Report.

**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for FY 2008 compared to FY2007 (See Exhibit A-1).

**Table 1  
Clearview Regional High School District's Net Assets**

	2008		2007		Total 2008	Total 2007
	Governmental	Business- Type	Governmental	Business- Type		
Assets						
Current and Other Assets	3,427,760	366,913	3,204,082	454,831	3,794,673	3,658,913
Capital Assets	48,614,259	38,939	49,761,161	54,770	48,653,198	49,815,931
<b>Total Assets</b>	<b>52,042,019</b>	<b>405,852</b>	<b>52,965,243</b>	<b>509,601</b>	<b>52,447,871</b>	<b>53,474,844</b>
Liabilities						
Current Liabilities	2,911,636	17,570	998,426	101,450	2,929,206	1,099,876
Noncurrent Liabilities	28,783,388	61,074	31,634,107	35,469	28,844,462	31,669,576
<b>Total Liabilities</b>	<b>31,695,024</b>	<b>78,644</b>	<b>32,632,533</b>	<b>136,919</b>	<b>31,773,668</b>	<b>32,769,452</b>
Net Assets						
Invested in Capital Assets, Net of Related Debt	19,201,338	38,939	18,703,670	54,770	19,240,277	18,758,440
Restricted	2,228,328		1,885,766		2,228,328	1,885,766
Unrestricted	(1,082,671)	288,269	(256,726)	317,912	(794,402)	61,186
<b>Total Net Assets</b>	<b>20,346,995</b>	<b>327,208</b>	<b>20,332,710</b>	<b>372,682</b>	<b>20,674,203</b>	<b>20,705,392</b>

The District's combined net assets were \$20,674,203 on June 30, 2008.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
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Unaudited**

Table 2 shows changes in net assets for fiscal year 2008 (See Exhibit A-2).

Table 2	Governmental		Business-type		Total	Total
	Activities		Activities			
	2008	2008	2007	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services	923,955	774,164	960,776	745,686	1,698,119	1,706,462
Operating Grants & Contributions	809,989	124,086	606,849	117,122	934,075	723,971
General Revenues:						
Property Taxes	16,105,251		15,267,759		16,105,251	15,267,759
Grants and Entitlements	15,084,865		14,603,656		15,084,865	14,603,656
Other	468,141	15,497	489,699	21,114	483,638	510,813
Total Revenues	33,392,201	913,747	31,928,739	883,922	34,305,948	32,812,661
Program Expenses:						
Instruction	13,488,376		11,884,162		13,488,376	11,884,162
Support Services:						
Tuition	1,394,985		1,493,244		1,394,985	1,493,244
Student & instructional related	2,322,905		2,108,723		2,322,905	2,108,723
School administrative services	1,281,321		1,224,773		1,281,321	1,224,773
General administration	547,617		508,473		547,617	508,473
Central services	318,293		344,542		318,293	344,542
Administrative info technology	211,271		178,311		211,271	178,311
Plant operations & maintenance	3,088,083		2,880,766		3,088,083	2,880,766
Pupil transportation	2,373,346		2,251,586		2,373,346	2,251,586
Employee benefits	6,426,994		6,188,658		6,426,994	6,188,658
Special schools	69,370		82,704		69,370	82,704
Interest on long-term debt	1,351,969		1,404,224		1,351,969	1,404,224
Capital outlay			3,490			3,490
Unallocated depreciation	503,386		546,698		503,386	546,698
Food service		919,370		791,018	919,370	791,018
Other business-type activities		39,851		28,273	39,851	28,273
Total expenses	33,377,916	959,221	31,100,354	819,291	34,337,137	31,919,645
Transfer to food service			(19,426)	19,426		
Increase (Decrease) in Net Assets	14,285	(45,474)	808,959	84,057	(31,189)	893,016

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 46.94 percent of revenues for governmental activities for the fiscal year 2008. Property tax revenues, increased by, \$837,492, which equates to a 5% increase over the prior year General Fund tax revenues. The increase was needed to fund the additional expenditures associated with an increase in enrollment, higher operating costs, and level State aid. The District's total governmental revenues were \$34,305,948 including the Capital Projects Fund. The revenue breakout for all funds is as follows:

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

**Revenues for Governmental Funds for Fiscal Year 2008**

	<u>Percentage</u>
State aid unrestricted	43.97%
Property taxes	46.94%
State and federal aid restricted	2.72%
Charges for services	4.94%
Miscellaneous (Adult school, interest, other)	1.43%
	100.00%

**Expenses for Governmental Funds for Fiscal Year 2008 compared to 2007**

	2008	2007
	<u>Percentage</u>	<u>Percentage</u>
Instruction	39.33%	38.21%
Student support services	10.82%	11.58%
School administration	3.73%	3.94%
General administration	1.59%	1.63%
Central administration	0.92%	1.11%
Administrative info. technology	0.61%	0.57%
Operations & maintenance	8.99%	9.26%
Transportation	6.91%	7.24%
Employee benefits	18.71%	19.90%
Special schools	0.20%	0.27%
Interest on debt	3.93%	4.52%
Depreciation	1.46%	1.76%
Other	2.80%	0.01%
	100.00%	100.00%

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service and school store expenses exceeded revenues by \$45,474.

Charges for services represent \$774,164 of revenue. This represents amounts paid by patrons for daily food service and school store sales.

Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$124,086.

**Clearview Regional High School District  
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**Governmental Activities**

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**

	Total Cost of Services	Net Cost of	Total Cost of Services	Net Cost of
	2008	2008	2007	2007
Governmental				
Instruction	13,488,376	12,926,960	11,884,162	11,507,148
Support services:				
Student & instructional staff	3,717,890	3,490,601	3,601,967	3,393,050
School administrative services	1,281,321	1,281,321	1,224,773	1,224,773
General administration	547,703	547,703	508,473	508,473
Central services	318,293	318,293	344,542	344,542
Administrative info. technology	211,271	211,271	178,311	178,311
Plant operations & maintenance	3,088,083	3,088,083	2,880,766	2,880,766
Pupil transportation	2,373,346	1,584,474	2,251,586	1,408,475
Employee benefits	6,427,000	6,270,633	6,188,658	6,050,075
Special schools	69,278	69,278	82,704	82,704
Interest on long-term debt	1,351,969	1,351,969	1,404,224	1,404,224
Capital outlay			3,490	3,490
Depreciation	503,386	503,386	546,698	546,698
Total governmental expenses	<u>33,377,916</u>	<u>31,643,972</u>	<u>31,100,354</u>	<u>29,532,729</u>
Business-type				
Food Service	919,370	59,412	791,018	42,000
Other business-type activities	39,851	1,559	28,273	1,517
Total business-type expenses	<u>959,221</u>	<u>60,971</u>	<u>819,291</u>	<u>43,517</u>
Total expenses	<u>34,337,137</u>	<u>31,704,943</u>	<u>31,919,645</u>	<u>29,576,246</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 staff 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.

**Clearview Regional High School District  
Mullica Hill, NJ**

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Unaudited**

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

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

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

“Other” includes special schools and unallocated depreciation and amortization.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$32,476,236 expenditures were \$32,299,307. The net change in fund balance for the year was most significant in the General Fund, an increase of \$221,738. The schedules (see Exhibit B-2) included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

As demonstrated by the various statements and schedules included in the financial section of this Report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Table 4**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2007</u>	<u>Percent of Increase (Decrease)</u>
Local sources	16,581,382	51.06%	823,924	5.23%
State sources	15,173,779	46.72%	480,080	3.27%
Federal sources	721,075	2.22%	204,269	39.53%
	<u>32,476,236</u>	<u>100.00%</u>	<u>1,508,273</u>	4.87%

The increase in local revenue was due to a tax increase in the amount of \$837,492 offset by a decrease in miscellaneous revenues of \$13,568.

The following schedules present a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to prior year expenditures.

**Clearview Regional High School District  
Mullica Hill, NJ**

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Unaudited**

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2007</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	13,007,872	40.27%	1,078,288	9.04%
Undistributed	16,175,925	50.08%	530,115	3.39%
Capital Outlay	349,263	1.08%	(246,351)	-41.36%
Special Schools	69,278	0.21%	(13,426)	-16.23%
Debt Service:				
Principal	1,345,000	4.16%	215,000	19.03%
Interest	1,351,969	4.19%	(52,255)	-3.72%
	<u>32,299,307</u>	<u>100.00%</u>	<u>1,511,371</u>	4.99%

The largest portion of General Fund expenditures is for salaries and benefits. The District is a service entity and as such is labor intensive. This is typical for a service industry in both the public sector and private industry.

Expenditures are up \$1,511,371 over the prior year mostly due to fringe benefits, out-of-district tuition, property & casualty insurance and negotiated salary increases.

**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 cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. The major areas are addressed below.

- **Cost Savings Initiated**

The Clearview Regional Board of Education continued to implement cost savings initiatives throughout 2007-08, including but not limited to:

Special Education Alternative Program

The aforementioned self-contained educationally handicapped component was continued at the alternative high school program. This program reduced the number of students in need of out of District placement by providing the environment and special services needed on campus.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
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Unaudited**

- **Cost Savings Initiated (Continued)**

- Health Benefits

- The "Opt-out" program allowed the District to realize additional savings in this area. The "Opt-out" program enables employees to receive cash in-lieu-of benefits under the Section 125 Plan.

- Split School Staffing

- Teachers were assigned to deliver instructional services at both schools, thereby negating the need for some additional staff.

- **Interest Income**

- The District realized an increase of \$58,962 in the anticipated interest income during the 2007-2008 school year. This was due to increasing interest rates throughout the country. It was also supported by the remaining funds in the Capital Projects Fund that generated interest.

- **Extraordinary Aid**

- During the 2007-2008 school year, the District was awarded, \$53,648 in Extraordinary Aid. This also contributed to the amount of surplus at year-end.

- **Grants**

- The District continues to pursue competitive grants. In 2007-2008, the District took advantage of the Perkins Technology grant in the amount of \$66,885.

- **Home Instruction**

- The total home instruction costs for the 2007-2008 school year were \$31,206, which reflects a decrease of \$17,091.

- **Financial Concerns**

- The budget will continue to be impacted by the increasing costs in the following areas: workers compensation insurance, property/casualty insurance, medical costs and salaries.

The areas of transportation, maintenance, substitute teachers, home-instruction, athletic and energy all continue to increase as the size of the District increases. These areas are often overlooked when reviewing the true impact of a growing District. The Business Office continues to monitor every line item in an effort to contain costs in every area.

- **Prior Recommendations**

- None

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
Unaudited**

**High School Report**

The 2007-2008 school year was successful. Our students continued to excel in many areas including academic, athletic and co-curricular. Developing and supporting the “whole student” continues to be the objective.

In the area of academics there was a great deal of positive success. Many of our students excelled in their courses, and the colleges and universities that our seniors were admitted to provided testimony to the quality of our academic programs, our staff, and our student body. Our students' SAT scores were very strong as well.

In the area of athletics and extra-curricular activities; the 2007-08 school year was also very successful. Our athletic teams were very competitive, with several teams during each season qualifying for tournaments and/or winning their division.

The District is pleased with the performance of its eleventh grade students on the 2007-08 state assessment. The total student population, as well as individual subgroups met 41 of 41 state indicators in Language Arts Literacy and Mathematics.

**Athletics & Student Activities**

The Department of Athletics and Student Activities saw many successes throughout the 2007-2008 school year. The department oversaw 42 high school clubs/activities, 14 middle school clubs/activities both with 72 advisors, 26 varsity sports, and 31 sub-varsity sports with a total of 71 coaches.

**Middle School**

The middle school provides excellent academic and extra curricular programs. Of particular note, is our Anti-Bullying program, which is a classroom curriculum instructed by the Assistant Principal, Mr. Dan Campbell and our Guidance Counselors, Dr. Steve Moraca and Mr. Mike Zappala.

Also, under the direction of Mrs. Carol Smith, the middle school added a new Reading program in eighth grade. This program helped to increase our Language Arts Literacy G.E.P.A. scores.

Extra curricular activities continue to be a large part of the middle school program. This year approximately one hundred and fifty athletes participated in field hockey, girls and boys cross country, girls and boys basketball and wrestling. Other clubs include several choirs, jazz band, art club, German Club, helping hands, newspaper and an excellent school yearbook.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
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**Capital Assets**

At the end of the fiscal year 2008, the School District had \$48,614,259, invested in land, construction in progress, buildings, and machinery and equipment. Table 5: shows fiscal year 2008 and 2007 balances.

**Table 5**  
Capital Assets (Net of Depreciation) at June 30

	Governmental Funds		Business-type	
	2008	2007	2008	2007
Land	1,577,052	1,556,708		
Construction in progress		3,455,337		
Site Improvements	212,189	212,370		
Building and Building Improvements	44,996,082	42,636,372		
Machinery and Equipment	1,828,936	1,900,374	38,939	54,770
	<u>48,614,259</u>	<u>49,761,161</u>	<u>38,939</u>	<u>54,770</u>

**Debt Administration**

At June 30, 2008, the School District had \$30,649,910 of outstanding debt. Of this amount, \$919,213 is for compensated absences; \$317,776 is for special termination benefits; \$385,921 for various capital leases; and \$29,027,000 of serial bonds for school construction.

**Table 6**  
Outstanding Debt at June 30

	2008
1997 General obligation bonds	7,260,000
2003 General obligation bonds	21,767,000
Total	<u>29,027,000</u>

**For the Future**

The Clearview Regional High School District is currently in sound financial condition. The District appreciates the support of our communities and understands the financial pressure placed on the taxpayers as taxes continue to rise. We will continue to become more effective and efficient as we continue to balance the needs of the students with the resources of the community. We will continue to be a community center and will offer facilities and services that will be a source of pride for our communities. The explosive building growth continues to concern the Board and Administration. We are being proactive with facilities, financial resources and personnel in an effort to stay ahead of the building growth curve.

**Clearview Regional High School District  
Mullica Hill, NJ**

**Management's Discussion & Analysis  
Fiscal Year ended June 30, 2008  
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- **Capital Building Project**  
The District has a nominal amount of “punch list” items to complete. The remaining items are predominately cosmetic.
  
- **NCLB Implications**  
The District is currently monitoring the No Child Left Behind, Federal legislation to ensure compliance with all of these new regulations.
  
- **Capital Projects**  
The District is committed to appropriating funds in order to keep our facilities up to date and safe for our students and staff. Preventive maintenance will continue to be our insurance policy that will ensure that we continue to have quality facilities to offer our public.

**Contacting the School District's Financial Management**

This financial report is designed to provide the taxpayers, bondholders, creditors and other interested parties with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, please contact Mr. John Horchak III, Superintendent or Esther R. Pennell, Business Administrator at the address below or visit our web site at [www.clearviewregional.edu](http://www.clearviewregional.edu).

Clearview Regional Board of Education  
Administration Building  
420 Cedar Road  
Mullica Hill, NJ 08062  
856-223-2760

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTStatement of Net AssetsJune 30, 2008

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>FY 2008</u>	<u>FY 2007</u>
<u>ASSETS</u>				
Cash and cash equivalents	1,551,802	353,677	1,905,479	2,066,502
Receivables, net	1,216,343	3,195	1,219,538	1,198,662
Interfunds accounts receivable	22,432		22,432	118,666
Inventory		10,041	10,041	7,618
Restricted assets:				
Restricted cash and cash equivalents	165,387		165,387	134,042
Capital reserve account - cash	471,796		471,796	133,424
Capital assets:				
Non-depreciable	1,577,052		1,577,052	5,012,045
Assets net of depreciation	47,037,207	38,939	47,076,146	44,803,886
Total Assets	<u>52,042,019</u>	<u>405,852</u>	<u>52,447,871</u>	<u>53,474,845</u>
<u>LIABILITIES</u>				
Cash overdraft	713,509		713,509	654,641
Accounts payable	188,913	1,173	190,086	155,412
Deposits payable				700
Interfunds accounts payable	3,436	16,397	19,833	100,610
Payable to federal government	11,231		11,231	3,343
Payable to state government	17,717		17,717	7,301
Deferred revenue	110,308		110,308	177,870
Noncurrent liabilities:				
Due within one year	1,866,522		1,866,522	1,644,569
Due beyond one year	28,783,388	61,074	28,844,462	30,025,007
Total liabilities	<u>31,695,024</u>	<u>78,644</u>	<u>31,773,668</u>	<u>32,769,453</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	19,201,338	38,939	19,240,277	18,758,440
Restricted for:				
Debt service				1
Capital projects	711,485		711,485	417,921
Other purposes	1,516,843		1,516,843	1,467,844
Unrestricted	(1,082,671)	288,269	(794,402)	61,186
Total net assets	<u>20,346,995</u>	<u>327,208</u>	<u>20,674,203</u>	<u>20,705,392</u>

See accompanying notes to the basic financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	10,022,531			(10,022,531)		(10,022,531)
Special education	2,536,204		561,416	(1,974,788)		(1,974,788)
Other instruction	929,641			(929,641)		(929,641)
Support services:						
Tuition	1,394,985			(1,394,985)		(1,394,985)
Student & instructional related services	2,322,905		227,289	(2,095,616)		(2,095,616)
School administrative services	1,281,321			(1,281,321)		(1,281,321)
General administration	547,617			(547,617)		(547,617)
Central services	318,293			(318,293)		(318,293)
Administration information technology	211,271			(211,271)		(211,271)
Plant operations & maintenance	3,088,083			(3,088,083)		(3,088,083)
Pupil transportation	2,373,346	788,872		(1,584,474)		(1,584,474)
Employee benefits	6,426,994	135,083	21,284	(6,270,627)		(6,270,627)
Special schools	69,370			(69,370)		(69,370)
Interest on long-term debt	1,351,969			(1,351,969)		(1,351,969)
Unallocated depreciation	503,386			(503,386)		(503,386)
Total governmental activities	<u>33,377,916</u>	<u>923,955</u>	<u>809,989</u>	<u>(31,643,972)</u>		<u>(31,643,972)</u>
Business-type activities:						
Food Service	919,370	735,872	124,086		(59,412)	(59,412)
Other Activities	39,851	38,292			(1,559)	(1,559)
Total business-type activities	<u>959,221</u>	<u>774,164</u>	<u>124,086</u>		<u>(60,971)</u>	<u>(60,971)</u>
Total primary government	<u>34,337,137</u>	<u>1,698,119</u>	<u>934,075</u>	<u>(31,643,972)</u>	<u>(60,971)</u>	<u>(31,704,943)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose, net				14,036,426		14,036,426
Taxes levied for debt service				2,068,825		2,068,825
Federal and State aid not restricted				15,084,865		15,084,865
Tuition charges				145,057		145,057
Investment earnings				133,209	15,497	148,706
Miscellaneous income				197,865		197,865
Loss on disposal of asset				(7,990)		(7,990)
Total general revenues, special items, extraordinary items and transfers				<u>31,658,257</u>	<u>15,497</u>	<u>31,673,754</u>
Change in Net Assets				14,285	(45,474)	(31,189)
Net Assets - beginning				<u>20,332,710</u>	<u>372,682</u>	<u>20,705,392</u>
Net Assets - end				<u>20,346,995</u>	<u>327,208</u>	<u>20,674,203</u>

See accompanying notes to the basic financial statements.

**FUND FINANCIAL STATEMENTS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2008

	Major Funds			Other Funds	FY 2008	FY 2007
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund		
<u>ASSETS</u>						
Cash and cash equivalents	1,550,504	165,387			1,715,891	1,754,668
Receivables from other governments	254,171	378	673,246		927,795	930,135
Interfund accounts receivable	22,432				22,432	118,666
Restricted cash and cash equivalents	471,796				471,796	133,424
Total Assets	<u>2,298,903</u>	<u>165,765</u>	<u>673,246</u>		<u>3,137,914</u>	<u>2,936,893</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Cash overdraft			433,557		433,557	388,749
Accounts payable	153,869	26,509			180,378	154,572
Interfund accounts payable	3,436				3,436	
Deposits payable						700
Payable to federal government		11,231			11,231	3,343
Payable to state government		17,717			17,717	7,301
Deferred revenue		110,308			110,308	177,870
Total liabilities	<u>157,305</u>	<u>165,765</u>	<u>433,557</u>		<u>756,627</u>	<u>732,535</u>
Fund Balances:						
Reserved for:						
Encumbrances	98,714				98,714	280,628
Designated for subsequent year's expenditures	83,913				83,913	220,946
Maintenance reserve	200				200	200
Capital reserve account	471,796				471,796	133,424
Excess surplus - designated for subsequent year's expenditures	776,679				776,679	470,019
Excess surplus	656,051				656,051	776,679
Unreserved, reported in:						
General Fund						
Undesignated	54,245				54,245	42,822
Debt Service Fund						
Capital Projects Fund			239,689		239,689	279,639
Total fund balances	<u>2,141,598</u>		<u>239,689</u>		<u>2,381,287</u>	<u>2,204,358</u>
Total liabilities and fund balances	<u>2,298,903</u>	<u>165,765</u>	<u>673,246</u>			

See accompanying notes to the basic financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Balance Sheet  
Governmental Funds  
June 30, 2008

	<u>FY 2008</u>	<u>FY 2007</u>
Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$64,187,445 and the accumulated depreciation is \$15,573,186 (see Note 6).	48,614,259	49,761,161
Internal service funds are used by management to charge the costs of certain activities, such as transportation and food service to other governments. Assets and liabilities of the internal service funds of \$1,359 are included in governmental activities in the Statement of Net Assets.	1,359	1,298
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	<u>(30,649,910)</u>	<u>(31,634,107)</u>
Net assets of governmental activities	<u>20,346,995</u>	<u>20,332,710</u>

See accompanying notes to the basic financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2008

	Major Funds			Other	FY 2008	FY 2007
	General	Special	Capital	Debt		
				Service		
Fund	Fund	Fund	Fund			
<b>REVENUES</b>						
Local tax levy	14,036,426			2,068,825	16,105,251	15,267,759
Tuition charges	145,057				145,057	124,389
Transportation fees						10,637
Interest earned on investments	128,962				128,962	167,856
Interest earned on capital reserve funds	4,247				4,247	6,809
Miscellaneous	194,431	3,434			197,865	180,008
	14,509,123	3,434		2,068,825	16,581,382	15,757,458
State sources	14,456,722	88,914		628,143	15,173,779	14,693,699
Federal sources		721,075			721,075	516,806
Total revenues	28,965,845	813,423		2,696,968	32,476,236	30,967,963
<b>EXPENDITURES</b>						
Current:						
Regular instruction	9,573,755				9,573,755	8,967,748
Special education instruction	1,942,035	564,850			2,506,885	2,188,428
Other instruction	927,232				927,232	773,408
Support services & undistributed costs:						
Tuition	1,394,985				1,394,985	1,493,244
Student & instruction related services	2,048,660	227,289			2,275,949	2,109,253
General administration	517,043				517,043	480,882
School administrative services	1,258,848				1,258,848	1,229,004
Central services	317,997				317,997	343,896
Administration information technology	216,815				216,815	177,744
Plant operations and maintenance	2,309,565				2,309,565	2,172,997
Pupil transportation	1,617,066				1,617,066	1,569,365
Employee benefits	6,246,281	21,284			6,267,565	6,069,425
Special schools	69,370				69,370	82,704
Debt service:						
Principal				1,345,000	1,345,000	1,130,000
Interest and other charges				1,351,969	1,351,969	1,404,224
Capital outlay	304,455		44,808		349,263	595,614
Total expenditures	28,744,107	813,423	44,808	2,696,969	32,299,307	30,787,936
Excess (Deficiency) of revenues over expenditures	221,738		(44,808)	(1)	176,929	180,027
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out to Food Service Fund						(19,426)
Capital leases (non-budgeted)						320,640
Total other financing sources and uses						301,214
Net change in fund balances	221,738		(44,808)	(1)	176,929	481,241
Fund balance - July 1	1,919,860		284,497	1	2,204,358	1,723,117
Fund balance - June 30	2,141,598		239,689		2,381,287	2,204,358

See accompanying notes to the basic financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2008

Total net change in fund balances - governmental funds (from B-2)		176,929
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>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 expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(1,450,322)
	Capital outlays	311,410
		(1,138,912)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the statement of activities.</p>		
	Bond principal payments	1,345,000
	Capital lease obligation principal payments	299,570
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the Statement of Net Assets.</p>		
	Capital lease proceeds	0
<p>Internal service funds are used by management to charge the costs of certain activities, such as shared business services. The operating loss of \$61 are included in the governmental activities and Statement of Net Assets (see Exhibit G-5).</p>		
		61
<p>In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from disposal decrease financial resources. Thus the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>		
		(7,990)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences and special termination benefits are measured by the amounts earned during the year. In 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.</p>		
		(660,373)
Change in net assets of governmental activities		14,285

See accompanying notes to the basic financial statements.

**PROPRIETARY FUNDS**

## CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

## Statement of Net Assets

## Proprietary Funds

June 30, 2008

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Fund		FY 2008	FY 2007	
	Food Service	Other Funds			
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	346,606	7,071	353,677	444,578	1,298
Accounts Receivable	3,195		3,195	2,635	
Receivables from other governments					288,548
Inventories	6,956	3,085	10,041	7,618	
Total current assets	356,757	10,156	366,913	454,831	289,846
Noncurrent assets:					
Furniture, machinery & equipment	298,220		298,220	298,220	
Less: accumulated depreciation	(259,281)		(259,281)	(243,450)	
Total noncurrent assets	38,939		38,939	54,770	
Total assets	395,696	10,156	405,852	509,601	289,846
<b>LIABILITIES</b>					
Current liabilities:					
Cash overdraft					279,952
Accounts payable	1,173		1,173	840	8,535
Interfund accounts payable	16,397		16,397	100,610	
Compensated absences	61,074		61,074	35,469	
Total current liabilities	78,644		78,644	136,919	288,487
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	38,939		38,939	54,770	
Reserve for encumbrances	70		70		
Unrestricted	278,043	10,156	288,199	317,912	1,359
Total net assets	317,052	10,156	327,208	372,682	1,359

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2008

	Business-type Activities				Governmental Activities - Internal Service Fund
	Enterprise Fund				
	Major Fund				
	Food Service Fund	Other Funds	FY 2008	FY 2007	
OPERATING REVENUES:					
Local sources:					
Daily sales reimbursable programs	375,931		375,931	373,669	
Daily sales non-reimbursable programs	342,638	35,792	378,430	372,017	923,955
Special functions	11,838		11,838		
Miscellaneous	5,465	2,500	7,965		
Total operating revenue	735,872	38,292	774,164	745,686	923,955
OPERATING EXPENSES:					
Salaries	449,381	5,074	454,455	399,931	425,063
Employee benefits	32,418	388	32,806	82	135,083
Supplies and materials	21,333	2,088	23,421	21,159	1,920
Other purchased professional & technical srv.					483
Other purchased services	22,215		22,215	4,239	18,571
Cleaning, repair & maintenance services					74,896
Lease purchase payments					
Depreciation	15,831		15,831	15,859	
Miscellaneous other expenses		10,025	10,025	8,423	672
Cost of sales	378,192	22,276	400,468	369,598	
Contracted services (between home and school) - vendors					80,826
Contracted services (special education students) - joint agreements					38,841
Aid in lieu					76,343
Energy					71,196
Total operating expenses	919,370	39,851	959,221	819,291	923,894
Operating income (loss)	(183,498)	(1,559)	(185,057)	(73,605)	61
NON-OPERATING REVENUES:					
State sources:					
National school lunch program - State	8,215		8,215	9,042	
Federal sources:					
National school lunch program	74,227		74,227	76,624	
Food distribution program	41,644		41,644	31,456	
Interest revenue	14,966	531	15,497	21,114	
Total non-operating revenues (expenses)	139,052	531	139,583	138,236	

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2008

	Business-type Activities				Governmental Activities - Internal Service Fund
	Enterprise Fund				
	Major Fund				
	Food Service Fund	Other Funds	FY 2008	FY 2007	
Income (loss) before operating transfers	(44,446)	(1,028)	(45,474)	64,631	61
Operating transfers in - General Fund				19,426	
Net income (loss)	(44,446)	(1,028)	(45,474)	84,057	61
Total net assets - beginning	361,498	11,184	372,682	288,625	1,298
Total net assets - ending	317,052	10,156	327,208	372,682	1,359

## CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

## Statement of Cash Flows

## Proprietary Funds

For the Year Ended June 30, 2008

	Business-type Activities Enterprise Fund				Governmental Activities - Internal Service Fund
	Major Fund		FY 2008	FY 2007	
	Food Service Fund	Other Funds			
Cash flows from operating activities:					
Receipts from customers	735,459	38,292	773,751	745,686	901,299
Payments to suppliers	(382,178)	(34,398)	(416,576)	(331,399)	(355,213)
Payments to employees	(423,776)	(5,074)	(428,850)	(360,859)	(425,063)
Payments for employee benefits	(32,418)	(388)	(32,806)	(79)	(135,083)
Net cash provided (used) by operating activities	(102,913)	(1,568)	(104,481)	53,349	(14,060)
Cash flows from non-capital financing activities:					
Cash received from state & federal reimbursements	82,296		82,296	84,839	
Payments from operating fund	(84,168)	(45)	(84,213)		
Net cash provided by non-capital financing activities	(1,872)	(45)	(1,917)	84,839	
Cash flows from investing activities:					
Interest on investments	14,966	531	15,497	21,114	
Net cash provided by investing activities	14,966	531	15,497	21,114	
Net increase in cash and cash equivalents	(89,819)	(1,082)	(90,901)	159,302	(14,060)
Cash and cash equivalents - July 1	436,425	8,153	444,578	285,276	(264,594)
Cash and cash equivalents - June 30	346,606	7,071	353,677	444,578	(278,654)

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2008

	Business-type Activities Enterprise Fund		FY 2008	FY 2007	Governmental Activities - Internal Service Fund
	Major Fund	Other Fund			
	Food Service Fund	School Store			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(183,498)	(1,559)	(185,057)	(73,605)	61
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation	15,831		15,831	15,859	
Board contribution				19,426	
Food distribution program	41,644		41,644	31,456	
Change in assets and liabilities:					
Increase (decrease) in accounts receivable	(413)		(413)		(22,656)
(Increase) decrease in inventory	(3,255)	831	(2,424)	(1,281)	
(Decrease) in accounts payable	1,173	(840)	333	62,258	8,535
Increase in compensated absences	25,605		25,605	(764)	
	<u>(102,913)</u>	<u>(1,568)</u>	<u>(104,481)</u>	<u>53,349</u>	<u>(14,060)</u>

**FIDUCIARY FUNDS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
June 30, 2008

	S.U.R.E. Program	Unemployment Compensation Trust	Agency Funds	FY 2008	FY 2007
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	3,154	142,759	775,081	920,994	586,702
Intefund receivables:					
General fund			3,436	3,436	
Total assets	3,154	142,759	778,517	924,430	586,702
<b>LIABILITIES</b>					
Current liabilities:					
Payroll deductions and withholdings			429,090	429,090	112,965
Due to student groups			347,100	347,100	315,076
Deferred revenue	2,565			2,565	1,065
Due to employees					2,059
Interfund accounts payable			2,327	2,327	18,056
Total current liabilities	2,565		778,517	781,082	449,221
<b>NET ASSETS</b>					
Held in trust for unemployment claims and other purposes		142,759		142,759	136,892
Unreserved fund balance	589			589	589
Total net assets	589	142,759		143,348	137,481

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Year Ended June 30, 2008

	<u>S.U.R.E. Program</u>	<u>Unemployment Compensation Trust</u>	<u>FY 2007</u>	<u>FY 2007</u>
ADDITIONS:				
Contributions:				
Registration fees				8,016
Plan member		27,947	27,947	27,191
Total contributions		<u>27,947</u>	<u>27,947</u>	<u>35,207</u>
Investment earnings:				
Interest		4,671	4,671	7,616
Net investment earnings		<u>4,671</u>	<u>4,671</u>	<u>7,616</u>
Total additions		<u>32,618</u>	<u>32,618</u>	<u>42,823</u>
DEDUCTIONS:				
Workshop fees				7,427
Unemployment claims		26,751	26,751	57,267
Total deductions		<u>26,751</u>	<u>26,751</u>	<u>64,694</u>
Change in Net Assets		5,867	5,867	(21,871)
Net Assets - Beginning of year	589	136,892	137,481	159,352
Net Assets - End of year	<u>589</u>	<u>142,759</u>	<u>143,348</u>	<u>137,481</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements of the Board of Education of Clearview Regional High School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (G.A.S.B.) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2003 (for larger governments). The District implemented the new model in the 2002/2003 school year. In addition, the School District has implemented G.A.S.B. Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures* and G.A.S.B. Statement No. 44.

A. Reporting Entity

The Clearview Regional High School District is a Type II District located in the County of Gloucester, 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 7 – 12 received from the Townships of Harrison and Mantua.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" of revenues and expenses. These statements distinguish between governmental and business-type activities of the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education (N.J.D.O.E.) has elected to require New Jersey Districts to treat each governmental fund as a major fund in accordance with the option noted in G.A.S.B. No. 34, paragraph 76. The N.J.D.O.E. believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

The District reports the following governmental funds:

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

GOVERNMENTAL FUNDS

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

As required by the New Jersey State Department of Education, the District included 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.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**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.

PROPRIETARY FUNDS

Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

PROPRIETARY FUNDS (CONTINUED)

**Enterprise Funds** – The Enterprise Funds account for all revenues and expenses pertaining to the Board’s 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 on a continuing basis are financed or recovered primarily through user charges.

The District’s Enterprise Funds are comprised of the Food Service Fund and the School Store.

**Internal Service Fund** - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and therefore not available to support the School District’s own programs. The Fiduciary Funds include Student Activity Fund, Payroll, Payroll Agency Funds, Unemployment Compensation Trust which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

District-wide, Proprietary, and Fiduciary Fund Financial Statements:

The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Ad Valorem (property) Taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes 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 an "accounts receivable."

All governmental and business-type activities and proprietary funds of the District follow Financial Accounting Standards Board (F.A.S.B.) Statements and Interpretations and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict G.A.S.B. pronouncements. The District's proprietary funds have elected not to apply the standards issued by F.A.S.B. after November 30, 1989.

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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and or transfers of appropriations must be made by School Board resolution at any time during the fiscal year. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets/Budgetary Control (Continued)

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 G.A.A.P. in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. Sufficient supplemental records are maintained to allow for the presentation of G.A.A.P. basis financial reports.

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. 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 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 savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

On District-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consist of expendable supplies held for consumption. The cost of inventory items are recorded as expenditures under the governmental fund types when purchased. Inventories of the Enterprise Fund are expensed when used.

G. Interfund Receivables/Payables

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

H. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal repairs and maintenance are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site Improvements	20
Building & Improvements	20-50
Machinery & Equipment	5-20

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

K. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are sales for food service and school store. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Use of Estimates

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

New Jersey statutes (N.J.S.A. 18A:20-37) require that School Districts deposit public funds in contracted depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit funds in the State of New Jersey Cash Management Fund.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits – (Continued)

The carrying amount of the District's cash and cash equivalents at June 30, 2008, was \$2,750,147 and the bank balance was \$3,849,803. Of the bank balance, \$100,000 was covered by federal depository insurance (including public and custodial funds) and \$3,749,803 was covered by a collateral pool (G.U.D.P.A.) maintained by the bank as required by New Jersey statutes.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2008, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Credit risk: The District does not have an investment policy regarding the management of credit risk. G.A.S.B. 40 requires that disclosure be made as to the credit rating of all securities except for obligations of the U.S. government or investments guaranteed by the U.S. government which is considered to have no credit risk.

Interest rate risk: The District does not have a policy to limit interest rate risk.

Foreign currency risk: The District does not have a policy for foreign currency risk since statutes preclude Districts from investing in these types of securities.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.
- c. Bonds or other obligations of the Township or bonds or other obligations of the Township School District.
- d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments – (Continued)

- e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in N.J.S.A. 40A:5-15.1(a).
- g. Certificates of Deposit at federally insured banks.

As of June 30, 2008, the District's had investments in NJ ARM of \$9,283 which equals market value.

NOTE 3: RECEIVABLES

Receivables at June 30, 2008, consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full (see Exhibit B-1 and B-4). A summary of the principal items of the intergovernmental receivables are as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
State Aid	823,250	286
Federal Aid	23	2,496
Other	104,522	413
	<u>927,795</u>	<u>3,195</u>

NOTE 4: INVENTORY

Inventory in the Proprietary Funds at June 30, 2008 consisted of the following:

Food Service

Supplies	1,203
Food - Commodities	4,014
Food	<u>1,739</u>
	<u>6,956</u>

School Store

Supplies	<u>3,085</u>
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CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet at June 30, 2008:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	22,432	
Payroll		2,327
Payroll Agency		511
Student Activity		1,159
Little Pioneers		2,038
Food Service		16,397
	<u>22,432</u>	<u>22,432</u>

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2008. The assets were reappraised effective June 30, 2008.

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance</u> <u>June 30, 2008</u>
Governmental activities:				
Capital assets not being depreciated				
Construction in progress	3,455,337	44,808	3,500,145	
Sites (Land)	1,556,708	20,344		1,577,052
Total capital assets not being depreciated	5,012,045	65,152	3,500,145	1,577,052
Site Improvements	461,288	21,120		482,408
Building & Building Improvements	52,983,799	3,475,487		56,459,286
Machinery & Equipment	5,512,250	249,796	93,347	5,668,699
Totals at historical cost	58,957,337	3,746,403	93,347	62,610,393
Less: Accumulated depreciation				
Site Improvements	(248,918)	(21,301)		(270,219)
Building & Building Improvements	(10,347,427)	(1,115,777)		(11,463,204)
Machinery & Equipment	(3,611,876)	(313,244)	(85,357)	(3,839,763)
Total accumulated depreciation	(14,208,221)	(1,450,322)	(85,357)	(15,573,186)
Governmental activities capital assets, net	49,761,161	2,361,233	3,508,135	48,614,259
Business-type activities:				
Machinery & Equipment	298,220			298,220
Less: Accumulated depreciation	(243,450)	(15,831)		(259,281)
Business-type capital assets, net	54,770	(15,831)	None	38,939

Depreciation was charged to governmental functions as follows:

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 6: CAPITAL ASSETS (CONTINUED)

Instruction:	
Regular	39,826
Special	1,416
Other instructional	2,409
Support services:	
Student & instructional	1,360
General administration	24,278
School administration	1,534
Plant operations and maintenance	758,599
Pupil transportation	117,514
Unallocated	503,386
	<u>1,450,322</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

A. Defeased Debt

On December 1, 1997, the District issued general obligation bonds of \$10,105,000 (par value) with interest rates ranging from 3.70% to 5.375% to advance refund 1994 general obligation bonds with an interest rate of 6.10% and a par value of \$9,255,000. Maturities of the 1994 bonds range from 2005 to 2015 and they are callable, at par, on or after August 1, 2005. The 1997 general obligation bonds were issued with a net bond premium of \$153,806 that was used, in part, to pay issuance costs of \$119,310. The net proceeds from the issuance of the general obligation bonds were used to purchase U. S. government securities and those securities were placed on deposit in an irrevocable trust with an escrow agent to provide debt service payments on the 1994 bonds. The advance refunding met the requirements of an in-substance debt defeasance and the 1994 bonds were removed from the District's Debt.

As a result of the advance refunding, the District reduced its total debt service requirements by \$399,191, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$295,453.

On February 15, 2005, the District issued general obligation bonds of \$23,867,000 (par value) with interest rates ranging from 3% to 4 ½%. Maturities of the 2005 bonds range from 2005 to 2023 and they are callable, at par, on or after February 1, 2023.

The proceeds from the sale of the bond will be used to undertake the construction of additions and renovations to the Clearview Regional High School and the Clearview Regional Middle School, and

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

to make the necessary onsite and offsite improvements and purchase of the necessary furniture and equipment associated with the construction and renovations in these facilities.

The total amount received was \$23,878,337.95 (bonds of \$23,867,000 & accrued interest of \$11,337.95).

B. Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2008, are as follows:

	Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2008</u>
Compensated Absences				
Governmental	576,616	694,448	351,851	919,213
Business-type	35,469	25,605		61,074
Special termination benefits		317,776		317,776
Bonds payable	30,372,000		1,345,000	29,027,000
Capital leases	685,491		299,570	385,921
	<u>31,669,576</u>	<u>1,037,829</u>	<u>1,996,421</u>	<u>30,710,984</u>

C. Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	1,490,000	1,292,597	2,782,597
2010	1,585,000	1,224,123	2,809,123
2011	1,685,000	1,151,384	2,836,384
2012	1,675,000	1,073,009	2,748,009
2013	1,670,000	993,284	2,663,284
2014-2018	9,255,000	3,745,534	13,000,534
2019-2023	11,667,000	1,542,418	13,209,418
	<u>29,027,000</u>	<u>11,022,349</u>	<u>40,049,349</u>

D. Bonds Authorized but Not Issued

As of June 30, 2008, the Board has \$0 of bonds authorized but not issued.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

E. Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2008, there was not a liability for arbitrage rebate.

F. Capital Lease Payable

The District has entered into lease purchase agreements for the acquisition of school buses, computers, instructional equipment and lighting and retrofit energy conservation equipment. The lease agreements are for five years, ten years for the lighting and retrofit energy conservation equipment, and carry interest rates ranging from 2.5% to 5.8%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2008.

Year Ended			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	217,633	11,317	228,950
2010	101,638	6,820	108,458
2011	<u>66,650</u>	<u>2,733</u>	<u>69,383</u>
	<u>385,921</u>	<u>20,870</u>	<u>406,791</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 8: OPERATING LEASES

The District has commitments to lease copiers under non-cancelable operating leases for five years. Total lease payments made during the year ended June 30, 2008 amounted to \$17,838. Future minimum lease payments are as follows:

Year Ended	
<u>June 30</u>	
2009	13,781
2010	13,781
2011	13,781
2012	13,781
2013	<u>10,977</u>
Total future minimum lease payments	<u><u>66,101</u></u>

NOTE 9: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the System's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified titles.

Public Employees' Retirement System (P.E.R.S.) - The Public Employees' Retirement System (P.E.R.S.) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is generally required as a condition of employment for most employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or state or local jurisdiction.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 9: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - The vesting and benefit provisions for P.E.R.S. are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for T.P.A.F. All benefits vest after eight to ten years of service, except for medical benefits that vest after twenty-five years of service. Members are eligible for retirement benefits at age sixty with an annual benefit generally determined to be the number of years of service divided by fifty-five, times the final average salary. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving twenty-five years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The T.P.A.F. and P.E.R.S. provides for specified medical benefits for members who retire after achieving twenty-five years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for two percent of related interest earned on their contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. T.P.A.F. and P.E.R.S., provide for employee contributions of five and one half percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both T.P.A.F. and P.E.R.S. The actuarially determined contribution includes funding for both, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the T.P.A.F.

	Trend Information		
	2008	2007	2006
Gross Wages	17,595,334	16,759,185	16,058,666
Teachers' Pension and Annuity Fund			
T.P.A.F. covered wages	12,027,191	11,582,418	10,818,946
Annual Pension Cost*	1,615,552	1,543,344	770,186
Public Employees' Retirement System			
P.E.R.S. covered wages	3,490,816	3,279,465	3,149,351
Net Pension Obligation	203,003	107,207	54,775
Annual Pension Cost	253,754	178,678	136,938
Percentage of APC Contributed	80.00%	60.00%	40.00%
P.E.R.S.	5.82%	3.27%	1.74%

\* Paid on-behalf of District

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 9: PENSION PLANS (CONTINUED)

During the fiscal year ended June 30, 2008, the State of New Jersey contributed \$377,485 to the T.P.A.F. for normal benefits; \$63,563 for additional formula normal costs; \$396,377 for accrued liability; \$38,933 for NCGI Premium and \$739,194 for post-retirement medical on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$923,275 during the year ended June 30, 2008 for the employer's share of social security contributions for T.P.A.F. members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with G.A.S.B. 27.

NOTE 10: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating twenty-five years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 which will increase the medical reserve of one half of one percent of the active State payroll.

The State made post-retirement (P.R.M.) contributions of \$592.7 million for T.P.A.F. and \$224.3 million for P.E.R.S. in fiscal year 2007.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with twenty-five years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

NOTE 11: DEFERRED COMPENSATION

The Board offers its employees a choice of various 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:

Lincoln Investment Planning, Inc.  
Met Life  
Fiserv Inc.

AXA Equitable  
Franklin Templeton Bank  
The Omni Group

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. Any potential liability of the District with respect to loss claims would be equal to the deductibles associates with policies and an event which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

New Jersey Unemployment Compensation Insurance:

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2007-2008	None	27,947	26,751	142,759
2006-2007	None	27,191	57,267	136,892
2005-2006	None	26,075	35,160	159,352

NOTE 13: COMPENSATED ABSENCES

The District accounts for compensated absences using the vesting method (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (G.A.S.B. 16), “Accounting for Compensated Absences”. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the 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 policies. The District’s policy permits employees to accumulate 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 District’s agreements with the various employee unions.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 13: COMPENSATED ABSENCES (CONTINUED)

For the District-wide Statements of Net Assets, the liability whose average maturities are greater than one year should be reported in two components – the amounts due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2008, a liability existed for compensated absences in the Food Service Fund in the amount of \$61,074.

NOTE 14: SPECIAL TERMINATION BENEFITS

Special termination benefits totaling, \$317,776 are to be budgeted and expended in installments on or before January 15, 2010. Actuarial calculations were not performed since the pay out period is relatively short and the difference between an actuarial cost method and the actual pay out amounts would not be significant. All special termination benefits liability has been included in the long-term debt. The future payments are due as follows:

<u>Year</u>	<u>Amount</u>
2009	158,888
2010	158,888
	<u>317,776</u>

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$5,000 on September 28, 2000 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 (L.R.F.P.). Upon submission of the L.R.F.P. to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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-23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved L.R.F.P.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

Beginning balance, July 1, 2007	133,424
Deposits approved Board resolution	375,000
Interest Earnings	4,247
Withdrawals	
Board resolution March 27, 2008	27,375
Board resolution November 20, 2007	13,500
Ending balance, June 30, 2008	<u>471,796</u>

The June 30, 2008 L.R.F.P. balance of local support costs for uncompleted capital projects at June 30, 2008 is \$7,249,360. As of June 30, 2008, \$96,796 of the capital reserve balance has been reserved for the improvement of athletic fields behind the Middle School as approved by the Board in June 2002. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's Long Range Facilities Plan.

NOTE 16: FUND BALANCE APPROPRIATED

General Fund - Of the \$2,695,577 fund balance at June 30, 2008, \$98,714 is reserved for encumbrances; \$1,432,730 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$776,679 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2009) \$83,913 has been appropriated and also included as anticipated revenue for the year ending June 30, 2009; \$471,796 has been reserved in the capital reserve account; \$200 has been reserved as maintenance reserve, \$608,224 is unreserved and undesignated.

Debt Service Fund - There was \$0 fund balance at June 30, 2008

NOTE 17: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 (C.E.I.F.A.). New Jersey school districts are required to reserve General Fund 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, 2008 is \$1,432,730.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 18: CONTINGENT LIABILITIES

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsels, there is litigation or contingent liability that is pending against the Clearview Regional High School District. The case is pending in the New Jersey Superior Court and seeks damages for loss wages and emotional distress. It is expected that the monetary demand will be in excess of \$100,000. However, the Board believes that all of its actions were legally appropriate and correct.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	14,036,426		14,036,426	14,036,426	
Tuition from Individuals	72,000		72,000	29,400	(42,600)
Tuition from LEA's				115,657	115,657
Transportation fees from other LEA's within state	25,000		25,000		(25,000)
Interest on investments	70,000		70,000	128,962	58,962
Interest on capital reserve funds				4,247	4,247
Miscellaneous	20,000	33,665	53,665	194,431	140,766
Total - local sources	<u>14,223,426</u>	<u>33,665</u>	<u>14,257,091</u>	<u>14,509,123</u>	<u>252,032</u>
State sources:					
Core curriculum aid	9,025,472		9,025,472	9,025,472	
Supplemental core curriculum aid	48,455		48,455	48,455	
Transportation aid	752,254		752,254	752,254	
Special education aid	912,464		912,464	912,464	
Bilingual education aid	2,374		2,374	2,374	
Consolidated aid	236,776		236,776	236,776	
Additional formula aid	674,290		674,290	674,290	
Above average enrollment growth	191,389		191,389	191,389	
Extraordinary aid				53,648	53,648
Teacher mentoring				3,690	3,690
Non-public transportation additional				30,470	30,470
Teachers' Pension and Annuity Fund (on-behalf - non-budgeted)				876,358	876,358
T.P.A.F. - post-retirement medical (on-behalf - non-budgeted)				739,194	739,194
Reimbursed T.P.A.F. social security contributions (non-budgeted)				923,275	923,275
Total - state sources	<u>11,843,474</u>		<u>11,843,474</u>	<u>14,470,109</u>	<u>2,626,635</u>
Total revenues	<u>26,066,900</u>	<u>33,665</u>	<u>26,100,565</u>	<u>28,979,232</u>	<u>2,878,667</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular programs - instruction:					
Salaries of teachers:					
Grades 6-8	3,045,815	(110,830)	2,934,985	2,932,972	2,013
Grades 9-12	5,567,680	176,107	5,743,787	5,727,270	16,517
Regular programs - home instruction:					
Salaries of teachers	27,000	1,477	28,477	28,476	
Purchased professional/educational services	44,000	(1,477)	42,523	31,206	11,317
Regular programs - undistributed instruction:					
Other salaries for instruction	136,494	(16,383)	120,111	118,187	1,924
Purchased technical services	1,000		1,000		1,000
Other purchased services	108,589	(6,182)	102,407	87,601	14,806
General supplies	607,026	25,742	632,768	559,653	73,115
Textbooks	161,551	(57,355)	104,196	86,326	17,870
Miscellaneous expenditures	13,360	(8)	13,352	2,064	11,288
Total regular programs	9,712,515	11,091	9,723,606	9,573,755	149,850
Learning and/or language disabilities:					
Salaries of teachers	78,456	(833)	77,623	77,623	
Other salaries for instruction	29,577	114	29,691	29,691	
General supplies	3,950	4,844	8,794	8,093	701
Miscellaneous expenditures	300		300		300
Total learning and/or language disabilities	112,283	4,125	116,408	115,407	1,001
Auditory disabilities:					
Purchased professional/educational services	123,552	57,888	181,440	181,440	
General supplies	500	51	551	542	9
Total auditory disabilities	124,052	57,939	181,991	181,982	9
Behavioral disabilities:					
Salaries of teachers	126,970	(38,041)	88,929	87,678	1,251
Other salaries for instruction	68,694	(6,255)	62,439	47,681	14,758
General supplies	6,619	(508)	6,111	3,948	2,163
Textbooks	2,315	(1,064)	1,251	478	773
Total behavioral disabilities	204,598	(45,868)	158,730	139,785	18,945

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities:					
Salaries of teachers	87,413	2,043	89,456	85,156	4,300
Other salaries for instruction	64,950	(19,529)	45,421	45,420	1
General supplies	9,165	220	9,385	6,632	2,753
Miscellaneous expenditures		320	320	320	
Total multiple disabilities	<u>161,528</u>	<u>(16,946)</u>	<u>144,582</u>	<u>137,528</u>	<u>7,054</u>
Resource room:					
Salaries of teachers	1,178,096	41,486	1,219,582	1,201,360	18,222
Other salaries for instruction	144,688	6,015	150,703	150,289	414
General supplies	13,500	(1,120)	12,380	8,021	4,359
Textbooks	8,390		8,390	7,663	727
Total resource room	<u>1,344,674</u>	<u>46,381</u>	<u>1,391,055</u>	<u>1,367,333</u>	<u>23,722</u>
Total special education	<u>1,947,135</u>	<u>45,631</u>	<u>1,992,766</u>	<u>1,942,035</u>	<u>50,731</u>
Basic skills/remedial:					
Other salaries for instruction					
General supplies	4,600	(1,665)	2,935		2,935
Total basic skills/remedial	<u>4,600</u>	<u>(1,665)</u>	<u>2,935</u>		<u>2,935</u>
Bilingual:					
Salaries of teachers		5,444	5,444	5,444	
General supplies	2,400	(535)	1,865		1,865
Total bilingual	<u>2,400</u>	<u>4,909</u>	<u>7,309</u>	<u>5,444</u>	<u>1,865</u>
School sponsored co-curricular activities:					
Salaries	144,140	19,577	163,717	163,717	
Purchased professional services	10,000	1,523	11,523	11,523	
Other purchased services	12,735	(7,276)	5,459	4,749	710
General supplies	75,071	(21,828)	53,243	52,528	715
Other objects	5,950	4,154	10,104	10,104	
Transfers to cover deficit (agency funds)	12,000	(5,222)	6,778	6,778	
Total school sponsored co-curricular activities	<u>259,896</u>	<u>(9,072)</u>	<u>250,824</u>	<u>249,399</u>	<u>1,425</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored athletics - instruction:					
Salaries	426,926	14,585	441,511	437,114	4,397
Other purchased professional-technical services	21,000	(2,538)	18,462	17,974	488
Other purchased services	147,607	(19,470)	128,137	113,538	14,599
Supplies and materials	84,747		84,747	79,940	4,807
Other objects	29,524		29,524	23,823	5,701
Total school sponsored athletics - instruction	709,804	(7,423)	702,381	672,389	29,992
Total other instructional programs	976,700	(13,251)	963,449	927,232	36,217
Total - instruction	12,636,350	43,471	12,679,821	12,443,022	236,798
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within state-regular	18,118	(4,500)	13,618		13,618
Tuition to other LEA's within state-special	23,219		23,219	16,360	6,859
Tuition to county special services district/ regional day schools	726,027	(19,971)	706,056	645,046	61,010
Tuition to private schools for handicapped-state	832,510	(99,447)	733,063	698,668	34,395
Tuition to private schools for handicapped-out of state	64,900	(45,000)	19,900	3,549	16,351
Tuition - other	43,522		43,522	31,362	12,160
Total undistributed expenditures - instruction	1,708,296	(168,918)	1,539,378	1,394,985	144,393
Attendance and social work services:					
Salaries	81,229	633	81,862	81,856	6
Total attendance and social work services	81,229	633	81,862	81,856	6
Health services:					
Salaries	184,432	294	184,726	184,380	346
Purchased professional/technical services	12,800	(3,235)	9,565	9,292	273
Other purchased services	450		450	272	178
Supplies and materials	6,939	(61)	6,878	6,115	763
Other objects	200		200	78	122
Total health services	204,821	(3,002)	201,819	200,137	1,682

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Related services:					
Salaries of teachers	60,178	(12,861)	47,317	47,301	16
Purchased professional-education services		4,608	4,608	4,608	
Total related services	<u>60,178</u>	<u>(8,253)</u>	<u>51,925</u>	<u>51,909</u>	<u>16</u>
Extraordinary services:					
Purchased educational services	62,336	(44,278)	18,058	18,058	
General supplies	3,093	(879)	2,214	2,149	65
Total extraordinary services	<u>65,429</u>	<u>(45,157)</u>	<u>20,272</u>	<u>20,207</u>	<u>65</u>
Other support services - students - regular:					
Salaries of other professional staff	599,065	19,691	618,756	614,657	4,099
Salaries of secretarial and clerical assistants	139,552	7,687	147,239	144,861	2,378
Other salaries	45,848	402	46,250	46,250	
Purchased professional-education services	1,500		1,500	857	643
Purchased professional-technology services	7,000	(2,826)	4,174	3,977	197
Other purchased services	3,500		3,500		3,500
Supplies and materials	21,060	(5,000)	16,060	12,835	3,225
Other objects	2,600		2,600	369	2,231
Total other support services - students - regular	<u>820,125</u>	<u>19,954</u>	<u>840,079</u>	<u>823,806</u>	<u>16,273</u>
Other support services - students - special services:					
Salaries of other professional staff	248,013	28,376	276,389	270,923	5,466
Salaries of secretarial and clerical assistants	48,000	(17,100)	30,900	30,867	33
Purchased professional-educational services	11,575	(3,450)	8,125	8,119	6
Other purchased services	2,500		2,500	1,821	679
Supplies and materials	6,500	(1,500)	5,000	3,073	1,927
Other objects	2,000	744	2,744	1,995	749
Total other support services - students - special services	<u>318,588</u>	<u>7,070</u>	<u>325,658</u>	<u>316,798</u>	<u>8,860</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of instructional services/other support services - instructional staff:					
Salaries of supervisors of instruction	100,000	16,920	116,920	116,920	
Salaries of other professional staff	78,356	4,158	82,514	82,513	1
Salaries of secretarial and clerical assistants	53,652		53,652	53,424	228
Other purchased services	500	1,616	2,116	1,432	684
Supplies and materials	72,151	(9,944)	62,207	41,896	20,311
Total improvement of instructional services/other support services - instructional staff	304,659	12,750	317,409	296,185	21,224
Educational media services/school library:					
Salaries	186,384	255	186,639	181,718	4,921
Other purchased services	23,550	(1,093)	22,457	21,642	815
Supplies and materials	53,903	(300)	53,603	44,643	8,960
Total educational media services/school library	263,837	(1,138)	262,699	248,003	14,696
Instructional staff training:					
Salaries of other professional staff	13,500		13,500	5,890	7,610
Other purchased services	4,800		4,800	2,044	2,756
Supplies and materials	3,000		3,000	1,411	1,589
Other objects	2,100		2,100	414	1,686
Total instructional staff training	23,400		23,400	9,759	13,641

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	214,629	14,897	229,526	228,073	1,453
Legal services	18,822	39,130	57,952	57,949	3
Audit fees	25,000	400	25,400	25,400	
Other professional services	12,400	16,720	29,120	28,815	305
Purchased technical services	2,500	(2,500)			
Communications/telephone	92,507	(20)	92,487	91,569	918
BOE other purchased services	3,750	(2,111)	1,639	730	909
Other purchased services	51,800	(6,210)	45,590	45,487	103
Supplies and materials	8,931	(5,500)	3,431	3,021	410
BOE in house training/meeting supplies	300	238	538	538	
Miscellaneous expenditures	43,334	(7,739)	35,595	35,461	134
Total support services general administration	473,973	47,305	521,278	517,043	4,235
Support services school administration:					
Salaries of principals/assistant principals	522,505	5,788	528,293	528,292	1
Salaries of other professional staff	293,246	(14,330)	278,916	263,829	15,087
Salaries of secretarial and clerical assistants	312,622	(4,281)	308,341	299,682	8,659
Other purchased professional-technical services	37,833	1,467	39,300	33,666	5,634
Other purchased services (400-500 series)	119,836	(10,010)	109,826	80,962	28,864
Supplies and materials	49,574	3,093	52,667	45,682	6,985
Other objects	8,000		8,000	6,735	1,265
Total support services school administration	1,343,616	(18,273)	1,325,343	1,258,848	66,495
Central services:					
Salaries	302,044	(29,640)	272,404	265,481	6,923
Other purchased professional services	2,000	5,110	7,110	4,518	2,592
Other purchased technical services	19,915	8,082	27,997	24,362	3,635
Other purchased services (400-500 series)	10,500	(30)	10,470	9,549	921
Supplies and materials	12,000		12,000	9,576	2,424
Interest on lease purchase agreements	2,785		2,785	2,784	1
Other objects	2,000		2,000	1,727	273
Total central services	351,244	(16,478)	334,766	317,997	16,769

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administration information technology					
Salaries	172,647	16,215	188,862	182,323	6,539
Other purchased services (400-500 series)	25,500	(5,461)	20,039	18,526	1,513
Supplies and materials	17,500		17,500	15,966	1,534
Total administration information technology	<u>215,647</u>	<u>10,754</u>	<u>226,401</u>	<u>216,815</u>	<u>9,586</u>
Required maintenance for school facilities:					
Other salaries	147,776	(1,300)	146,476	141,957	4,519
Cleaning, repair and maintenance services	112,560	12,604	125,164	101,221	23,943
General supplies	57,850	8,727	66,577	66,528	49
Total allowable maintenance for school facilities	<u>318,186</u>	<u>20,031</u>	<u>338,217</u>	<u>309,706</u>	<u>28,511</u>
Other operation and maintenance of plant services:					
Other salaries	768,548	(1,749)	766,799	756,220	10,579
Purchased professional and technical services	8,000		8,000	641	7,359
Cleaning, repair and maintenance services	44,000	1,575	45,575	41,176	4,399
Other purchased property services	42,000		42,000	36,456	5,544
Insurance	98,000	13,413	111,413	111,413	
Other purchased services	1,650	71	1,721	1,716	5
General supplies	126,896	13,517	140,413	140,011	402
Energy (heat and electricity)	875,375	90,100	965,475	908,951	56,524
Miscellaneous expenditures		3,275	3,275	3,275	
Total other operation and maintenance of plant services	<u>1,964,469</u>	<u>120,202</u>	<u>2,084,671</u>	<u>1,999,859</u>	<u>84,812</u>
Total operation and maintenance of plant services	<u>2,282,655</u>	<u>140,233</u>	<u>2,422,888</u>	<u>2,309,565</u>	<u>113,323</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	413,414	(14,496)	398,918	397,919	999
Salaries for pupil transportation (between home and school) - special education	154,196	775	154,971	154,970	1
Salaries for pupil transportation (other than between home and school)	94,342	6,607	100,949	100,949	
Purchased professional and technical services	1,000		1,000	834	166
Cleaning, repair and maintenance services	165,192	(27,386)	137,806	129,197	8,609
Lease purchase - school bus	232,731		232,731	232,730	1
Aid in lieu	82,600	17,550	100,150	99,868	282
Contracted services (between home and school) - vendors	26,000	6,060	32,060	32,054	6
Contracted services (other than between home and school) - vendors	5,000	(4,300)	700	700	
Contracted services (special education students) - joint agreements	59,418	176,883	236,301	236,023	278
Contracted services (other than between home and school) - ESC/CTSA	38,204	(38,100)	104		104
Contracted services (special education students) - ESC/CTSA	189,997	(113,533)	76,464	72,985	3,479
Miscellaneous purchased services - transportation	48,800	(15,109)	33,691	32,031	1,660
Supplies and materials	24,448	(19,691)	4,757	3,312	1,445
Energy	105,000	17,316	122,316	122,299	17
Miscellaneous expenditures	1,000	305	1,305	1,195	110
<b>Total student transportation services</b>	<b>1,641,342</b>	<b>(7,119)</b>	<b>1,634,223</b>	<b>1,617,066</b>	<b>17,157</b>
Unallocated benefits:					
Social security contributions	359,826	(18,770)	341,056	333,093	7,963
Other retirement benefits	186,947	16,058	203,005	203,003	2
Workers' compensation	160,000	15,112	175,112	170,889	4,223
Health benefits	3,144,861	(83,827)	3,061,034	2,974,056	86,978
Tuition reimbursement	26,147	4,000	30,147	26,413	3,734
Other employee benefits	22,500	(6,162)	16,338		16,338
<b>Total unallocated benefits</b>	<b>3,900,281</b>	<b>(73,589)</b>	<b>3,826,692</b>	<b>3,707,454</b>	<b>119,238</b>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf - non-budgeted)				876,358	(876,358)
T.P.A.F. - post-retirement medical (on-behalf - non-budgeted)				739,194	(739,194)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				923,275	(923,275)
Total non-budgeted				2,538,827	(2,538,827)
Total undistributed expenditures	14,059,320	(103,228)	13,956,092	15,927,260	(1,971,168)
Total expenditures - current expense	26,695,670	(59,757)	26,635,913	28,370,282	(1,734,370)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 6-8	16,290	(11,110)	5,180	4,290	890
Grades 9-12	28,950	(3,500)	25,450	20,278	5,172
Special Ed - Auditory		2,994	2,994		2,994
School sponsored co-curricular activities					
Athletics					
Undistributed expenditures:					
Support services - regular	4,400		4,400		4,400
Central services		9,365	9,365	9,365	
Administration information technology		30,847	30,847	30,002	845
Operation and maintenance of plant services		3,500	3,500	3,294	206
School buses - regular	160,000	(76,428)	83,572	83,572	
School buses - special		95,456	95,456	95,456	
Total equipment	209,640	51,124	260,764	246,257	14,507
Facilities acquisition and construction services:					
Other purchased professional & technical services		33,375	33,375	6,844	26,531
Construction services		13,500	13,500	13,500	
Lease purchase agreements - principal	37,854		37,854	37,854	
Total facilities acquisition and construction services	37,854	46,875	84,729	58,198	26,531
Total capital outlay	247,494	97,999	345,493	304,455	41,038

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL SCHOOLS					
Summer school - instruction:					
Salaries of teachers		7,105	7,105	1,585	5,520
Total summer school - instruction		7,105	7,105	1,585	5,520
Total summer school		7,105	7,105	1,585	5,520
Adult education - local - instruction:					
Salaries of teachers	4,500	(545)	3,955	1,624	2,331
Total adult education - local - instruction	4,500	(545)	3,955	1,624	2,331
Adult education - local - support service:					
Salaries		105	105		105
Purchased professional and technical services	17,000	37,783	54,783	46,547	8,236
Other purchased services	7,500	11,200	18,700	18,655	45
Supplies and materials	1,000		1,000	959	41
Miscellaneous expenditures		650	650		650
Total adult education - local - support service	25,500	49,738	75,238	66,161	9,077
Total adult education - local	30,000	49,193	79,193	67,785	11,408
Total special schools	30,000	56,298	86,298	69,370	16,928
Total expenditures	26,973,164	94,540	27,067,704	28,744,107	(1,676,404)
Excess (deficiency) of revenues over (under) expenditures	(906,264)	(60,875)	(967,139)	235,125	1,202,263
Other financing sources (uses):					
Transfer to Food Service Fund - board contribution	(40,470)		(40,470)		(40,470)
Total other financing sources (uses)	(40,470)		(40,470)		(40,470)

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(946,734)	(60,875)	(1,007,609)	235,125	1,242,733
Fund balances - July 1	2,460,452		2,460,452	2,460,452	
Fund balances - June 30	1,513,717	(60,875)	1,452,843	2,695,577	1,242,733

**Recapitulation:**

Reserve for encumbrances	98,714
Designated for subsequent year's expenditures	83,913
Maintenance Reserve	200
Capital Reserve	471,796
Excess Surplus	656,051
Excess Surplus - Designated for subsequent year's expenditures	776,679
Unrestricted Fund Balance	608,224
	2,695,577
Reconciliation to Governmental Fund Statements (G.A.A.P.):	
Last State Aid Payment not recognized on G.A.A.P. Basis	(553,979)
Fund Balance per Governmental Funds (G.A.A.P.)	2,141,598

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	608,124	240,385	848,509	721,075	127,434
State Sources	86,794	19,871	106,665	88,914	17,751
Local Sources		5,000	5,000	3,434	1,566
Total Revenues	<u>694,918</u>	<u>265,256</u>	<u>960,174</u>	<u>813,423</u>	<u>146,751</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	70,994	20,133	91,127	85,763	5,364
Purchased professional technical services	23,610	(6,866)	16,744	7,953	8,791
Other purchased services	260,680	122,739	383,419	374,145	9,274
General supplies	85,593	31,882	117,475	91,559	25,916
Textbooks	13,953	(92)	13,861	2,949	10,912
Other objects	2,069	1,776	3,845	2,481	1,364
Total Instruction	<u>456,899</u>	<u>169,572</u>	<u>626,471</u>	<u>564,850</u>	<u>61,621</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Salaries	26,700	18,078	44,778	31,655	13,123
Salaries of Other Professional Staff	21,610	15,240	36,850	25,050	11,800
Salaries of Secretaries and Clerical Assistants	31,920	61	31,981	31,981	
Personal Services - Employee Benefits	16,831	10,487	27,318	21,284	6,034
Purchased Professional Services	18,563	583	19,146	17,672	1,474
Purchased Professional Technical Services	46,979	28,702	75,681	34,525	41,156
Other Purchased Services	60,978	15,580	76,558	70,611	5,947
Travel	11,805	4,841	16,646	13,491	3,155
Supplies and Materials	2,633	1,510	4,143	1,749	2,394
Other Objects		602	602	555	47
Total Support Services	<u>238,019</u>	<u>95,684</u>	<u>333,703</u>	<u>248,573</u>	<u>85,130</u>
Total Expenditures	<u>694,918</u>	<u>265,256</u>	<u>960,174</u>	<u>813,423</u>	<u>146,751</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Required Supplementary Information

Budget-to-G.A.A.P. Reconciliation

Note to RSI

For the Fiscal Year Ended June 30, 2008

Note A: Explanation of Differences between Budgetary Inflows and Outflows and  
G.A.A.P. Revenues and Expenditures

	<u>General Fund N-1</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] 28,979,232	[C-2] 813,423
Difference - budget to G.A.A.P.:		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for G.A.A.P. statements in the current year, previously recognized for budgetary purposes.	540,592	
State aid payment recognized for budgetary purposes, not recognized for G.A.A.P. statements.	(553,979)	
Total revenues as reported on the Statement of Revenues, Expenditures and changes in fund balances - governmental funds.	[B-2] <u>28,965,845</u>	[B-2] <u>813,423</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] 28,744,107	[C-2] 813,423
Difference - budget to G.A.A.P.:		
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.		
Total expenditures as reported on the Statement of Revenues, Expenditures and changes in fund balances - governmental funds.	[B-2] <u>28,744,107</u>	[B-2] <u>813,423</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND DETAIL STATEMENTS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

	Total Brought Forward Ex. E-1a	Nonpublic Nursing Services	Auxilliary	Handicapped Services		Totals 2008	Totals 2007
			Services Nonpublic Transportation	Nonpublic Supplementary Instruction	Nonpublic Exam & Classification		
REVENUES:							
Federal sources	721,075					721,075	522,184
State sources	40,748	17,672	3,478	5,782	21,234	88,914	90,043
Local sources	3,434					3,434	
Total revenues	765,257	17,672	3,478	5,782	21,234	813,423	612,227
EXPENDITURES:							
Instruction:							
Salaries of teachers	85,763					85,763	87,344
Purchased professional/technical services	7,953					7,953	3,279
Other purchased services	374,145					374,145	194,755
General supplies	91,559					91,559	82,287
Textbooks	2,949					2,949	9,569
Other Objects	2,481					2,481	1,574
Total instruction	564,850					564,850	378,808
Support services:							
Salaries	31,655					31,655	26,873
Salaries - other professional staff	25,050					25,050	14,060
Salaries - secretarial and clerical	31,981					31,981	34,463
Employee benefits	21,284					21,284	20,918
Purchased professional services		17,672				17,672	32,872
Purchased professional/technical services	34,525					34,525	17,746
Other purchased services (400-500 series)	40,117		3,478	5,782	21,234	70,611	68,263
Travel	13,491					13,491	15,305
Supplies and materials	1,749					1,749	2,919
Other objects	555					555	
Total support services	200,407	17,672	3,478	5,782	21,234	248,573	233,419
Total expenditures	765,257	17,672	3,478	5,782	21,234	813,423	612,227

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

	Total Brought Forward Ex. E-1b	Title I School Improvement Carryover	Title I Part A	Title I, Part A Carryover	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Total Carried Forward
<b>REVENUES:</b>							
Federal sources	566,675	4,701	96,732	21,466	18,536	12,965	721,075
State sources	40,748						40,748
Local sources	3,434						3,434
<b>Total revenues</b>	<b>610,857</b>	<b>4,701</b>	<b>96,732</b>	<b>21,466</b>	<b>18,536</b>	<b>12,965</b>	<b>765,257</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	6,500	4,367	56,972	17,924			85,763
Purchased professional/technical services	1,209		6,744				7,953
Other purchased services	374,145						374,145
General supplies	91,135		335	89			91,559
Textbooks	2,949						2,949
Other Objects	2,481						2,481
<b>Total instruction</b>	<b>478,419</b>	<b>4,367</b>	<b>64,051</b>	<b>18,013</b>			<b>564,850</b>
Support services:							
Salaries	600		5,385	3,453	13,039	9,178	31,655
Salaries - other professional staff	25,050						25,050
Salaries - secretarial and clerical	31,981						31,981
Employee benefits	4,686	334	14,564		997	703	21,284
Purchased professional/technical services	28,255		3,186			3,084	34,525
Other purchased services (400-500 series)	40,117						40,117
Travel			8,991		4,500		13,491
Supplies and materials	1,749						1,749
Other objects			555				555
<b>Total support services</b>	<b>132,438</b>	<b>334</b>	<b>32,681</b>	<b>3,453</b>	<b>18,536</b>	<b>12,965</b>	<b>200,407</b>
<b>Total expenditures</b>	<b>610,857</b>	<b>4,701</b>	<b>96,732</b>	<b>21,466</b>	<b>18,536</b>	<b>12,965</b>	<b>765,257</b>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

	Total Brought Forward Ex. E-1c	Title II, Part D Enhancing Education through Technology	Title IV Safe & Drug-Free Schools & Communities	Title IV Safe & Drug-Free Schools & Communities Carryover	Title V, Part A Innovative Program	Title V, Part A Innovative Program Carryover	Total Carried Forward
<b>REVENUES:</b>							
Federal sources	558,363	763	2,876	596	2,500	1,577	566,675
State sources	40,748						40,748
Local sources	3,434						3,434
<b>Total revenues</b>	<b>602,545</b>	<b>763</b>	<b>2,876</b>	<b>596</b>	<b>2,500</b>	<b>1,577</b>	<b>610,857</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	6,500						6,500
Purchased professional/technical services	1,209						1,209
Other purchased services	374,145						374,145
General supplies	91,135						91,135
Textbooks	2,949						2,949
Other objects	2,481						2,481
<b>Total instruction</b>	<b>478,419</b>						<b>478,419</b>
Support services:							
Salaries		600					600
Salaries - other professional staff	25,050						25,050
Salaries - secretarial and clerical	31,981						31,981
Employee benefits	4,640	46					4,686
Purchased professional/technical services	21,962		1,620	596	2,500	1,577	28,255
Other purchased services (400-500 series)	40,117						40,117
Supplies and materials	376	117	1,256				1,749
<b>Total support services</b>	<b>124,126</b>	<b>763</b>	<b>2,876</b>	<b>596</b>	<b>2,500</b>	<b>1,577</b>	<b>132,438</b>
<b>Total expenditures</b>	<b>602,545</b>	<b>763</b>	<b>2,876</b>	<b>596</b>	<b>2,500</b>	<b>1,577</b>	<b>610,857</b>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

	Total Brought Forward Ex. E-1d	R.E.B.E.L.	I.D.E.A.-Part B - Basic Reg. Program	I.D.E.A.-Part B - Basic Carryover	Carl D. Perkins Secondary	New Jersey Education Foundation	Total Carried Forward
<b>REVENUES:</b>							
Federal sources			375,591	119,956	62,816		558,363
State sources	38,401	2,347					40,748
Local sources						3,434	3,434
<b>Total revenues</b>	<b>38,401</b>	<b>2,347</b>	<b>375,591</b>	<b>119,956</b>	<b>62,816</b>	<b>3,434</b>	<b>602,545</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers		2,000	4,500				6,500
Purchased professional/technical services			1,209				1,209
Other purchased services			289,603	84,542			374,145
General supplies			14,334	10,934	62,816	3,051	91,135
Textbooks	2,949						2,949
Other objects			1,253	845		383	2,481
<b>Total instruction</b>	<b>2,949</b>	<b>2,000</b>	<b>310,899</b>	<b>96,321</b>	<b>62,816</b>	<b>3,434</b>	<b>478,419</b>
Support services:							
Salaries - other professional staff			7,650	17,400			25,050
Salaries - secretarial and clerical			31,576	405			31,981
Employee benefits			3,345	1,295			4,640
Purchased professional/technical services			17,427	4,535			21,962
Other purchased services (400-500 series)	35,452		4,665				40,117
Supplies and materials		347	29				376
<b>Total support services</b>	<b>35,452</b>	<b>347</b>	<b>64,692</b>	<b>23,635</b>			<b>124,126</b>
<b>Total expenditures</b>	<b>38,401</b>	<b>2,347</b>	<b>375,591</b>	<b>119,956</b>	<b>62,816</b>	<b>3,434</b>	<b>602,545</b>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

	Nonpublic Textbooks	Auxilliary Services		Nonpublic Technology	Handicapped Services Nonpublic Speech	Total Carried Forward
		Nonpublic Basic Skills	Nonpublic Home Instruction			
REVENUES:						
Federal sources						
State sources	2,949	22,494	378	9,790	2,790	38,401
Total revenues	<u>2,949</u>	<u>22,494</u>	<u>378</u>	<u>9,790</u>	<u>2,790</u>	<u>38,401</u>
EXPENDITURES:						
Instruction:						
Textbooks	2,949					2,949
Total instruction	<u>2,949</u>					<u>2,949</u>
Support services:						
Other purchased services (400-500 series)		22,494	378	9,790	2,790	35,452
Total support services		<u>22,494</u>	<u>378</u>	<u>9,790</u>	<u>2,790</u>	<u>35,452</u>
Total expenditures	<u>2,949</u>	<u>22,494</u>	<u>378</u>	<u>9,790</u>	<u>2,790</u>	<u>38,401</u>

**CAPITAL PROJECTS FUND**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTCapital Projects FundSummary Schedule Project ExpendituresFor the Fiscal Year Ended June 30, 2008

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>G.A.A.P. Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/2008</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Renovation & Addition to Middle School	09/05/02	13,966,720	13,961,570	5,150	
Renovation & Addition to High School	09/05/02	24,861,094	24,586,605	34,800	239,689
			<u>38,548,175</u>	<u>39,950</u>	<u>239,689</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Capital Projects Fund

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis

For the Fiscal Year Ended June 30, 2008

Expenditures and Other Financing Uses	
Purchased professional and technical services	10,000
Construction services	29,800
Other objects	150
	<hr/>
Total expenditures	39,950
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(39,950)
Fund balance - beginning	279,639
	<hr/>
Fund balance - ending	239,689
	<hr/> <hr/>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Renovation & Addition to Middle School  
From Inception and for the Year Ended June 30, 2008

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - EDA Grant	5,679,329		5,679,329	5,679,329
Bond proceeds	8,287,391		8,287,391	8,287,391
Total revenues	<u>13,966,720</u>		<u>13,966,720</u>	<u>13,966,720</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	76,109		76,109	76,109
Unallocated benefits	4,405		4,405	4,405
Purchased professional and technical services	1,199,826		1,199,826	1,199,826
Construction services	12,404,837	5,000	12,409,837	12,409,837
Equipment purchases	274,115		274,115	274,115
Other objects	2,278	150	2,428	2,428
Total expenditures	<u>13,961,570</u>	<u>5,150</u>	<u>13,966,720</u>	<u>13,966,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,150</u>	<u>(5,150)</u>		
<b>Additional Project Information:</b>				
Project Number	0870-030-02-0464-00			
Grant Date	09/05/02			
Bond Authorization Date	09/24/02			
Bonds Authorized	8,287,391			
Bonds Issued	8,287,391			
Original Authorized Cost	13,966,720			
Additional Authorized Cost	None			
Revised Authorized Cost	13,966,720			
Percentage Increase over Original Authorized Cost	None			
Percentage Completion	100%			
Original Target Completion Date	May 2005			
Revised Target Completion Date	May 2005			

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTCapital Projects FundSchedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary BasisRenovation & Addition to High SchoolFrom Inception and for the Year Ended June 30, 2008

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	9,281,254		9,281,254	9,281,254
Bond proceeds	15,579,840		15,579,840	15,579,840
Total revenues	<u>24,861,094</u>		<u>24,861,094</u>	<u>24,861,094</u>
Expenditures and Other Financing Uses				
Salaries	132,841		132,841	142,423
Unallocated benefits	7,071		7,071	7,071
Purchased professional and technical services	1,843,805	10,000	1,853,805	1,908,805
Construction services	22,275,099	24,800	22,299,899	22,299,900
Equipment purchases	324,045		324,045	499,149
Other objects	3,744		3,744	3,746
Total expenditures	<u>24,586,605</u>	<u>34,800</u>	<u>24,621,405</u>	<u>24,861,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,489</u>	<u>(34,800)</u>	<u>239,689</u>	
Additional Project Information:				
Project Number	0870-020-02-0465-00			
Grant Date	09/05/02			
Bond Authorization Date	09/24/02			
Bonds Authorized	15,579,840			
Bonds Issued	15,566,099			
Original Authorized Cost	24,861,094			
Additional Authorized Cost	None			
Revised Authorized Cost	24,861,094			
Percentage Increase over Original Authorized Cost	None			
Percentage Completion	100%			
Original Target Completion Date	June 2005			
Revised Target Completion Date	December 2005			

**PROPRIETARY FUNDS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTEnterprise FundsCombining Statement of Net AssetsFor the Fiscal Year Ended June 30, 2008

	<u>Business-type Activities</u>			<u>FY 2008</u>	<u>FY 2007</u>
	<u>Food Service Fund</u>	<u>Summer Camps</u>	<u>School Store</u>		
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	346,606	2,500	4,571	353,677	444,578
Accounts Receivable:					
State	286			286	277
Federal	2,496			2,496	2,358
Other	413			413	
Inventory	6,956		3,085	10,041	7,618
Capital assets, net	38,939			38,939	54,770
<b>Total assets</b>	<b>395,696</b>	<b>2,500</b>	<b>7,656</b>	<b>405,852</b>	<b>509,601</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
Current liabilities:					
Accounts payable	1,173			1,173	840
Interfund accounts payable	16,397			16,397	100,610
Compensated absences	61,074			61,074	35,469
<b>Total current liabilities</b>	<b>78,644</b>			<b>78,644</b>	<b>78,644</b>
Fund equity:					
Invested in capital assets, net of related debt	38,939			38,939	54,770
Reserve for encumbrances	70			70	
Unrestricted	278,043	2,500	7,656	288,199	317,912
<b>Total net assets</b>	<b>317,052</b>	<b>2,500</b>	<b>7,656</b>	<b>327,208</b>	<b>372,682</b>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2008

	<u>Business-type Activities</u>			<u>FY 2008</u>	<u>FY 2007</u>
	<u>Food</u>	<u>Summer</u>	<u>School</u>		
	<u>Service</u>		<u>Camps</u>		
	<u>Fund</u>				
<b>OPERATING REVENUES:</b>					
Local sources:					
Daily sales-reimbursable programs:	375,931			375,931	373,669
Daily sales non-reimbursable programs	342,638		35,792	378,430	372,017
Special functions	11,838			11,838	
Miscellaneous	5,465	2,500		7,965	
Total operating revenue	<u>735,872</u>	<u>2,500</u>	<u>35,792</u>	<u>774,164</u>	<u>745,686</u>
<b>OPERATING EXPENSES:</b>					
Salaries	449,381		5,074	454,455	399,931
Benefits	32,418		388	32,806	82
Supplies and materials	21,333		2,088	23,421	21,159
Other purchased services (400-500series )	22,215			22,215	4,239
Depreciation	15,831			15,831	15,859
Miscellaneous other expenses			10,025	10,025	8,423
Cost of sales	378,192		22,276	400,468	369,598
Total operating expenses	<u>919,370</u>		<u>39,851</u>	<u>959,221</u>	<u>819,291</u>
Operating income (loss)	<u>(183,498)</u>	<u>2,500</u>	<u>(4,059)</u>	<u>(185,057)</u>	<u>(73,605)</u>
<b>NON-OPERATING REVENUES:</b>					
State sources:					
National school lunch program - State	8,215			8,215	9,042
Federal sources:					
National school lunch program	74,227			74,227	76,624
Food distribution program	41,644			41,644	31,456
Interest revenue	14,966		531	15,497	21,114
Total non-operating revenues (expenses)	<u>139,052</u>		<u>531</u>	<u>139,583</u>	<u>138,236</u>
Income (loss) before operating transfers	<u>(44,446)</u>	<u>2,500</u>	<u>(3,528)</u>	<u>(45,474)</u>	<u>64,631</u>
Operating transfers in - General Fund					19,426
Net income (loss)	<u>(44,446)</u>	<u>2,500</u>	<u>(3,528)</u>	<u>(45,474)</u>	<u>84,057</u>
Total Net Assets - July 1	<u>361,498</u>		<u>11,184</u>	<u>372,682</u>	<u>288,625</u>
Total Net Assets - June 30	<u><u>317,052</u></u>	<u><u>2,500</u></u>	<u><u>7,656</u></u>	<u><u>327,208</u></u>	<u><u>372,682</u></u>

## CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

## Enterprise Funds

## Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2008

	Food Service Fund	Summer Camps	School Store	FY 2008	FY 2007
Cash flows from operating activities:					
Receipts from customers	735,459	2,500	35,792	773,751	745,686
Payments to suppliers	(382,178)		(34,398)	(416,576)	(331,399)
Payments to employees	(423,776)		(5,074)	(428,850)	(360,859)
Payments for employee benefits	(32,418)		(388)	(32,806)	(79)
Payments to operating fund					
Net cash provided (used) by operating activities	(102,913)	2,500	(4,068)	(104,481)	53,349
Cash flows from non-capital financing activities:					
Payments from operating fund	(84,168)		(45)	(84,213)	
Cash received from state & federal reimbursements	82,296			82,296	84,839
Net cash provided by non-capital financing activities	(1,872)		(45)	(1,917)	84,839
Cash flows from investing activities:					
Interest income	14,966		531	15,497	21,114
Net cash provided by investing activities	14,966		531	15,497	21,114
Net increase in cash and cash equivalents	(89,819)	2,500	(3,582)	(90,901)	159,302
Cash and cash equivalents - July 1	436,425		8,153	444,578	285,276
Cash and cash equivalents - June 30	346,606	2,500	4,571	353,677	444,578
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(183,498)	2,500	(4,059)	(185,057)	(73,605)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation	15,831			15,831	15,859
Board contribution					19,426
Food distribution program	41,644			41,644	31,456
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(413)			(413)	
(Increase) decrease in inventory	(3,255)		831	(2,424)	(1,281)
Increase (decrease) in accounts payable	1,173		(840)	333	62,258
Increase (decrease) in compensated absences	25,605			25,605	(764)
	(102,913)	2,500	(4,068)	(104,481)	53,349

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Internal Service Fund  
Combining Statement of Net Assets  
For the Fiscal Year Ended June 30, 2008

	<u>Business-type Activities</u>		<u>FY 2008</u>	<u>FY 2007</u>
	<u>Transportation Consortium</u>	<u>Shared Business Services</u>		
ASSETS:				
Current assets:				
Cash and cash equivalents		1,298	1,298	1,298
Receivables from other governments	288,548		288,548	265,892
Total assets	<u>288,548</u>	<u>1,298</u>	<u>289,846</u>	<u>267,190</u>
LIABILITIES AND NET ASSETS				
Cash overdraft	279,952		279,952	265,892
Accounts payable	8,535		8,535	
Fund equity:				
Unrestricted	61	1,298	1,359	1,298
Total liabilities and net assets	<u>288,548</u>	<u>1,298</u>	<u>289,846</u>	<u>267,190</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTInternal Service FundCombining Statement of Revenues, Expenses and Changes in Fund Net AssetsFor the Fiscal Year Ended June 30, 2008

	<u>Business-type Activities</u>		<u>FY 2008</u>	<u>FY 2007</u>
	<u>Transportation Consortium</u>	<u>Shared Business Services</u>		
OPERATING REVENUES:				
Local sources:				
Transportation fees	923,955		923,955	960,776
Total operating revenue	923,955		923,955	960,776
OPERATING EXPENSES:				
Salaries	425,063		425,063	399,364
Aid in lieu	76,343		76,343	98,761
Contracted services (between home and school) - vendors	80,826		80,826	84,100
Contracted services (special education students) - joint agreements	38,841		38,841	90,632
Other professional/technical services	483		483	126
Other purchased services	18,571		18,571	17,828
Cleaning, repair and maintenance services	74,896		74,896	101,939
Supplies and materials	1,920		1,920	1,215
Energy	71,196		71,196	49,169
Miscellaneous expenditures	672		672	332
Benefits	135,083		135,083	117,665
Total operating expenses	923,894		923,894	961,131
Operating income (loss)	61		61	(355)
Total Net Assets - July 1		1,298	1,298	1,653
Total Net Assets - June 30	61	1,298	1,359	1,298

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Internal Service Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2008

	Transportation Consortium	Shared Business Services	FY 2008	FY 2007
Cash flows from operating activities:				
Receipts from customers	901,299		901,299	855,493
Payments to suppliers	(355,213)		(355,213)	(444,102)
Payments to employees	(425,063)		(425,063)	(399,364)
Payments for employee benefits	(135,083)		(135,083)	(117,665)
Net cash provided (used) by operating activities	(14,060)		(14,060)	(105,638)
Net increase in cash and cash equivalents	(14,060)		(14,060)	(105,638)
Cash and cash equivalents - July 1	(265,892)	1,298	(264,594)	(158,956)
Cash and cash equivalents - June 30	(279,952)	1,298	(278,654)	(264,594)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	61		61	(355)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(22,656)		(22,656)	(105,283)
Increase (decrease) in accounts payable	8,535		8,535	
	(14,060)		(14,060)	(105,638)

**FIDUCIARY FUNDS**

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2008

	S.U.R.E. Program	Unemployment Compensation Trust	Agency Funds	FY 2008	FY 2007
<b>ASSETS:</b>					
Cash and cash equivalents	3,154	142,759	775,081	920,994	586,702
Interfund receivables:					
General Fund			3,436	3,436	
Total assets	<u>3,154</u>	<u>142,759</u>	<u>778,517</u>	<u>924,430</u>	<u>586,702</u>
<b>LIABILITIES:</b>					
Payroll deductions & withholdings			428,579	428,579	112,965
Due to student groups			347,100	347,100	315,076
Deferred revenue	2,565			2,565	1,065
Due employees					2,059
Interfund payables:					
General Fund			2,838	2,838	18,056
Total liabilities	<u>2,565</u>		<u>778,517</u>	<u>781,082</u>	<u>449,221</u>
<b>NET ASSETS:</b>					
Held in trust for unemployment claims and other purposes		142,759		142,759	136,892
Unreserved fund balance	589			589	589
Total net assets	<u>589</u>	<u>142,759</u>		<u>143,348</u>	<u>137,481</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2008

	<u>S.U.R.E. Program</u>	<u>Unemployment Compensation Trust</u>	<u>FY 2008</u>	<u>FY 2007</u>
ADDITIONS:				
Contributions:				
Registration fees				8,016
Plan member		27,947	27,947	27,191
Total contributions		<u>27,947</u>	<u>27,947</u>	<u>35,207</u>
Investment earnings:				
Interest		4,671	4,671	7,616
Net investment earnings		<u>4,671</u>	<u>4,671</u>	<u>7,616</u>
Total additions		<u>32,618</u>	<u>32,618</u>	<u>42,823</u>
DEDUCTIONS:				
Unemployment claims		26,751	26,751	57,267
Workshop fees				7,427
Total deductions		<u>26,751</u>	<u>26,751</u>	<u>64,694</u>
Change in Net Assets		5,867	5,867	(21,871)
Net Assets - Beginning of year	589	136,892	137,481	159,352
Net Assets - End of year	<u>589</u>	<u>142,759</u>	<u>143,348</u>	<u>137,481</u>

EXHIBIT H-3

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2008</u>
ACTIVITIES:					
Middle School	25,752	58,584	49,100	(810)	34,426
High School	289,324	775,808	753,268	810	312,674
	<u>315,076</u>	<u>834,392</u>	<u>802,368</u>		<u>347,100</u>

EXHIBIT H-4

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
ASSETS:				
Cash and cash equivalents	133,080	21,971,648	21,676,747	427,981
Interfund Receivable		3,436		3,436
Total assets	<u>133,080</u>	<u>21,975,084</u>	<u>21,676,747</u>	<u>431,417</u>
LIABILITIES:				
Employees' net pay		11,086,479	11,086,479	
Payroll deductions and withholdings	112,965	10,880,661	10,565,047	428,579
Due employees	2,059		2,059	
Interfund Payable	18,056	7,944	23,162	2,838
Total liabilities	<u>133,080</u>	<u>21,975,084</u>	<u>21,676,747</u>	<u>431,417</u>

**LONG-TERM DEBT**



CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

General Long-Term Debt Account Group  
Schedule of Obligations Under Capital Leases  
For The Fiscal Year Ended June 30, 2008

<u>Date</u>	<u>Purpose</u>	<u>Interest Rate</u> <u>Payable</u>	<u>Amount</u> <u>of Original</u> <u>Issue</u>	<u>Amount</u> <u>Outstanding</u> <u>July 1, 2007</u>	<u>Current Year</u> <u>Issued</u>	<u>Current Year</u> <u>Retired</u>	<u>Amount</u> <u>Outstanding</u> <u>June 30, 2008</u>
2/1/99	Lighting and retrofit	5.80%	274,670	57,425		37,854	19,571
11/26/03	School buses	3.90%	340,930	70,742		70,742	
11/1/04	School buses	3.414%	238,907	96,572		47,476	49,096
11/1/04	Computers	3.414%	249,426	100,825		49,566	51,259
8/25/05	School buses	3.820%	181,290	108,669		34,851	73,818
9/27/06	School buses	4.100%	320,640	251,258		59,081	192,177
Total obligations under capital leases				685,491	None	299,570	385,921

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	2,068,825		2,068,825	2,068,825	
State sources:					
Debt service aid type II	628,143		628,143	628,143	
Total revenues	<u>2,696,968</u>		<u>2,696,968</u>	<u>2,696,968</u>	
EXPENDITURES:					
Regular debt service:					
Interest	1,351,969		1,351,969	1,351,969	
Redemption of principal	1,345,000		1,345,000	1,345,000	
Total regular debt service	<u>2,696,969</u>		<u>2,696,969</u>	<u>2,696,969</u>	
Total expenditures	<u>2,696,969</u>		<u>2,696,969</u>	<u>2,696,969</u>	
Excess (deficiency) of revenues over (under) expenditures	(1)		(1)	(1)	
Fund balance - July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Fund balance - June 30					

**STATISTICAL SECTION**  
**(Unaudited)**

**CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
STATISTICAL SECTION**

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These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	116-123
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	124-128
<b>Debt Capacity</b>	
These schedules present 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.	129-132
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	133-134
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	135-139

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTNet Assets By ComponentLast Six Fiscal YearsFor the Fiscal Year Ended June 30, 2008Unaudited

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	(19,197,403)	1,011,948	16,694,414	18,386,953	18,703,670	19,201,338
Restricted	37,953,324	18,377,969	3,081,044	1,641,785	1,885,766	2,228,328
Unrestricted	(506,275)	(635,454)	(585,534)	(504,987)	(256,726)	(1,082,671)
Total governmental activities net assets	<u>18,249,646</u>	<u>18,754,463</u>	<u>19,189,924</u>	<u>19,523,751</u>	<u>20,332,710</u>	<u>20,346,995</u>
Business-type activities						
Invested in capital assets, net of related debt			86,489	70,629	54,770	38,939
Unrestricted	180,638	242,855	184,396	217,996	317,912	288,269
Total business-type activities net assets	<u>180,638</u>	<u>242,855</u>	<u>270,885</u>	<u>288,625</u>	<u>372,682</u>	<u>327,208</u>
District-wide						
Invested in capital assets, net of related debt	(19,197,403)	1,011,948	16,780,903	18,457,582	18,758,440	19,240,277
Restricted	37,953,324	18,377,969	3,081,044	1,641,785	1,885,766	2,228,328
Unrestricted	(325,637)	(392,599)	(401,138)	(286,991)	61,186	(794,402)
	<u>18,430,284</u>	<u>18,997,318</u>	<u>19,460,809</u>	<u>19,812,376</u>	<u>20,705,392</u>	<u>20,674,203</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTChanges In Net AssetsLast Six Fiscal YearsFor the Fiscal Year Ended June 30, 2008Unaudited

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>						
Governmental activities						
Instruction						
Regular	7,508,780	8,161,004	8,370,371	8,621,926	8,918,946	10,022,531
Special education	1,381,793	1,439,694	1,518,323	2,005,842	2,189,399	2,536,204
Other special education	90,602	86,791	58,090	20,764		
Other instruction	703,742	768,908	784,109	791,348	775,817	929,641
Support Services						
Tuition	1,039,877	1,166,729	1,123,029	1,249,386	1,493,244	1,394,985
Student and instruction and related services	1,897,496	1,972,253	1,995,195	2,201,652	2,108,723	2,322,905
School administrative services	1,155,019	1,181,695	1,094,175	1,195,480	1,224,773	1,281,321
General administration	922,847	929,214	491,834	447,203	508,473	547,617
Central services			325,886	302,614	344,542	318,293
Administrative information technology			177,729	190,846	178,311	211,271
Plant operations and maintenance	1,400,099	1,547,118	2,042,682	2,725,302	2,880,766	3,088,083
Pupil transportation	1,648,029	1,831,999	2,060,926	2,146,184	2,251,586	2,373,346
Employee benefits	3,690,369	4,085,497	4,702,838	5,237,119	6,188,658	6,426,994
Special Schools	70,975	80,946	74,219	111,464	82,704	69,370
Interest on long-term debt	566,374	1,551,851	1,501,397	1,450,636	1,404,224	1,351,969
Capital outlay	47,265	64,082		67,457	3,490	
Unallocated depreciation	661,073	660,747	1,047,240	553,358	546,698	503,386
Total governmental activities expenses	<u>22,784,340</u>	<u>25,528,528</u>	<u>27,368,043</u>	<u>29,318,581</u>	<u>31,100,354</u>	<u>33,377,916</u>
Business-type activities:						
Food service	735,495	702,718	796,559	808,067	791,018	919,370
Other activities	22,306	23,571	23,295	20,139	28,273	39,851
Total business-type activities expense	<u>757,801</u>	<u>726,289</u>	<u>819,854</u>	<u>828,206</u>	<u>819,291</u>	<u>959,221</u>
Total district expenses	<u><u>23,542,141</u></u>	<u><u>26,254,817</u></u>	<u><u>28,187,897</u></u>	<u><u>30,146,787</u></u>	<u><u>31,919,645</u></u>	<u><u>34,337,137</u></u>

CLEARVIEW REGIONAL SCHOOL DISTRICT

Changes In Net Assets

Last Six Fiscal Years

For the Fiscal Year Ended June 30, 2008

Unaudited

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Program revenues</b>						
Governmental activities						
Charges for services and Operating grants						
Instruction (Special education)	219,001	378,518	426,772	470,982	377,014	561,416
Support Services						
Student and instruction and related services	230,487	181,128	141,076	205,251	208,917	227,289
Pupil transportation	677,947	722,612	840,407	785,507	843,111	788,872
Employee benefits			17,167	130,048	138,583	156,367
Capital outlay	15,006,088		98,863	50,965		
Total governmental activities program revenues	<u>16,133,523</u>	<u>1,282,258</u>	<u>1,524,285</u>	<u>1,642,753</u>	<u>1,567,625</u>	<u>1,733,944</u>
Business-type activities:						
Charges for services:						
Food service	578,712	631,290	659,763	665,790	715,896	735,872
School store	21,349	21,257	25,230	25,702	29,790	38,292
Operating grants and contributions	91,374	100,750	121,731	104,308	117,122	124,086
Total business-type activities program revenues	<u>691,435</u>	<u>753,297</u>	<u>806,724</u>	<u>795,800</u>	<u>862,808</u>	<u>898,250</u>
Total district program revenue	<u>16,824,958</u>	<u>2,035,555</u>	<u>2,331,009</u>	<u>2,438,553</u>	<u>2,430,433</u>	<u>2,632,194</u>
Net (expense) revenue						
Governmental activities	(6,650,817)	(24,246,270)	(25,843,758)	(27,675,828)	(29,532,729)	(31,643,972)
Business-type activities	<u>(66,366)</u>	<u>27,008</u>	<u>(13,130)</u>	<u>(32,406)</u>	<u>43,517</u>	<u>(60,971)</u>
Total district-wide net expense	<u>(6,717,183)</u>	<u>(24,219,262)</u>	<u>(25,856,888)</u>	<u>(27,708,234)</u>	<u>(29,489,212)</u>	<u>(31,704,943)</u>
General revenues and other changes in net assets						
Governmental activities						
Property taxes levied for government purposes (net)	8,454,175	9,366,222	10,496,234	11,774,979	13,321,073	14,036,426
Taxes levied for debt service	560,170	1,964,371	1,960,052	1,979,049	1,946,686	2,068,825
Unrestricted grants and contributions	11,855,300	12,931,531	13,481,754	13,708,802	14,603,656	15,084,865
Tuition charges	30,160	29,704	19,850	74,400	124,389	145,057
Transportation fees		47,973	59,085	25,511	10,637	
Investment earnings	36,872	247,651	132,820	133,379	174,665	133,209
Miscellaneous income	226,455	196,521	164,548	350,585	180,008	197,865
Bonds authorized not issued	231					
Other						(7,990)
Transfers	<u>(39,164)</u>	<u>(32,886)</u>	<u>(35,124)</u>	<u>(37,050)</u>	<u>(19,426)</u>	
Total governmental activities	<u>21,124,199</u>	<u>24,751,087</u>	<u>26,279,219</u>	<u>28,009,655</u>	<u>30,341,688</u>	<u>31,658,257</u>

CLEARVIEW REGIONAL SCHOOL DISTRICT

Changes In Net Assets

Last Six Fiscal Years

For the Fiscal Year Ended June 30, 2008

Unaudited

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities						
Investment earnings	2,177	2,323	6,036	13,096	21,114	15,497
Transfers	39,164	32,886	35,124	37,050	19,426	
Total business-type activities	<u>41,341</u>	<u>35,209</u>	<u>41,160</u>	<u>50,146</u>	<u>40,540</u>	<u>15,497</u>
Total district-wide	<u>21,165,540</u>	<u>24,786,296</u>	<u>26,320,379</u>	<u>28,059,801</u>	<u>30,382,228</u>	<u>31,673,754</u>
Change in net assets						
Governmental activities	14,473,382	504,817	435,461	333,827	808,959	14,285
Business-type activities	(25,025)	62,217	28,030	17,740	84,057	(45,474)
Total district	<u>14,448,357</u>	<u>567,034</u>	<u>463,491</u>	<u>351,567</u>	<u>893,016</u>	<u>(31,189)</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTFund Balances, Governmental FundsLast Six Fiscal YearsFor the Fiscal Year Ended June 30, 2008Unaudited

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund						
Reserved	1,038,443	921,567	801,598	1,226,607	1,877,038	2,087,353
Unreserved	227,532	259,766	201,545	13,452	42,822	54,245
Total General Fund	<u>1,265,975</u>	<u>1,181,333</u>	<u>1,003,143</u>	<u>1,240,059</u>	<u>1,919,860</u>	<u>2,141,598</u>
All other governmental funds						
Reserved			347,396	87,904	4,858	
Unreserved, reported in:						
Special Fevenue Fund	(4,253)					
Capital Projects Fund	36,914,880	17,427,445	1,715,083	395,151	279,639	239,689
Debt Service Fund	1	28,957	4	3	1	
Total all other governmental funds	<u>36,910,628</u>	<u>17,456,402</u>	<u>2,062,483</u>	<u>483,058</u>	<u>284,498</u>	<u>239,689</u>

## CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

## Changes in Fund Balance, Governmental Funds

## Last Ten Fiscal Years

## Unaudited

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Tax Levy	6,695,808	7,082,549	7,785,366	8,027,866	9,014,345	11,330,593	12,456,286	13,754,028	15,267,759	16,105,251
Tuition charges	90,674	50,512	63,318	36,214	30,160	29,704	19,850	74,400	124,389	145,057
Transportation fees	25,185	21,822	48,247	23,285	37,563	47,973	59,085	25,511	10,637	
Interest earnings	64,059	96,406	91,751	55,085	96,204	247,651	132,820	133,379	174,665	133,209
Miscellaneous	89,523	123,469	101,737	161,200	129,560	196,521	164,548	350,585	180,008	197,865
State sources	9,940,168	10,527,794	11,512,765	11,868,452	12,013,209	13,007,734	13,619,227	13,842,691	14,691,318	15,173,779
Federal sources	194,306	252,621	250,438	435,249	337,084	483,443	546,405	610,956	519,187	721,075
Total revenue	17,099,723	18,155,173	19,853,622	20,607,351	21,658,125	25,343,619	26,998,221	28,791,550	30,967,963	32,476,236
<b>Expenditures</b>										
Instruction:										
Regular	5,355,293	5,810,498	6,329,870	6,530,852	7,221,413	8,063,374	8,607,890	8,661,551	8,967,748	9,573,755
Special	1,035,342	1,247,856	1,300,315	1,592,547	1,600,794	1,439,694	1,518,323	2,004,960	2,188,428	2,506,885
Other	157,953	96,212	102,051	105,190	90,602	66,791	68,090	30,764		
School Sponsored/Other Instructional	502,194	504,207	593,957	643,562	703,742	768,908	784,109	788,939	773,408	927,232
Community Service										
Undistributed:										
Instruction	443,385	463,148	675,651	767,454	1,039,877	1,166,729	1,123,029	1,249,386	1,493,244	1,394,985
Attendance and Social Work Services	15,753	12,626	24,164	23,452	2,985	18,047	46,537	73,419	78,639	81,856
Health Services	122,175	138,532	146,628	152,482	160,804	177,113	206,918	221,365	192,000	200,137
Related Services	23,817	23,785	38,467	41,192	44,885	47,885	50,885	54,900	60,360	51,909
Extraordinary Services		1,478	545	540	50,647	56,519	89,056	200,172	6,904	20,207
Support Services: Students										
Regular	476,684	481,305	492,099	606,600	648,782	678,725	703,241	731,898	733,441	823,806
Special	407,863	393,116	400,254	470,813	512,296	482,201	458,149	505,468	513,429	544,087
Improvement of Instruction	130,893	149,518	141,995	164,377	157,112	186,136	166,362	141,783	271,038	296,185
Educational Media Services	219,234	230,339	239,702	240,075	231,249	238,334	238,112	236,221	245,062	248,003
Instructional Staff Training	60,573	61,123	77,420	97,179	81,882	77,119	81,929	74,847	8,380	9,759
General Administration	448,125	484,591	466,525	424,702	439,458	404,832	448,018	402,925	480,882	517,043
School Administration	1,026,919	1,019,886	1,055,560	1,075,788	1,155,019	1,181,695	1,120,425	1,191,311	1,229,004	1,258,848
Central Administration							325,886	331,739	343,896	317,997
Administration Information Technology							177,729	188,951	177,744	216,815
Allowable Maintenance for School Facilities	233,455	216,246	273,476	187,855	188,467	274,666	285,519	280,449	309,875	309,706
Operations and Maintenance of Plant Services	1,018,671	1,060,576	1,155,639	1,101,617	1,204,986	1,255,297	1,789,166	1,753,913	1,863,122	1,999,859
Student Transportation	526,105	557,232	639,029	728,812	960,044	1,148,141	1,309,755	1,447,380	1,569,365	1,617,066
Business and Other Support Services:	313,161	312,844	410,734	413,224	472,312	466,682				
Unallocated Benefits	2,816,826	2,767,016	3,045,510	3,058,802	3,681,922	4,083,735	4,630,756	5,121,456	6,069,425	6,267,565

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Capital Outlay	782,346	828,098	1,090,863	700,193	2,523,507	20,358,961	763,073	1,887,402	595,614	349,263
Special Schools	78,596	105,635	59,824	91,794	70,975	80,946	74,219	111,464	82,704	69,370
Debt Service Expenditures										
Principal	620,000	520,000	550,000	575,000	575,000	1,000,000	1,090,000	1,135,000	1,130,000	1,345,000
Interest	699,616	665,487	633,824	600,499	566,374	1,551,851	1,501,397	1,450,636	1,404,224	1,351,969
Total Expenditures	17,514,979	18,151,354	19,944,102	20,394,601	24,385,134	45,274,381	27,658,573	30,278,299	30,787,936	32,299,307
Excess (Deficiency of revenues over (under) expenditures	(415,256)	3,819	(90,480)	212,750	(2,727,009)	(19,930,762)	(660,352)	(1,486,749)	180,027	176,929
Other financing sources (uses)										
Proceeds from borrowing					23,867,000					
EDA Grant					14,960,583					
Bonds authorized not issued					231					
Capital leases (non-budgeted)	265,135	214,066	276,000	338,000		424,780	488,333	181,290	320,640	
Transfers in										
Transfers out - Food Service	(37,651)	(39,407)	(41,121)	(37,254)	(39,164)	(32,886)	(35,124)	(37,050)	(19,426)	
Transfers out - Internal Service Fund				(17,441)						
Total other financing sources (uses)	227,484	174,659	234,879	283,305	38,788,650	391,894	453,209	144,240	301,214	
Net change in fund balance	(187,772)	178,478	144,399	496,055	36,061,641	(19,538,868)	(207,143)	(1,342,509)	481,241	176,929
Debt service as a percentage of noncapital expenditures	7.89%	6.84%	6.28%	5.97%	5.22%	10.24%	9.64%	9.11%	8.39%	8.44%

Source: District records.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
General Fund - Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ending June 30	Facility Use/Rental	Energy Savings	Miscellaneous	Prior year Refunds	Insurance Dividend	Prior year payable adj.	Adult School	Summer Programs	Sports Programs	Gate Receipts	Annual Totals
1999	46,863		24,518	18,142							89,523
2000	12,035		4,487	24,082		6,976	75,889				123,469
2001	5,850		4,719	2,763		9,558	78,847				101,737
2002	5,075		6,671	43,423		3,617	80,191	12,088	10,135		161,200
2003	3,775		1,808	15,753			73,060	7,946	8,674	18,544	129,560
2004	2,275	47,000	12,914	34,024		573	65,495	5,904	9,548	18,788	196,521
2005	400		5,823	34,807		26,723	74,219			22,576	164,548
2006	830	92,708	466	81,105	39,313		99,337		12,159	24,667	350,585
2007	1,863		1,820	52,128			100,747			23,450	180,008
2008	2,746		21,981	60,196			91,641			21,301	197,865
	<u>81,712</u>	<u>139,708</u>	<u>85,207</u>	<u>366,423</u>	<u>39,313</u>	<u>47,447</u>	<u>739,426</u>	<u>25,938</u>	<u>40,516</u>	<u>129,326</u>	<u>1,695,016</u>

Source: District records.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

Harrison Township										Estimated	Total	
Fiscal Year								Total	Public	Net	Actual	Total
Ended	Vacant						Assessed	Utility	Valuation	(County	Direct	
June 30	Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Value	Taxable	Equalized	School	
										Value)	Tax Rate	
1999	15,810,700	362,922,600	18,213,300	4,663,700	18,398,600	0	4,490,200	424,499,100	4,978,718	429,477,818	438,940,710	0.633
2000	17,976,000	383,322,000	18,590,400	4,635,900	18,847,400	0	4,490,200	447,861,900	3,524,237	451,386,137	474,339,527	0.689
2001	20,483,400	406,277,700	21,055,500	4,343,600	20,530,400	0	4,490,200	477,180,300	3,512,499	480,692,799	520,302,337	0.684
2002	19,187,100	442,580,500	20,888,500	4,216,100	21,261,000	0	4,490,200	512,623,400	3,662,758	516,286,158	580,085,175	0.746
2003	20,556,200	481,423,500	19,482,900	3,924,200	23,627,800	0	4,490,200	553,504,800	3,765,971	557,270,771	678,779,242	0.923
2004	27,697,800	522,750,700	19,677,600	3,788,400	26,995,900	0	4,532,900	605,443,300	3,335,537	608,778,837	803,353,740	0.930
2005	26,494,200	561,065,400	19,440,600	3,399,800	29,169,500	0	4,532,900	644,102,400	3,034,864	647,137,264	928,992,654	1.010
2006	34,589,800	606,152,600	20,890,700	3,306,300	36,465,600	0	4,531,500	705,936,500	2,540,406	708,476,906	1,134,787,600	1.016
2007	31,226,000	664,202,700	19,726,300	3,193,000	40,081,600	0	4,531,500	762,961,100	2,350,519	765,311,619	1,376,957,601	1.036
2008	27,451,400	706,145,500	19,247,600	3,046,700	41,229,100	0	4,531,500	801,651,800	2,338,529	803,990,329	n/a	1.032

Mantua Township										Estimated	Total	
Fiscal Year								Total	Public	Net	Actual	Total
Ended	Vacant						Assessed	Utility	Valuation	(County	Direct	
June 30	Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Value	Taxable	Equalized	School	
										Value)	Tax Rate	
1999	15,673,600	517,465,400	12,838,000	1,578,300	49,787,000	7,943,200	2,532,700	607,818,200	6,020,346	613,838,546	632,854,482	0.711
2000	14,124,500	535,131,700	12,855,100	1,558,000	50,404,000	8,355,500	2,686,500	625,115,300	4,117,674	629,232,974	660,119,659	0.742
2001	11,859,400	545,483,200	12,792,900	1,563,400	52,311,400	8,355,500	2,686,500	635,052,300	4,234,505	639,286,805	687,498,349	0.742
2002	12,455,800	550,829,600	13,926,200	1,510,900	53,332,800	7,790,800	2,088,800	641,934,900	4,291,330	646,226,230	711,808,135	0.800
2003	16,454,200	563,120,500	14,115,500	1,450,300	53,777,985	7,790,800	2,088,800	658,798,085	4,198,632	662,996,717	776,181,507	0.932
2004	13,298,600	577,710,100	14,571,100	1,430,000	62,340,200	7,790,800	2,088,800	679,229,600	3,748,510	682,978,110	876,309,836	0.993
2005	11,191,800	595,248,800	14,211,800	1,421,600	70,010,400	7,790,800	2,088,800	701,964,000	3,226,601	705,190,601	1,005,618,868	1.023
2006	17,752,100	600,727,300	14,159,800	1,362,200	71,000,200	7,790,800	1,914,100	714,706,500	2,657,281	717,363,781	1,172,544,290	1.124
2007	16,885,400	617,292,200	14,091,000	1,325,000	74,808,500	7,217,800	1,914,100	733,534,000	2,405,109	735,939,109	1,336,157,452	1.110
2008	17,614,100	636,102,700	14,432,000	1,236,400	74,828,500	7,217,800	1,672,000	753,103,500	2,307,158	755,410,658	1,486,736,190	1.101

Source: Municipal Tax Assessor.

N/A = Information not available.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Property Tax Rates - Direct and Overlapping Governments  
Per \$100 of Assessed Valuation  
Last Ten Fiscal Years  
Unaudited

HARRISON TOWNSHIP									
Fiscal Year Ended June 30	General Obligation		Total Direct School Tax Rate	Overlapping Rates					Total Direct & Overlapping Tax Rate
	Basic Rate	Debt Service		Township of Harrison	Township of Harrison School District	Township of Harrison Fire District	Township of Harrison Open Space	Gloucester County	
1999	0.584	0.049	0.633	0.2660	0.8410	0.1100	0.010	0.6820	2.542
2000	0.641	0.048	0.689	0.2660	0.8710	0.1100	0.010	0.7000	2.646
2001	0.635	0.049	0.684	0.2670	1.0070	0.1100	0.010	0.7290	2.807
2002	0.693	0.053	0.746	0.2760	1.1230	0.1190	0.010	0.7500	3.024
2003	0.866	0.057	0.923	0.2750	1.3480	0.1170	0.020	0.8140	3.497
2004	0.769	0.161	0.930	0.2670	1.3950	0.1120	0.020	0.8820	3.606
2005	0.851	0.159	1.010	0.2670	1.4040	0.1190	0.060	0.9860	3.846
2006	0.870	0.146	1.016	0.2660	1.4150	0.1360	0.060	1.0160	3.909
2007	0.904	0.132	1.036	0.2990	1.3940	0.1490	0.060	1.0680	4.006
2008	0.899	0.133	1.032	0.3210	1.3490	0.1500	0.060	1.1130	4.025

MANTUA TOWNSHIP									
Fiscal Year Ended June 30	General Obligation		Total Direct School Tax Rate	Overlapping Rates					Total Direct & Overlapping Tax Rate
	Basic Rate	Debt Service		Township of Mantua	Township of Mantua School District	Township of Mantua Fire District	Township of Mantua Open Space	Gloucester County	
1999	0.655	0.056	0.711	0.477	0.785	0.000	0.010	0.668	2.651
2000	0.690	0.052	0.742	0.478	0.911	0.000	0.010	0.679	2.820
2001	0.688	0.054	0.742	0.482	1.028	0.000	0.010	0.715	2.977
2002	0.744	0.056	0.800	0.499	1.172	0.000	0.010	0.736	3.217
2003	0.874	0.058	0.932	0.546	1.317	0.000	0.010	0.784	3.589
2004	0.821	0.172	0.993	0.596	1.394	0.000	0.010	0.858	3.851
2005	0.862	0.161	1.023	0.665	1.439	0.000	0.020	0.980	4.127
2006	0.962	0.162	1.124	0.717	1.520	0.000	0.020	1.038	4.419
2007	0.968	0.142	1.110	0.781	1.550	0.099	0.020	1.078	4.638
2008	0.960	0.141	1.101	0.864	1.534	0.097	0.020	1.165	4.781

Source: Municipal Tax Collector.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Principal Property Taxpayers

Current and Nine Years Ago

Unaudited

<u>Taxpayer</u>	Harrison Township			
	2008		1999	
	Taxable	% of Total	Taxable	% of Total
	Assessed	District Net	Assessed	District Net
Value	Valuation	Value	Valuation	
Mullica Hill Plaza Assoc. LLC				
Bell Atlantic			4,978,718	1.60%
Mullica West Ltd.			4,095,000	1.30%
Mantec Associates			3,105,200	1.00%
Bell Atlantic				
Mullica Hill Self Storage, LLC				
Orleans at Harrison, LLC				
Mullica Hill Self Storage, II LLC				
Mullica Hill Commons, LLC				
Mullica Assoc.				
Levco Enterprises, LLC				
Richwood Nursery, Inc.			812,500	0.30%
Farmers National Bank			798,000	0.30%
Commerce Bank, Atrium HQ			775,000	0.30%
Taxpayer #1			580,800	0.20%
Reuter Enterprises, Inc.			575,200	0.20%
Country Diner of Mullica Hill			548,500	0.20%
Taxpayer #2			514,800	0.20%
		Not available	16,783,718	5.600%

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Principal Property Taxpayers  
Current and Nine Years Ago  
Unaudited

<u>Taxpayer</u>	Mantua Township			
	2008		1999	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Home Depot	6,535,000	0.87%		
Bristol Development Corp.			6,387,200	1.10%
Kohl's Department Store	6,096,000	0.81%		
Belina Development	5,535,900	0.73%		
Electric Mobility	4,637,200	0.61%	1,408,300	0.30%
Wilkins Industrial Park	4,264,800	0.56%	3,700,500	0.70%
Timberline Plaza	3,313,400	0.44%		
Spirit Master Funding	3,193,600	0.42%		
Paparone Housing Inc.	3,012,900	0.40%		
K-Tron Corp.	2,754,500	0.36%	3,327,500	0.60%
Verizon	2,626,158	0.35%		
Mantua Partners, NJ			4,842,900	0.90%
Frezza LLC			3,169,400	0.60%
Campbell's Express			2,093,200	0.40%
Public Storage, Inc.			1,826,800	0.30%
Ron Jaworski's Eagles Nest			1,507,500	0.30%
R & H Herskowitz			1,164,000	0.20%
	<u>41,969,458</u>	<u>5.56%</u>	<u>29,427,300</u>	<u>5.40%</u>

Source: Municipal Tax Assessor.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTProperty Tax Levies and CollectionsLast Ten Fiscal YearsUnaudited

Harrison Township				
Year Ended December 31	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year</u>		Collections in Subsequent Year
		Amount	Percent of Levy	
1999	2,720,124	2,720,124	100.00%	
2000	3,114,974	3,114,974	100.00%	
2001	3,288,641	3,288,641	100.00%	
2002	3,848,405	3,848,405	100.00%	
2003	3,288,641	3,288,641	100.00%	
2004	3,848,405	3,848,405	100.00%	
2005	5,146,144	5,146,144	100.00%	
2006	5,667,508	5,667,508	100.00%	
2007	6,284,724	6,284,704	100.00%	20
2008	6,911,356	6,911,356	100.00%	

Mantua Township				
Year Ended December 31	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year</u>		Collections in Subsequent Year
		Amount	Percent of Levy	
1999	4,362,425	4,362,425	100.00%	
2000	4,670,392	4,670,392	100.00%	
2001	4,739,225	4,739,225	100.00%	
2002	5,165,940	5,165,940	100.00%	
2003	4,739,225	4,739,225	100.00%	
2004	5,165,940	5,165,940	100.00%	
2005	6,184,449	6,184,449	100.00%	
2006	6,788,778	6,788,778	100.00%	
2007	7,036,349	7,036,349	100.00%	
2008	7,125,070	7,125,070	100.00%	

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30	Governmental Activities			Bond Anticipation Notes	Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases		Activites Capital Leases		
1999	13,080,000		697,369			13,777,369	2.51%
2000	12,560,000		639,760			13,199,760	2.05%
2001	12,010,000		533,095			12,543,095	1.81%
2002	11,435,000		716,422			12,151,422	1.64%
2003	34,727,000		472,207			35,199,207	4.55%
2004	33,727,000		681,392			34,408,392	4.07%
2005	32,637,000		880,137			33,517,137	3.73%
2006	31,502,000		734,824			32,236,824	3.31%
2007	30,372,000		685,491			31,057,491	N/A
2008	29,027,000		385,922			29,412,922	N/A

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

N/A = Information not available.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
1999	13,080,000		13,080,000	3.08%	1,737
2000	12,560,000		12,560,000	2.80%	1,429
2001	12,010,000		12,010,000	2.52%	1,312
2002	11,435,000		11,435,000	2.23%	1,157
2003	34,727,000		34,727,000	6.27%	3,368
2004	33,727,000		33,727,000	5.57%	3,100
2005	32,637,000		32,637,000	5.07%	2,903
2006	31,502,000		31,502,000	4.46%	2,668
2007	30,372,000		30,372,000	3.98%	2,481
2008	29,027,000		29,027,000	N/A	N/A

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

N/A = Information not available.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2007  
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes			
Township of Harrison	32,052,820	49.03439%	15,716,905
Township of Mantua	13,842,522	50.96561%	7,054,926
Gloucester County	284,885,258	10.76000%	30,653,654
			<hr/>
Subtotal, overlapping debt			46,370,558
Clearview Regional High School			29,027,000
			<hr/>
Total direct and overlapping debt			<u><u>75,397,558</u></u>

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Legal Debt Margin Information  
Last Ten Fiscal Years  
Unaudited

	Year	Harrison Equalized Valuation Basis	Mantua Equalized Valuation Basis	Combined Equalized Valuation Basis						
	2007	\$1,433,059,917	1,443,680,378	2,876,740,295						
	2006	\$1,270,355,408	1,297,343,438	2,567,698,846						
	2005	\$1,031,719,366	1,141,219,314	2,172,938,680						
		<u>\$3,735,134,691</u>	<u>\$3,882,243,130</u>	<u>\$7,617,377,821</u>						
Average equalized valuation of taxable property		1,245,044,897	1,294,081,043	2,539,125,940						
Debt limit (3.5% of average equalized value)				88,869,408						
Total net debt applicable to limit				<u>29,027,000</u>						
Legal debt margin				<u>59,842,408</u>						
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	33,512,246	35,577,369	37,846,603	40,420,775	43,826,998	48,704,284	55,738,284	65,091,200	76,708,527	88,869,408
Total net debt applicable to limit	<u>13,080,000</u>	<u>12,560,000</u>	<u>12,010,000</u>	<u>11,435,000</u>	<u>34,727,000</u>	<u>33,727,000</u>	<u>32,637,000</u>	<u>31,502,000</u>	<u>30,372,000</u>	<u>29,027,000</u>
Legal debt margin	<u>20,432,246</u>	<u>23,017,369</u>	<u>25,836,603</u>	<u>28,985,775</u>	<u>9,099,998</u>	<u>14,977,284</u>	<u>23,101,284</u>	<u>33,589,200</u>	<u>46,336,527</u>	<u>59,842,408</u>
Total net debt applicable to the limit as a percentage of debt limit	39.03%	35.30%	31.73%	28.29%	79.24%	69.25%	58.55%	48.40%	39.59%	32.66%

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Harrison Township				
Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	7,531	200,053,484	26,564	3.30%
2000	8,788	246,292,488	28,026	2.70%
2001	9,155	270,173,205	29,511	2.80%
2002	9,880	300,519,960	30,417	3.80%
2003	10,311	320,455,569	31,079	4.00%
2004	10,879	357,429,545	32,855	3.50%
2005	11,241	386,094,627	34,347	4.10%
2006	11,807	426,327,156	36,108	4.40%
2007	12,241	N/A	N/A	4.00%
2008	N/A	N/A	N/A	N/A

Mantua Township				
Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	13,100	347,988,400	26,564	2.90%
2000	14,217	398,445,642	28,026	2.40%
2001	14,349	423,453,339	29,511	2.50%
2002	14,457	439,738,569	30,417	3.40%
2003	14,599	453,722,321	31,079	3.60%
2004	14,846	487,765,330	32,855	3.10%
2005	14,920	512,457,240	34,347	4.70%
2006	15,142	546,747,336	36,108	5.10%
2007	15,201	N/A	N/A	4.70%
2008	N/A	N/A	N/A	N/A

N/A = Information not available.

Source: Data regarding school district population was provided by the Department of Education.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTPrincipal EmployersCurrent and Nine Years AgoUnaudited

<u>Employer</u>	<u>Harrison Township</u>			
	<u>2008</u>		<u>1999</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Clearview Regional High School	347	7.02%		
Harrison Township School District	209	4.23%		
Harrison Township	78	1.58%		
Garden State Freezers, Inc.	70	1.42%		
Veterans of Foreign Wars	55	1.11%		
Hughes & Riggs Realty Inc.	53	1.07%		
Night of Terror at Creamy	52	1.05%		
Sure ID LLC	50	1.01%		
Holding Hand Family & Child	50	1.01%		
Friends School Inc.	50	1.01%		
Gloucester County Library	41	0.83%		
Village of Grassy Sound Civic	40	0.81%		
Hilltop Restaurant	30	0.61%		
Piersol Homes, Corp.	25	0.51%		
Grasso Farms	25	0.51%		
Heilig Orchards	25	0.51%		
Weichert Co.	21	0.42%		
BJ Associates	20	0.40%		
Perry Homestart Inc.	20	0.40%		
Underwood Memorial Hospital	20	0.40%		
United States Postal Service	18	0.36%		
All Children Smile Preschool	18	0.36%		
Angelo J. Grasso & Son Farm	17	0.34%		
Architectural Foam Fabricates	15	0.30%		
	<u>1,002</u>	<u>20.26%</u>	<u>N/A</u>	<u>N/A</u>

N/A = Information not available.

Source: Gloucester County Economic Development Office.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Principal Employers  
Current and Nine Years Ago  
Unaudited

	Mantua Township			
	2008		1999	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Electric Mobility Corp.	424	4.75%		
Delaware Valley Wholesale	314	3.52%		
Mantua Board of Education	179	2.00%		
Home Depot U.S.A. Inc.	170	1.90%		
Township of Mantua	123	1.38%		
Eastern Electric Corporation	80	0.90%		
Jgc Enterprises Inc.	65	0.73%		
Acme Markets	52	0.58%		
Marialena Corp.	40	0.45%		
Under the Sea Learning	40	0.45%		
Walgreen Co.	40	0.45%		
A Better Janitorial Services	40	0.45%		
Hangsterfer's Laboratories Inc.	40	0.45%		
Manor Salon & Spa	40	0.45%		
John J. Tull Realty	34	0.38%		
Probe Chiropractic Inc.	27	0.30%		
	<u>791</u>	<u>6.95%</u>	<u>N/A</u>	<u>N/A</u>

N/A = Information not available.

Source: Gloucester County Economic Development Office.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited

<u>Function/Program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Instruction										
Regular	115.0	115.0	127.0	130.0	136.0	139.0	145.0	148.0	149.5	150.5
Special education	24.0	24.0	28.0	29.0	31.0	33.0	35.0	37.0	39.5	40.5
Other special education	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Other instruction	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Adult/continuing edu. Programs	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Support services:										
Attendance & social work	1.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0	3.0	3.0
Health services	3.0	3.0	3.0	3.0	3.0	3.5	3.7	3.7	3.7	3.7
Related services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Extraordinary services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guidance services	9.0	9.0	9.0	10.0	11.0	11.0	11.0	11.5	11.7	11.7
Child study team	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.5	6.0	6.0
Improvement of instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	3.0	3.0
Media services	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Professional development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration	13.0	13.0	14.0	14.0	14.0	14.0	14.0	14.0	14.5	14.5
Central services	5.0	5.6	5.6	5.8	4.8	4.8	4.8	5.0	5.2	5.2
Administrative information technology	1.5	1.5	1.5	2.0	2.5	3.0	3.0	3.0	3.0	3.0
Plants operations and maintenance	18.0	18.0	18.0	18.0	18.0	18.0	20.0	21.5	22.5	22.5
Pupil transportation	27.0	24.0	30.0	34.0	35.0	36.0	37.0	38.0	38.2	38.2
Other support services	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Food service	21.0	21.0	21.0	21.0	21.0	21.0	22.0	23.0	22.0	22.0
Total	<u>254.4</u>	<u>252.0</u>	<u>277.0</u>	<u>286.7</u>	<u>297.2</u>	<u>304.2</u>	<u>316.4</u>	<u>326.6</u>	<u>331.2</u>	<u>333.3</u>

Source: District personnel records (support doc. #3 - budgeted FTE's).

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Middle School		High School					
					Staff	Ratio	Staff	Ratio				
1999	1616	15,413,017	9,541	4.80%	48	12.3	83	12.3	1,655.0	1,574.0	7.92%	95.11%
2000	1686	16,137,769	9,574	0.35%	53	11.8	90	11.9	1,736.0	1,647.0	4.89%	94.87%
2001	1800	17,669,415	9,816	2.53%	57	11.8	91	12.4	1,920.0	1,820.0	10.60%	94.79%
2002	1879	18,518,909	9,856	0.40%	62	11.4	94	12.5	1,906.0	1,845.0	-0.73%	96.80%
2003	2011	20,720,253	10,306	4.57%	64	11.8	97	13.0	2,035.0	1,950.0	6.77%	95.82%
2004	2134	22,363,569	10,482	1.71%	65	12.4	101	13.2	2,147.0	2,052.0	5.50%	95.58%
2005	2211	24,304,103	10,995	4.89%	64	12.6	106	13.2	2,216.0	2,128.0	3.21%	96.03%
2006	2285	25,805,261	11,293	2.71%	65	12.3	113	13.2	2,291.2	2,172.1	3.39%	94.80%
2007	2392	27,658,098	11,565	2.41%	67	13.3	116	13.0	2,391.2	2,282.2	4.36%	95.44%
2008	2399	29,253,075	12,194	5.44%	67	12.9	111	13.8	2,397.5	2,290.3	0.26%	95.53%

Source: District records, Annual report card.

Note: Enrollment based on annual October district count.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years  
Unaudited

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b><u>Middle School (1968 &amp; 2003)</u></b>										
Square feet	95,075	95,075	95,075	95,075	95,075	130,715	130,715	130,715	130,715	130,715
Capacity (students)	590	590	590	590	590	764	764	764	764	764
Enrollment	591	624	673	710	755	803	812	797	894	894
<b><u>High School (1960, 1996, 2003)</u></b>										
Square feet	167,347	167,347	167,347	167,347	167,347	250,947	250,947	250,947	250,947	250,947
Capacity (students)	933	933	933	933	933	1,462	1,462	1,462	1,462	1,462
Enrollment	1,024	1,072	1,127	1,169	1,256	1,331	1,397	1,491	1,498	1,498
<b><u>Administration Building</u></b>										
Square feet	5,260	5,260	5,260	5,260	5,260	5,260	5,260	5,260	5,260	5,260
<b><u>Transportation Building</u></b>										
Square feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
<b><u>Maintenance Building/Field House</u></b>										
Square feet							2,500	2,500	2,500	2,500

Number of Schools at June 30, 2008

Middle School - (Grades 7 & 8) = 1

High School (Grades 9-12) = 1

Source: District records - Fall Enrollment, State Facility Reports - PCE Form.

Note: Increases in square footage and capacity are the result of renovations and additions.

Enrollment is based on the Fall Enrollment Report.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance for School Facilities  
For the Last Eight Fiscal Years Ended June 30, 2008

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

School Facilities	Gross Square Footage	2001	2002	2003	2004	2005	2006	2007	2008	Total
High School	250,947	170,969	117,442	124,849	186,819	173,411	160,495	190,088	203,074	1,327,147
Middle School	130,715	97,133	66,722	60,172	81,141	105,358	110,854	112,299	97,799	731,478
Administration	5,260	5,374	3,691	3,446	6,706	6,750	9,100	7,488	8,833	51,388
Total School Facilities		<u>273,476</u>	<u>187,855</u>	<u>188,467</u>	<u>274,666</u>	<u>285,519</u>	<u>280,449</u>	<u>309,875</u>	<u>309,706</u>	<u>2,110,013</u>

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICTInsurance ScheduleJune 30, 2008Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Group		
Property - blanket buildings & contents	78,351,104	1,000
Commercial General Liability		
General aggregate limit	3,000,000	None
Products completed operations, aggregate limit	3,000,000	None
Personal and advertising injury	1,000,000	None
Fire damage limit any one fire	1,000,000	None
Medical expense - any one person	10,000	None
Commercial Automobile Liability		
Bodily injury & property damage	1,000,000	250
Inland Marine		
Business computers	695,893	250
Head of the Class Uni-flex		
Valuable Papers and records	100,000	100
Signs	30,000	250
Musical instruments and related	500,000	250
Miscellaneous school equipment	500,000	250
Educators Legal Liability	1,000,000	5,000
Umbrella		
General liability	10,000,000	10,000
Workmens' Compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident	2,000,000	None
Bodily injury - by disease	2,000,000	None
Student Accident - Life Insurance Company of North America	Various	
Public employees' faithful performance bonds -		
Selective Insurance Company of America		
Employee bond - Gayle L. Tschopp, Treasurer	245,000	None
Employee bond - Esther R. Pennell, Business		
Administrator/Board Secretary	20,000	None
Employee bond - Eileen McMullen, Cafeteria Manager	10,000	None

Source: District records.

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES

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## **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***

The Honorable President and  
Members of the Board of Education  
Clearview Regional High School District  
County of Gloucester  
Mullica Hill, New Jersey 08062

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Clearview Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the Clearview Regional High School District's basic financial statements and have issued our report thereon dated September 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Clearview Regional High School Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions on the effectiveness on the Clearview Regional High School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clearview Regional High School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with

generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purposes described in the first paragraph of this Section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clearview Regional High School Board of Education's financial statements are free of 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management of the Board of Education of the Clearview Regional High School District, the New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 12, 2008

# PETRONI & ASSOCIATES

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Clearview Regional High School District  
County of Gloucester  
Mullica Hill, New Jersey 08072

### **Compliance**

We have audited the compliance of the Board of Education of the Clearview Regional High School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. The Clearview Regional High School Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Clearview Regional High School Board of Education's management. Our responsibility is to express an opinion on the Clearview Regional High School Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major

federal and state program occurred. An audit includes examining, on a test basis, evidence about the Clearview Regional High School Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Clearview Regional High School Board of Education's compliance with those requirements.

In our opinion, Clearview Regional High School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008.

### **Internal Control Over Compliance**

The management of the Board of Education of the Clearview Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Clearview Regional High School Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance was for the limited purposes described in the first paragraph of this Section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the Board of Education of the Clearview Regional High School District, the New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES

*Petroni & Associates*

Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542

September 12, 2008

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2008

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2007	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2008			MEMO Cumulative Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB087008	121,043	09/1/07	- 08/31/08			121,043	(96,732)				24,311		96,732
Title I - Part A	84.010	NCLB087007	118,049	09/1/06	- 08/31/07	21,466			(21,466)						118,049
Title I - School Improvement	84.010	NCLB087007	4,701	09/1/06	- 08/31/07	4,701			(4,701)						4,701
Title I - School Improvement	84.010	NCLB087008	8,115	09/1/07	- 08/31/08										
I.D.E.A. Part B, Basic Regular	84.027	IDEA087008	445,250	09/1/07	- 08/31/08			445,250	(375,591)				69,659		375,591
I.D.E.A. Part B, Basic Regular	84.027	IDEA087006	379,975	09/1/05	- 08/31/06	3,343					(3,343)				376,632
I.D.E.A. Part B, Basic Regular	84.027	IDEA087007	391,945	09/1/06	- 08/31/07	131,187			(119,956)				11,231		380,714
Title II-A	84.367	NCLB087008	32,657	09/1/07	- 08/31/08			32,657	(18,536)				14,121		18,536
Title II-A	84.367	NCLB087007	33,019	09/1/06	- 08/31/07	12,965			(12,965)						33,019
Title II-D	84.318	NCLB087008	768	09/1/07	- 08/31/08				(763)				5		763
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB087008	6,697	09/1/07	- 08/31/08			6,697	(2,876)				3,821		2,876
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB087007	5,979	09/1/06	- 08/31/07	596			(596)						5,979
Title V - Innovative Program	84.298	NCLB087008	2,727	09/1/07	- 08/31/08			2,727	(2,500)				227		2,500
Title V - Innovative Program	84.298	NCLB087007	2,956	09/1/06	- 08/31/07	1,577			(1,577)						2,956
Carl D. Perkins - Secondary	84.048		66,885	07/1/07	- 06/30/08			66,885	(62,816)				4,069		62,816
Carl D. Perkins - Secondary	84.048		54,473	07/1/06	- 06/30/07	(54,473)		54,473							54,473
Total Special Revenue Fund						121,362		730,500	(721,075)		(3,343)		116,213	11,231	1,536,337
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550		32,329	07/1/06	- 06/30/07	2,303			(2,303)						2,303
Food Distribution Program	10.550		41,644	07/1/07	- 06/30/08			41,644	(37,630)				4,014		41,644
National School Lunch Program	10.555		78,158	07/1/06	- 06/30/07	(2,358)		3,892		(1,534)					78,158
National School Lunch Program	10.555		74,366	07/1/07	- 06/30/08			71,870	(74,366)				(2,496)		74,366
Total Enterprise Fund						(55)		117,406	(114,299)	(1,534)			(2,496)	4,014	196,471
Total Federal Financial Awards						121,307		847,906	(835,374)	(1,534)	(3,343)		(2,496)	120,227	1,732,808

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2008

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2007			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2008			MEMO	
					Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure
State Department of Education															
General Fund:															
Core Curriculum Standards Aid	08-495-034-5120-022	9,025,472	07/1/07	06/30/08				9,025,472	(9,025,472)					429,100	9,025,472
Supplemental Core Curriculum Standards Aid	08-495-034-5120-023	48,455	07/1/07	06/30/08				48,455	(48,455)					2,304	48,455
Transportation Aid	08-495-034-5120-014	752,254	07/1/07	06/30/08				752,254	(752,254)					35,765	752,254
Special Education Aid	08-495-034-5120-011	912,464	07/1/07	06/30/08				912,464	(912,464)					43,382	912,464
Bilingual Education Aid	08-495-034-5120-008	2,374	07/1/07	06/30/08				2,374	(2,374)					113	2,374
Consolidated Aid	08-495-034-5120-057	236,776	07/1/07	06/30/08				236,776	(236,776)					11,257	236,776
Additional Formula Aid	08-495-034-5120-058	674,290	07/1/07	06/30/08				674,290	(674,290)					32,058	674,290
Above Average Enrollment Growth	08-495-034-5120-063	191,389	07/1/07	06/30/08				191,389	(191,389)						191,389
Extraordinary Aid	08-495-034-5120-044	53,648	07/1/07	06/30/08					(53,648)		(53,648)				53,648
Extraordinary Aid	07-495-034-5120-044	65,144	07/1/06	06/30/07	(65,144)			65,144							65,144
Reimbursed T.P.A.F. Social Security Contributions	08-495-034-5095-002	923,275	07/1/07	06/30/08				923,275	(923,275)		(45,028)				923,275
Reimbursed T.P.A.F. Social Security Contributions	07-495-034-5095-002	885,271	07/1/06	06/30/07	(43,957)			43,957							885,271
On-Behalf T.P.A.F. Pension Contribution	08-495-034-5095-006	876,358	07/1/07	06/30/08				876,358	(876,358)						876,358
On-Behalf T.P.A.F. Postretirement Contribution	08-495-034-5095-001	739,194	07/1/07	06/30/08				739,194	(739,194)						739,194
Non-public transportation aid	07-103-190	23,900	07/1/06	06/30/07	(23,900)			23,900							23,900
Non-public transportation aid	08-103-190	30,470	07/1/07	06/30/08					(30,470)		(30,470)				30,470
Teacher mentoring		3,690	07/1/07	06/30/08				3,690	(3,690)						
<b>Total General Fund</b>					<b>(133,001)</b>			<b>14,473,964</b>	<b>(14,470,109)</b>		<b>(129,146)</b>			<b>553,979</b>	<b>15,440,734</b>
Special Revenue Fund:															
Passed-through State Department of Education:															
Reaching Everyone by Telling Lies	n/a	3,000	07/1/07	06/30/08				3,000	(2,347)			653			3,000
Reaching Everyone by Telling Lies	n/a	3,000	07/1/06	06/30/07			619						619		2,381
N.J. Nonpublic Aid:															
Textbook Aid	07-100-034-5120-064	13,953	07/1/06	06/30/07			4,382			(4,382)					9,571
Textbook Aid	08-100-034-5120-064	13,861	07/1/07	06/30/08				13,861	(2,949)				10,912		2,949
Nursing Services	07-100-034-5120-070	18,563	07/1/06	06/30/07			817			(817)					17,746
Nursing Services	08-100-034-5120-070	19,146	07/1/07	06/30/08				19,146	(17,672)				1,474		17,672
Technology Initiative	07-100-034-5120-373	10,000	07/1/06	06/30/07			657			(657)					9,343
Technology Initiative	08-100-034-5120-373	9,920	07/1/07	06/30/08				9,920	(9,790)				130		9,790
Auxiliary Services:															
Compensatory Education	08-100-034-5120-067	24,286	07/1/07	06/30/08				24,286	(22,494)					1,792	22,494
Home Instruction	08-100-034-5120-067	378	07/1/07	06/30/08					(378)		(378)				378
Transportation	08-100-034-5120-068	3,478	07/1/07	06/30/08				3,478	(3,478)						3,478
Handicapped Services:															
Corrective Speech	08-100-034-5120-066	5,580	07/1/07	06/30/08				5,580	(2,790)				2,790		2,790
Examination and Classification	08-100-034-5120-066	21,234	07/1/07	06/30/08				21,234	(21,234)						21,234
Supplementary Instruction	07-100-034-5120-066	5,782	07/1/06	06/30/07			826			(826)					4,956
Supplementary Instruction	08-100-034-5120-066	5,782	07/1/07	06/30/08				5,782	(5,782)						5,782
<b>Total Special Revenue Fund</b>							<b>7,301</b>	<b>106,287</b>	<b>(88,914)</b>		<b>(6,682)</b>	<b>(378)</b>	<b>653</b>	<b>17,717</b>	<b>133,564</b>

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2008

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2007			Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Expenditures	Balance at June 30, 2008			MEMO	
			From	To	Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure
Capital Projects Fund:															
EDA Grant	03-592-003-0020-824	14,960,583			(393,607)			(39,950)			(673,246)	239,689			14,720,894
Debt Service Fund:															
Debt Service Aid Type II	08-495-034-5120-125	628,143	07/1/07	06/30/08			628,143	(628,143)							628,143
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	07-100-010-3360-067	9,042	07/1/06	06/30/07	(277)		277								9,042
National School Lunch Program (State Share)	08-100-010-3360-067	7,928	07/1/07	06/30/08			7,642	(7,928)			(286)				7,928
Total Enterprise Fund					(277)		7,919	(7,928)			(286)				16,970
Total State Financial Assistance					(526,885)	7,301	15,216,313	(15,235,044)	(6,682)	(803,056)	240,342	17,717	553,979		30,940,305

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2008

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Clearview Regional High School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on 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 Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-2. For G.A.A.P. purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4-2.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2008

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is (\$13,387) for the General Fund and \$(0) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		14,456,722	14,456,722
Special Revenue Fund	721,075	88,914	809,989
Debt Service Fund		628,143	628,143
Food Service Fund	115,871	8,215	124,086
Total Financial Assistance	<u>836,946</u>	<u>15,181,994</u>	<u>16,018,940</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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the Schedule at the market value of the commodities received and disbursed. At June 30, 2008, Clearview Regional High School District has food commodities totaling \$4,014 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2008. T.P.A.F. Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2008.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2008

NOTE 7: FEDERAL AND STATE GRANTS OUTSTANDING

Clearview Regional High School District had the following grant balances outstanding at June 30, 2008:

<u>Program Title</u>	<u>Amount</u> <u>Outstanding</u>
School Construction Corporation	<u>673,246</u>

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- 1. Material weakness(es) identified?  Yes  No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None

Noncompliance material to basic financial statements noted?  Yes  No

**Federal Awards**

- 1. Material weakness(es) identified?  Yes  No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Section I – Summary of Auditor’s Results**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$457,197

Auditee qualified as low-risk auditee?  X  Yes   No

Internal control over major programs:

1. Material weakness(es) identified?   Yes  X  No

2. Significant deficiencies identified that are not considered to be material weaknesses?   Yes  X  None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J.O.M.B. Circular Letter 04-04?   Yes  X  No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-022	Core Curriculum Aid
495-034-5120-125	Debt Service Aid

**Section II – Financial Statement Findings**

None

**Section III – State Financial Assistance Findings and Questioned Costs**

FEDERAL AWARDS

None

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

STATE AWARDS

None

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

No Matters were reported.