SCHOOL DISTRICT
OF

CLEMENTON

Clementon Board of Education
Clementon, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

Clementon Board of Education

Clementon, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by
Clementon Board of Education
Finance Department

CLEMENTON SCHOOL DISTRICT

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Introductory Section

Clementon School District

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

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

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

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

August 19, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Clementon School District (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds 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 included this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and 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 Payments". 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: Clementon School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds and account groups of the District are included in this

report. The Clementon Board of Education and its school constitute the District's reporting entity.

The District provided educational services for grades Pre-Kindergarten through grade 8 in our building. Through a send/receive relationship with the Pine Hill School District, we provide programs for our students in grades 9-12, including Special Education. The district completed the 2009-2010 fiscal year with an enrollment of 496 students. The following details the changes in the student enrollment of the District over the last five years.

AVERAGE DISTRICT ENROLLMENT

FISCAL YEAR	STUDENT ENROLLMENT	INCREASE/ DECREASE	PERCENT CHANGE
2010-2011	478	-18	.04
2009-2010	496	-23	.05
2008-2009	519	6	0.1
2007-2008	513	-20	2.2
2006-2007	533	- 45	1.1
2005-2006	578	- 34	.0.6
2004-2005	612	9	0.2
2003-2004	604	21	3.7
2002-2003	583	1	< 0.1
2001-2002	582	66	12.8
2000-2001	516	25	5.0
1999-2000	491	9	0.2
1998-1999	482	4	0.1

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

The history of the Borough of Clementon centers around its six lakes. In the early 1900's it was a favorite spot for summer vacationers with a bustling downtown area and its famed amusement park, Clementon Lake Park. Today, however, many of the stores and businesses have left the Borough in favor of shopping malls and large commercial office buildings. This has resulted in the majority of the land becoming residential. Population estimates of the Borough and the 2000 census reveal a decrease in the number of residents in recent years. Estimates of July 1, 1998 place the population at 5,399, while the 2000 census shows 4,850, a decrease of 10.1%. Borough officials cite the possibility of an inaccurate accounting from apartment residents as a cause for the decrease. An indication of this can be seen in the increase of students enrolled at Clementon School District. The average District enrollment has increased due to the dissolution of the Lower Camden County Regional School District Number One. Clementon now educates students through high school, entering into a send/receive relationship with the Pine Hill School District for our 9th though 12th graders. Our enrollment of Pre-K - 8th grade

students has decreased to 478 for the 2010-2011 school year. Clementon students enrolled at Overbrook High School in Pine Hill number 165.

3. MAJOR INITIATIVES:
The Clementon School District has developed three district goals that will drive our initiative during the 2011-2012 school year.

The first goal focuses on using the second version of the Developmental Reading Analysis (DRA2) to decrease the number of students in grades kindergarten, 1st, and 2nd who are reading below grade level. The Developmental Reading Assessment provides teachers with a method for assessing and documenting students' development as readers over time. Its purpose is to identify students' reading level, defined as a text on which students meet specific criteria in terms of accuracy, fluency, and comprehension. Classroom teachers will administer the assessment three times a year. Results will allow for an analysis of data, planning of guided reading lessons, and Response to Intervention (RTI) groups and focuses.

The second goal will focus on increasing our students' nonfiction reading comprehension skills in grades 6-8. Teachers will determine students' reading levels using the DRA2. This information will be used for data collection and analysis. Instructional strategies, lesson planning, and participation in professional development will then be explored and implemented throughout the year according to where the students' needs are specifically found to lie.

The third goal is geared towards improving our students' math fact fluency. By using the Otter Creek Math Facts Program, teachers will provide student benchmark assessments to see their adequacy of skills. Instructional time each day will be offered to students for them to practice and understand their math facts while the teacher monitors their progress through ongoing assessments. This will allow for the instruction, practice, and implementation to be varied as needed.

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

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

is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, test are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs; as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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 capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservation of fund balance at June 30, 2011.

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

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

9. 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.

10. OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPAs, was selected by the Board. In addition to meeting the

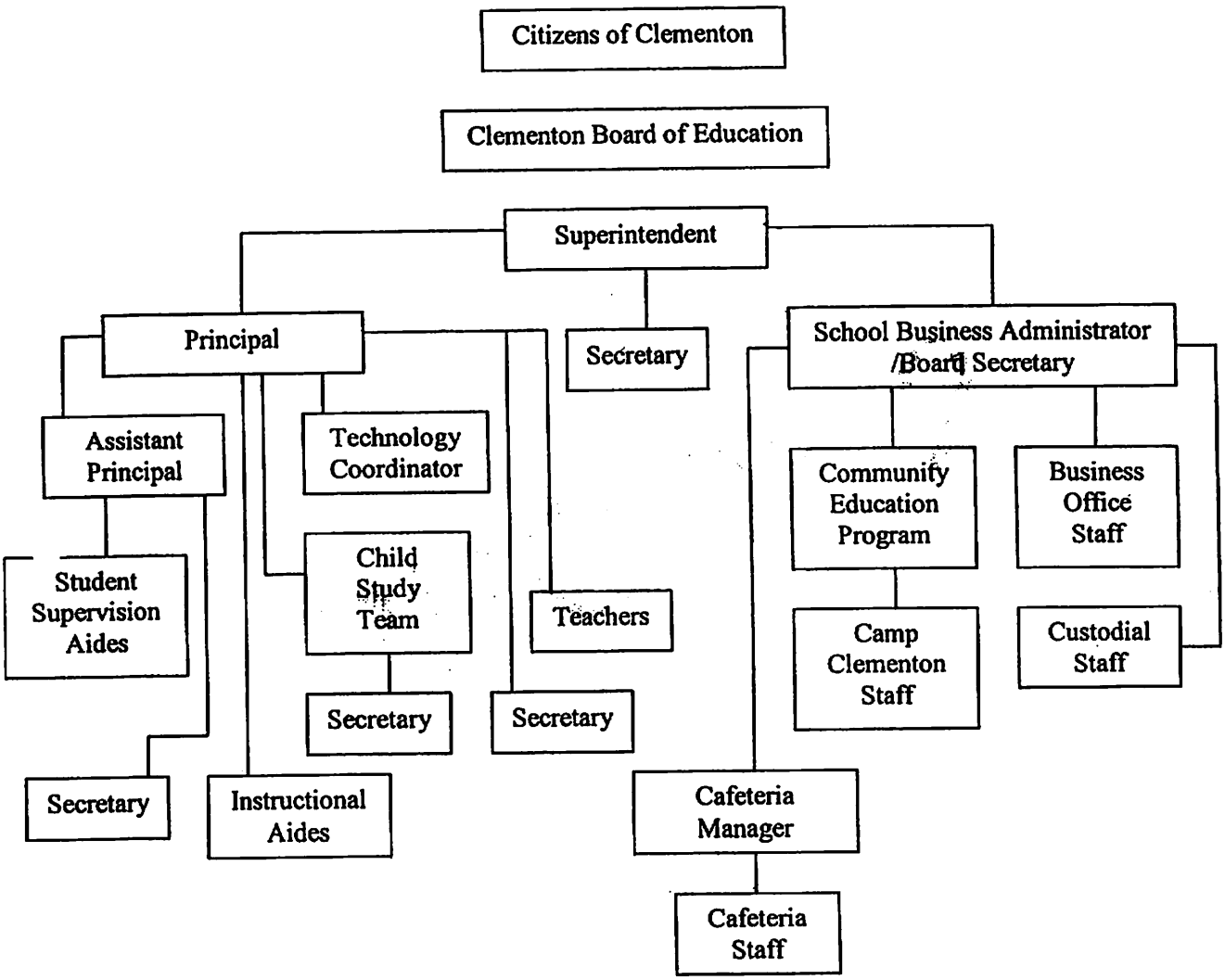
financial statements and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

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

Respectfully submitted,

Lynn Marcus
Superintendent/Principal

Joanne E. Clement
School Business Administrator/
Board Secretary


Citizens of Clementon
Clementon Board of Education
Superintendent
Principal
Secretary
School Business Administrator /Board Secretary
Assistant Principal
Technology Coordinator
Community Education Program
Business Office Staff
Student Supervision Aides
Child Study Team
Teachers
Camp Clementon Staff
Custodial Staff
Secretary
Secretary
Secretary
Instructional Aides
Cafeteria Manager
Cafeteria Staff

Adopted:

CLEMENTON SCHOOL DISTRICT

Roster of Officials
June 30, 2011

Members of the Board of Education:	**Term Expires**
Irene J. Buchalter, President	2014
Sara A. Paranzino, Vice President	2013
Randall Freiling	2014
Ellen Suckle	2012
John Romer	2012
William Dilworth	2014
William Weyland	2013
Virginia deHaan	2012
Kathleen Rappold	2013

Other Officials:

Lynn Marcus, Superintendent
Joanne E. Clement, Business Administrator/Board Secretary
Mary Bakey, Treasurer
Frank Cavallo, Jr., Esq. Solicitor

CLEMENTON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Parker/McCay
Greentree Center, Suite 401
Route 73 & Greentree Road
Marlton, NJ 08053

Broker of Record

Cashan and Company
P.O. box 449
Marlton, NJ 08053

Official Depository

Beneficial Bank
1901 Route 70 East
Cherry Hill, NJ 08003

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Clementon School District, in the County of Camden, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of 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 Clementon School District, in the County of Camden, State of New Jersey, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the fiscal 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 August 18, 2011 on our consideration of the Clementon School District, in the County of Camden, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clementon School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures 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 also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 18, 2011

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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
Clementon School District
County of Camden
Clementon, New Jersey

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 Clementon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clementon School District'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 an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified the following deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: Finding #2011-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clementon School District'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 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.

The Clementon School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
August 18, 2011

Required Supplementary Information - Part I

Management's Discussion and Analysis

Clementon School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

As management of the Board of Education of the Borough of Clementon, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by $3,673,796 *(net assets)*.

- Governmental activities have an unrestricted net assets deficit of $688,122. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.

- The total net assets of the School District increased by $155,300, or a 4.65% increase from the prior fiscal year-end balance. This increase is largely due to repayment of long-term debt.

- Fund balance of the School District's governmental funds decreased by $148,281 resulting in an ending fund balance of $1,083,989. This decrease resulted from the completion of the renovation work performed in Wing D

- Business-type activities have unrestricted net assets of $95,940, which may be used to meet the School District's ongoing obligations of the food service operations and community education program.

- The School District's long-term obligations decreased by $375,724 which is the net result of changes in bond obligations, compensated absences and unfunded pension liability.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues *(governmental activities)* and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund and the Community Education Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds.*

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and Community Education Program Fund) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2011. Long-term

liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2011.

The assets of the primary government activities exceeded liabilities by $3,498,681 with an unrestricted deficit balance of $688,112. The net assets of the primary government do not include internal balances. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

A net investment of $2,908,481 in land, improvements, buildings and equipment which provide the services to the School District's 499 public school students, represents 83.1% of the School District's net assets. Net assets of $1,278,322 have been restricted as follows:

Designated for the 2011/12 budget	$448,309
Reserved for 2011 encumbrances	5,100
Reserved for future tuition costs	402,000
Reserved for future emergencies	200,000
Excess surplus	107,355
Capital projects	115,558

Comparative Summary of Net Assets
As of June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	$ 1,655,693	$ 1,483,133	$ 95,940	$ 85,599	$ 1,751,633	$ 1,568,732
Capital assets	5,596,481	5,662,944	79,175	87,061	5,675,656	5,750,005
Total assets	7,252,174	7,146,077	175,115	172,660	7,427,289	7,318,737
Liabilities:						
Current Liabilities	876,111	539,590			876,111	539,590
Noncurrent Liabilities	2,877,382	3,263,106			2,877,382	3,263,106
Total liabilities	3,753,493	3,802,696			3,753,493	3,802,696
Net assets	$ 3,498,681	$ 3,343,381	$ 175,115	$ 172,660	$ 3,673,796	$ 3,516,041
Net assets consist of:						
Invested in capital Assets	$ 2,908,481	$ 2,654,944	$ 79,175	$ 87,061	$ 2,987,656	$ 2,742,005
Restricted net assets	1,278,322	1,569,554			1,278,322	1,569,554
Unrestricted net assets	(688,122)	(881,117)	95,940	85,599	(592,182)	(795,518)
Net assets	$ 3,498,681	$ 3,343,381	$ 175,115	$ 172,660	$ 3,673,796	$ 3,516,041

Governmental Activities

Governmental activities increased the net assets of the School District by $155,300 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- Repayment of long-term obligations in the amount of $349,670.

Business-type Activities

Business-type activities increased the School District's net assets by $2,455. Key elements of the increase in net assets for governmental activities are as follows:

- The Food service program had a profit of $16,772 at year-end while the After School Care Program had a loss of $14,317.

Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services			$ 134,170	$ 165,454	$ 134,170	$ 165,454
Operating grants and Contributions	$ 1,300,677	$ 1,330,203	183,026	167,560	1,483,703	1,497,763
General Revenues:						
Property Taxes	4,097,149	3,950,397			4,097,149	3,950,397
Unrestricted State Aid	6,222,122	6,294,023			6,222,122	6,294,023
Other Revenues	212,028	308,593	479	217	212,507	308,810
Total Revenues	11,831,976	11,883,216	317,675	333,231	12,149,651	12,216,447
Expenses:						
Governmental Activities:						
Instruction	3,572,541	3,906,468			3,572,541	3,906,468
Tuition	3,728,817	3,771,456			3,728,817	3,771,456
Related Services	842,179	865,119			842,179	865,119
Administrative Services	627,723	688,595			627,723	688,595
Operations and Maintenance	466,227	470,756			466,227	470,756
Transportation	382,306	398,386			382,306	398,386
Unallocated employee benefits	1,885,736	1,795,289			1,885,736	1,795,289

Interest on long-term Debt	124,126	137,813			124,126	137,813
Other	47,021	40,544			47,021	40,544
Business-Type Activities:						
Food Service Operations			235,821	236,857	235,821	236,857
Community Education			79,399	85,355	79,399	85,355
Total Expenses	11,676,676	12,074,426	315,220	322,212	11,991,896	12,396,638
Increase in net assets						
Before transfers	155,300	(191,210)	2,455	11,019	157,755	(180,191)
Transfers						
Changes in net assets	155,300	(191,210)	2,455	11,019	157,755	(180,191)
Net assets, July 1,	3,343,381	3,534,591	172,660	161,641	3,516,041	3,696,232
Net assets, June 30,	$ 3,498,681	$ 3,343,381	$ 175,115	$ 172,660	$ 3,673,796	$ 3,516,041

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of $1,083,989, a decrease of $148,281 in comparison with the prior year. This decrease is largely due to the completion of the capital projects program.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved deficit fund balance in the General Fund of $181,792 and an unreserved deficit fund balance of $12,541 in the Special Revenue Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) appropriated as a revenue source in the subsequent year's budget ($448,309), 2) reserved for future capital outlay expenditures ($115,558), 3) reserved for future tuition costs ($402,000), 4) reserved for emergencies ($200,000), 5) reserved for excess surplus ($107,355) and 6) reserved for encumbrances ($5,100).

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The special revenue fund reflects a fund balance deficit of $12,541, as a result of the accounting treatment for the June state aid payments. See the notes to the basic financial statements for further clarification of this treatment. Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $41,795, or an increase of 0.38%. This increase to the budget represents prior year encumbrances that rolled over to the current year for spending purposes.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was $369,576 while total fund balance (budgetary basis) was $1,595,980. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to $10,618,161. Unreserved fund balance (budgetary basis) represents 3.4% of expenditures while total fund balance (budgetary basis) represents 15.03% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2011 totaled $5,675,656 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was $74,349 or a 1.3% increase.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was $361,727.

Capital Asset (net of accumulated depreciation)
June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Land	$ 178,131	$ 178,131			$ 178,131	$ 178,131
Construction n Progress		462,109				462,109
Site Improvements	56,024	60,498			56,024	60,498
Buildings and Building Improvements	5,223,686	4,878,848			5,223,686	4,878,848
Equipment	138,640	83,358	$ 79,175	$ 87,061	217,815	170,419
Net assets	$ 5,596,481	$ 5,662,944	$ 79,175	$ 87,061	$ 5,675,656	$ 5,750,005

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2011, the School District had $2,688,000 in serial bonds payable, $277,844 in unfunded pension liability, and $241,538 in compensated absences.

All reductions in long-term debt were made according to the payment schedules.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic factors and Next Year's Budget and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2011-2012 fiscal year.

- For the 2011-2012 fiscal year the School District received a slight increase in state aid. We will be utilizing our Education Job funding to maintain staff for the 2011-2012 school year. Contractual salaries were negotiated at 2.6% increase with employee contributions for health insurance. The overall health benefit increase was 16 percent prior to negotiated changes to coverage. High school tuition continues to increase. More students are attending Camden County Technical School in the 2011-2012 school year. The sale of Solar Certificates helped offset the increased costs in utilities. Clementon is sharing purchasing with the Pine Hill Board of Education as a shared service. We are currently exploring a purchased power agreement with the Pine Hill Board of Education and our municipalities.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clementon School District Business Administrator, Four Audubon Avenue, Clementon, New Jersey, 08021.

Basic Financial Statements

District-Wide Financial Statements

CLEMENTON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 1,089,583	$ 87,103	$ 1,176,686
Receivables, net	385,425	12,580	398,005
Inventory		1,739	1,739
Interfund balances	5,482	(5,482)	
Restricted Assets:			
Restricted Cash and Cash Equivalents	115,558		115,558
Deferred Bond Issuance Costs - net	59,645		59,645
Capital Assets, net (Note 5)	5,596,481	79,175	5,675,656
Total Assets	7,252,174	175,115	7,427,289
LIABILITIES:			
Accounts Payable	36,894		36,894
Intergovernmental Payables:			
State	34,671		34,671
State Aid Anticipation Note Payable	419,573		419,573
Accrued Interest Payable	34,052		34,052
Deferred Revenue	20,921		20,921
Noncurrent Liabilities (Note 7):			
Due within one year	330,000		330,000
Due beyond one year	2,877,382		2,877,382
Total Liabilities	3,753,493		3,753,493
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	2,908,481	79,175	2,987,656
Restricted for:			
General Fund	1,226,404		1,226,404
Capital Projects Fund	9,126		9,126
Debt Service Fund	42,792		42,792
Unrestricted (Deficit)	(688,122)	95,940	(592,182)
Total Net Assets	$ 3,498,681	$ 175,115	$ 3,673,796

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 2,880,613		$ 547,584		$ (2,333,029)		$ (2,333,029)
Special Education	660,020				(660,020)		(660,020)
Other instruction	31,908				(31,908)		(31,908)
Support Services:							
Tuition	3,728,817				(3,728,817)		(3,728,817)
Student & instruction related services	842,179		129,095		(713,084)		(713,084)
General administrative services	222,817				(222,817)		(222,817)
School administrative services	144,735				(144,735)		(144,735)
Central services	260,171				(260,171)		(260,171)
Plant operations and maintenance	466,227				(466,227)		(466,227)
Pupil transportation	382,306				(382,306)		(382,306)
Unallocated employee benefits	1,885,736		509,237		(1,376,499)		(1,376,499)
Interest on long-term debt	124,126		114,761		(9,365)		(9,365)
Unallocated depreciation and amortization	47,021				(47,021)		(47,021)
Total Governmental Activities	11,676,676		1,300,677		(10,375,999)		(10,375,999)
Business-Type Activities:							
Food service	235,821	$ 69,567	183,026			$ 16,772	16,772
After school program	79,399	64,603				(14,796)	(14,796)
Total Business-Type Activities	315,220	134,170	183,026			1,976	1,976
Total Primary Government	$ 11,991,896	$ 134,170	$ 1,483,703	$ -	(10,375,999)	1,976	(10,374,023)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					3,767,070		3,767,070
Taxes levied for debt service					330,079		330,079
Federal and State aid not restricted					6,222,122		6,222,122
State aid restricted for capital projects							
Tuition fees					85,115		85,115
Investment earnings					2,877	479	3,356
Miscellaneous income					124,036		124,036
Transfers							
Total general revenues, special items, extraordinary items and transfers					10,531,299	479	10,531,778
Change in Net Assets					155,300	2,455	157,755
Net Assets - July 1, 2010					3,343,381	172,660	3,516,041
Net Assets - June 30, 2011					$ 3,498,681	$ 175,115	$ 3,673,796

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

CLEMENTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 1,168,928	$ (59,777)	$ (62,360)	$ 42,792	$ 1,089,583
Receivables, net:					
State	161,241		71,486		232,727
Federal	10,059	77,631			87,690
Other	30,704	34,304			65,008
Interfund	5,482				5,482
Restricted cash and cash equivalents	115,558				115,558
Total Assets	$ 1,491,972	$ 52,158	$ 9,126	$ 42,792	$ 1,596,048
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable:	$ 27,787	$ 9,107			$ 36,894
State aid anticipation note payable	419,573				419,573
Intergovernmental payable:					
State		34,671			34,671
Deferred revenues		20,921			20,921
Total Liabilities	447,360	64,699			512,059
Fund Balances:					
Restricted for:					
Capital reserve	115,558				115,558
Tuition reserve	402,000				402,000
Emergency reserve	200,000				200,000
Excess surplus	107,355				107,355
Assigned to:					
Year-end encumbrances	5,100				5,100
Subsequent year's budget	396,391		$ 9,126	$ 42,792	448,309
Unassigned	(181,792)	(12,541)			(194,333)
Total Fund Balances	1,044,612	(12,541)	9,126	42,792	1,083,989
Total Liabilities and Fund Balances	$ 1,491,972	$ 52,158	$ 9,126	$ 42,792	

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 the assets is $10,385,666 and the accumulated depreciation is $4,789,185.		5,596,481
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.		59,645
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:		
General Obligation Bonds	$ (2,688,000)	
Early Retirement Debt Obligation Payable	(277,844)	
Accrued Interest Payable	(34,052)	
Compensated Absences Payable	(241,538)	
		(3,241,434)
Net assets of governmental activities		$ 3,498,681

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	$ 3,767,070			$ 330,079	$ 4,097,149
Interest earned	2,877				2,877
Tuition	85,115				85,115
Miscellaneous	124,036				124,036
Total local sources	3,979,098			330,079	4,309,177
State sources	6,714,208	$ 147,501		114,761	6,976,470
Federal sources	17,151	529,178			546,329
Total Revenues	10,710,457	676,679		444,840	11,831,976
EXPENDITURES:					
Current expense:					
Regular instruction	2,103,423	550,035			2,653,458
Special education instruction	660,020				660,020
Other instruction	31,908				31,908
Support services and undistributed costs:					
Tuition	3,728,817				3,728,817
Student & instruction related services	713,084	129,095			842,179
General administrative services	222,817				222,817
School administrative services	144,735				144,735
Central services	223,998				223,998
Plant operations and maintenance	405,861				405,861
Pupil transportation	382,306				382,306
Unallocated employee benefits	1,915,406				1,915,406
Capital outlay	85,786	786	$ 232,885		319,457
Debt service:					
Principal				320,000	320,000
Interest and other charges				129,295	129,295
Total Expenditures	10,618,161	679,916	232,885	449,295	11,980,257
Excess (Deficiency) of Revenues over (under) Expenditures	92,296	(3,237)	(232,885)	(4,455)	(148,281)
Other Financing Sources (Uses):					
Transfers in				570	570
Transfers out			(570)		(570)
Total Other Financing Sources (Uses)			(570)	570	
Net Change in Fund Balances	92,296	(3,237)	(233,455)	(3,885)	(148,281)
Fund Balances - July 1, 2010	952,316	(9,304)	242,581	46,677	1,232,270
Fund Balances - June 30, 2011	$ 1,044,612	$ (12,541)	$ 9,126	$ 42,792	$ 1,083,989

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ (148,281)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation expense	$ (361,727)	
Fixed assets additions	295,264	(66,463)
Repayment of long-term debt 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.		349,670
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		(10,849)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		5,169
In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)		26,054
Change in Net Assets of Governmental Activities		$ 155,300

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities Enterprise Funds		
	Food Service Fund	After School Program	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	$ 52,719	$ 34,384	$ 87,103
Intergovernmental receivables:			
State	252		252
Federal	12,328		12,328
Inventories	1,739		1,739
Total current assets	67,038	34,384	101,422
Noncurrent assets:			
Machinery and equipment (net of	138,030		138,030
accumulated depreciation)	(58,855)		(58,855)
Total noncurrent assets	79,175		79,175
Total Assets	146,213	34,384	180,597
LIABILITIES:			
Current Liabilities:			
Interfund Payable		5,482	5,482
Total current liabilities		5,482	5,482
NET ASSETS:			
Invested in capital assets	79,175		79,175
Unrestricted	67,038	28,902	95,940
Total Net Assets	$ 146,213	$ 28,902	$ 175,115

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds		
	Food Service Fund	After School Program	Totals
Operating Revenues:			
Charges for Services:			
Daily sales:			
Reimbursable programs	$ 43,445		$ 43,445
Non-reimbursable programs	26,122		26,122
Program fees		$ 64,603	64,603
Total Operating Revenue	69,567	64,603	134,170
Operating Expenses:			
Salaries and fringe benefits	107,356	70,214	177,570
Management fee	12,870		12,870
Supplies and materials	6,668	2,613	9,281
Other costs	8,068	6,572	14,640
Depreciation	7,886		7,886
Cost of sales	92,973		92,973
Total Operating Expenses	235,821	79,399	315,220
Operating Income (Loss)	(166,254)	(14,796)	(181,050)
Non-Operating Revenues:			
State sources:			
State school lunch program	3,225		3,225
Federal sources:			
National school lunch program	136,449		136,449
National school breakfast program	28,369		28,369
Food distribution program	14,983		14,983
Local sources:			
Interest earned		479	479
Total Non-Operating Revenues	183,026	479	183,505
Income (Loss) before Contributions and Transfers	16,772	(14,317)	2,455
Operating Transfer In			
Changes in Net Assets	16,772	(14,317)	2,455
Net Assets - July 1, 2010	129,441	43,219	172,660
Net Assets - June 30, 2011	$ 146,213	$ 28,902	$ 175,115

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds		
	Food Service Fund	After School Program	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	$ 70,367	$ 64,603	$ 134,970
Cash payments to employees for services	(107,356)	(70,214)	(177,570)
Cash payments to suppliers for goods and services	(121,514)	(8,931)	(130,445)
Net Cash Provided by (used for) Operating Activities	(158,503)	(14,542)	(173,045)
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	3,597		3,597
Cash received from federal sources	180,385		180,385
Net Cash Provided by (used for) Noncapital Financing Activities	183,982		183,982
Cash Flows Used by Capital and Related Financing Activities:			
Purchase of Equipment			
Cash Flow Provided by Investing Activities:			
Interest on Cash Equivalents		479	479
Net Increase (Decrease) in Cash and Cash Equivalents	25,479	(14,063)	11,416
Cash and Cash Equivalents - July 1, 2010	27,240	48,447	75,687
Cash and Cash Equivalents - June 30, 2011	$ 52,719	$ 34,384	$ 87,103
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Operating Income (Loss)	$ (166,254)	$ (14,796)	$ (181,050)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:			
Depreciation	7,886		7,886
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	800		800
(Increase) decrease in inventories	(935)		(935)
Increase (decrease) in accounts payable		254	254
Net Cash Provided by (used for) Operating Activities	$ (158,503)	$ (14,542)	$ (173,045)

Noncash Noncapital Financing Activities:
During the year the School District received $14,983 of food commodities from the U.S. Department of Agriculture.

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Trust Funds Unemployment Compensation Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	$ 68,276	$ 44,477
Total Assets	68,276	$ 44,477
LIABILITIES:		
Payroll deductions and withholdings		$ 12,665
Due to student groups		31,812
Total Liabilities		$ 44,477
NET ASSETS:		
Held in trust for unemployment claims and other purposes	$ 68,276	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CLEMENTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee	$ 7,345
Other	
Total contributions	7,345
Investment earnings:	
Interest	889
Net investment earnings	889
Total Additions	8,234
DEDUCTIONS:	
Unemployment claims	23,501
Total Deductions	23,501
Change in Net Assets	(15,267)
Net Assets - July 1, 2010	83,543
Net Assets - June 30, 2011	$ 68,276

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Clementon School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend, on a tuition basis, the Pine Hill High School District. The Clementon School District has an approximate enrollment at June 30, 2011 of 499 students.

Criteria for determining if other entities are potential component units which should be reported within the School District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the School District is financially accountable and other organizations that the nature and significance of their relationship with the School District are such that exclusion would cause the School District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Presentation

The basic financial statements of the Clementon School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-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.

Government-wide Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the 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 New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

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

The School District's enterprise funds are:

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

Extended Day Program Fund - This fund accounts for the financial resources of the School District's extended day program. This program provides before and after school care to students.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; an unemployment compensation trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. 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.

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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that 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 School District, available means expected to be received within thirty days of fiscal year end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued) - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as 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 School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, 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 fiscal 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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. 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances (Continued) - Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2011 and 2011 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

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

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets. .

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of $2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business -Type Activities Estimated Lives
Land Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. 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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 borrowings 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.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Equity – In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance – This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School District – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education and the Chief School Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the School District's policy to use externally restricted fund balances first, then unrestricted fund balance – committed, assigned, and unassigned – in order as needed.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling $1,643,226.57 at June 30, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq..

3. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained 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. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Balance – July 1, 2010		$ 87,681
Increased by:		
Interest earned	$ 2,877	
Board resolution	25,000	
		27,877
		115,558
Decreased by:		
Budget withdrawal		
Balance – June 30, 2011		$ 115,558

The June 30, 2011 LRFP balance of local support costs of uncompleted projects is $245,700.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2011 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental					
State	$ 161,241		$ 71,486	$ 252	$ 232,979
Federal	10,059	$ 77,631		12,328	100,018
Other	30,704	34,304			65,008
Total Accounts Receivable	$ 202,004	$ 111,935	$ 71,486	$ 12,580	$ 398,005

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$ 178,131			$ 178,131
Construction in progress	462,109	$ (462,109)		
Total capital assets, not being Depreciated	640,240	(462,109)		178,131
Capital Assets, being depreciated:				
Site Improvements	189,287			189,287
Building and Building Improvements	8,445,850	623,746		9,069,596
Equipment	815,025	133,627		948,652
Totals at historical cost	9,450,162	757,373		10,207,535
Less Accumulated Depreciation:				
Site Improvements	(128,789)	(4,474)		(133,263)
Building and Building Improvements	(3,567,002)	(278,908)		(3,845,910)
Equipment	(731,667)	(78,345)		(810,012)
Totals accumulated depreciation	(4,427,458)	(361,727)		(4,789,185)
Total Capital Assets, being depreciated, net	5,022,704	395,646		5,418,350
Governmental Activities Capital Assets, Net	$ 5,662,944	$ (66,463)	$ 0	$ 5,596,481
Business-Type Activities:				
Capital Assets, being depreciated:				
Equipment	$ 138,030			$ 138,030
Less accumulated depreciation	(50,969)	$ (7,886)		(58,855)
Business-Type Activities Capital Assets, Net	$ 87,061	$ (7,886)	$ 0	$ 79,175

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of $339,080 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	$ 253,209
Plant Operations and Maintenance	36,173
Central Administration	36,173
Unallocated	36,172
Total depreciation expense	$ 361,727

6. INVENTORY

Inventory in the food service fund at June 30, 2011 consisted of the following:

Food	$ 1,138
Supplies	601
	$ 1,739

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2010	Additions	Reductions	Principal Outstanding June 30, 2011	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 267,592		$ 26,054	$ 241,538	
Unfunded Pension Liability	307,514		29,670	277,844	
General Obligation Bonds	3,008,000		320,000	2,688,000	$ 330,000
	$ 3,583,106	$ 0	$ 375,724	$ 3,207,382	$ 330,000

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

2000 General Obligation Bonds dated February 1, 2000 in the amount of $705,000 due in annual installments through February 1, 2014, bearing interest rate of 4.45%.

2005 General Obligation Bonds dated April 1, 2005 in the amount of $1,983,000 due in annual installments through April 1, 2018, bearing interest rate of 4.10 % to 4.25%.

7. LONG-TERM OBLIGATIONS (Continued)

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	$ 330,000	$ 115,292	$ 445,292
2013	345,000	100,858	445,858
2014	360,000	85,780	445,780
2015	385,000	70,060	455,060
2016	400,000	53,890	453,890
2017-2018	868,000	55,930	923,930
	$ 2,688,000	$ 481,810	$ 3,169,810

As of June 30, 2011 the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Unfunded Pension Liability

In accordance with the Lower Camden County Regional High School dissolution agreement, effective July 1, 2001, the Clementon School District assumed liability for its proportionate share of the "Regional High School Early Retirement Incentive Program" permitted by State legislation during 1995 for certain members of the Teachers Pension and Annuity Fund and the Public Employees Retirement Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1996 to be eligible. The School District is liable for its proportionate share of additional costs under this program. As of June 30, 2011 the School District had an accrued liability of $277,844 payable in annual installments of $29,670.

8. OPERATING LEASES

The School District has various non-cancelable operating lease agreements for copiers and a postage meter. Total costs for such leases were approximately $26,932 for the fiscal year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2012	$ 26,447
2013	15,182
2014	3,918
2015	3,918
2016	585
Total future minimum lease payments	$ 50,050

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Non Contributory Life	Total Liability	Paid by School District
2011	$ 22,434	$ 35,746	$ 4,419	$ 62,599	$ 62,599
2010	22,339	28,704	7,078	58,121	58,121
2009	19,200	22,208	5,147	46,555	46,555

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists. In addition, to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

9. PENSION PLANS (Continued)

The School District's contributions to the DCRP were as follows:

Year	Total Liability	Employee Contribution	Paid by School District
2011	$ 643	$ 416	$ 227
2010	0	0	0
2009	0	0	0

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees receiving 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.

The State's contribution rate is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State made post-retirement (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2009.

The state is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement were $10,219 and $245,485, respectively. In addition, the State of New Jersey reimbursed the School District $253,533 during the fiscal year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School 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 of this Comprehensive Annual Financial Report.

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: Burlington County Insurance Pool Joint Insurance Fund, PO Box 449, Marlton, New Jersey 08053.

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

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 889	$ 7,345	$ 23,501	$ 68,276
2009-2010	917	7,267	20,206	83,543
2008-2009	938	7,173	10,862	95,565

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit them to defer a portion of their current salary to all future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore are not reflected on the financial statements of the School District..

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

14. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2011, the liability for compensated absences in the governmental activities fund types was $241,538.

15. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2012. The following interfund receivables/payables were recorded on the various balance sheets as of June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General	$ 5,482	
Enterprise Fund - After School Program		$ 5,482
	$ 5,482	$ 5,482

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2011, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of $181,792 in the General Fund and $12,541 in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District can not recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of $194,333 is equal to or less than the June state aid payment.

18. DEFICIT UNRESTRICTED NET ASSETS

The governmental activities has a deficit in unrestricted net assets of $688,122 as of June 30, 2011. This deficit is attributable to the allocation of compensated absences balances payable, debt payable on early retirement incentive plan, accrued interest payable and capital leases payable to unrestricted net assets.

19. FUND BALANCES

The School District has classified its fund balances with the following hierarchy:

Nonspendable – The School District does not have any nonspendable funds.

Spendable – The School District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The School District currently has no funds classified as *Committed*.

Restricted Items:

Capital Reserve – As of June 30, 2011, the balance in the capital reserve account is $115,558. This entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2011 in the amount of $402,000 for tuition reserve. Of this amount $202,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2012 and $200,000 is available for future budgets.

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, 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, 2011 is $107,355.

Emergency Reserve – As of June 30, 2011, the balance in the emergency reserve is $200,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Assigned:

Year-end Encumbrances – At June 30, 2011 a total of $5,100 is committed to meet contractual obligations. The School District has purchase orders outstanding with vendors in this amount and expects the vendors to deliver the goods and services in the upcoming year. All of this amount is in the General Fund.

Designated for Subsequent Year's Expenditures – The School District has assigned a total of $448,309 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2011-2012 budget. The amounts are $396,391 in the General Fund, $9,126 in the Capital Projects Fund and $42,792 in the Debt Service Fund.

Unassigned items - Represents the remainder of the School District's equity in governmental fund type balances. The balance at June 30, 2011 is $369,576.

20. LOAN PAYABLE – STATE SCHOOL AID ANTICIPATION NOTE

N.J.S.A. 18A:22-44.2, states that if a board of education of a school district is notified by the Commissioner of Education that one or more June state school aid payments will not be made until the following school budget year, and the school district demonstrates through a written application to the commissioner the need to borrow and the commissioner approves the application, the board may borrow on or before June 30 of the current school budget year but not earlier than June 8 of the current school budget year a sum not exceeding the amount of the delayed state school aid payments, and may execute and deliver promissory notes therefore through private sale or delivery thereof. In accordance with this statute, on June 8, 2010, the School District issued a State School Aid Anticipation Note in the amount of $419,573 at an annual interest rate of 4.0% with a maturity date of July 8, 2011. The State of New Jersey shall pay on behalf of the School District the required interest due on the Note.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	$ 3,767,070		$ 3,767,070	$ 3,767,070	
Tuition				85,115	$ 85,115
Interest on capital reserve	100		100	2,877	2,777
Unrestricted misc. revenues	55,000		55,000	124,036	69,036
Total local sources	3,822,170		3,822,170	3,979,098	156,928
State sources:					
Categorical Special education aid	253,148		253,148	348,136	94,988
Equalization Aid	5,726,697		5,726,697	5,631,709	(94,988)
Extraordinary aid	41,665		41,665	156,690	115,025
Nonpublic transportation				4,551	4,551
On-behalf TPAF pension contrib.. (non-budgeted)				255,704	255,704
Reimbursed TPAF social security contribution (non-budgeted)				253,533	253,533
Total state sources	6,021,510		6,021,510	6,650,323	628,813
Federal sources:					
Medicaid reimbursement	15,618		15,618	17,151	1,533
Total federal sources	15,618		15,618	17,151	1,533
TOTAL REVENUES	9,859,298		9,859,298	10,646,572	787,274
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	600		600	120	480
Kindergarten	199,100		199,100	198,675	425
Grades 1-5	1,128,162	$ 25,252	1,153,414	1,124,409	29,005
Grades 6-8	630,798		630,798	622,952	7,846
Regular Programs - Home Instruction:					
Salaries of teachers	5,890	589	6,479	6,479	
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	83,679		83,679	71,658	12,021
Purchased technical services	13,125		13,125	11,925	1,200
Other purchased services	22,529		22,529	22,529	
General supplies	72,675	(18,160)	54,515	43,785	10,730
Textbooks	27,085		27,085	891	26,194
Total - Regular Programs - Instruction	2,183,643	7,681	2,191,324	2,103,423	87,901

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	$ 258,880		$ 258,880	$ 199,284	$ 59,596
Other salaries for instruction	68,299		68,299	39,105	29,194
General supplies	600		600	552	48
Textbooks	1,000	$ (1,000)			
Total learning and/or language disabilities	328,779	(1,000)	327,779	238,941	88,838
Multiple Disabilities:					
Salaries of teachers	74,855		74,855	74,855	
Other salaries for instruction	13,874		13,874	13,675	199
General supplies	1,000	210	1,210	1,150	60
Textbooks	1,000	(50)	950	215	735
Total multiple disabilities	90,729	160	90,889	89,895	994
Resource room/resource center:					
Salaries of teachers	280,960		280,960	280,960	
Other salaries for instruction	53,108		53,108	49,825	3,283
General supplies	400		400	399	1
Textbook	1,000	(1,000)			
Total resource room/resource center	335,468	(1,000)	334,468	331,184	3,284
Total Special Education - Instruction	754,976	(1,840)	753,136	660,020	93,116
School-Sponsored Cocurricular Act - Instruction:					
Salaries		10,998	10,998	10,998	
Purchased Services		650	650	526	124
General supplies		2,329	2,329	542	1,787
Total school-sponsored cocurr. act. - instruct.		13,977	13,977	12,066	1,911
School-Sponsored Athletics - Instruction:					
Salaries	16,035		16,035	15,851	184
Purchased services	8,065		8,065	3,446	4,619
Supplies and materials	5,694		5,694	545	5,149
Total school-sponsored athletics - instruct.	29,794		29,794	19,842	9,952
Total Instruction	2,968,413	19,818	2,988,231	2,795,351	192,880

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	$ 2,356,250	$ 79,140	$ 2,435,390	$ 2,413,831	$ 21,559
Tuition to other LEAs within the state - spec	351,794	(41,326)	310,468	280,142	30,326
Tuition - County Voc School Districts - reg	76,950	14,050	91,000	91,000	
Tuition to CSSD & Reg. Day schools	452,348	27,895	480,243	446,931	33,312
Tuition to priv. sch. for the disabled in state	644,190	(133,435)	510,755	375,992	134,763
Tuition to priv. sch. for the disabled out of state	54,750	4,800	59,550	58,400	1,150
Tuition - state facilities	58,021	4,500	62,521	62,521	
Total undistributed expenditures - instruction	3,994,303	(44,376)	3,949,927	3,728,817	221,110
Attendance and Social Work Services:					
Salaries	4,229		4,229	4,229	
Purchased professional and technical services	11,243		11,243	11,243	
Supplies and materials	1,000		1,000		1,000
Total attendance and social work services	16,472		16,472	15,472	1,000
Health Services:					
Salaries	48,180		48,180	48,180	
Purchased professional and technical services	6,530		6,530	4,857	1,673
Supplies and materials	2,000		2,000	1,400	600
Total health services	56,710		56,710	54,437	2,273
Speech, OT, PT and Related Services:					
Salaries	48,480		48,480	48,480	
Purchased professional - educational services	45,000	9,363	54,363	48,425	5,938
Supplies and materials	150		150	116	34
Total speech, ot, pt, and related services	93,630	9,363	102,993	97,021	5,972
Special Education - Extraordinary Services:					
Salaries		31,000	31,000	30,000	1,000
Purchased professional - educational services	160,000	(9,363)	150,637	106,213	44,424
Total special education - extraordinary services	160,000	21,637	181,637	136,213	45,424
Guidance:					
Salaries of other professional staff	81,080		81,080	81,080	
Supplies and materials	1,000		1,000	217	783
Total guidance	82,080		82,080	81,297	783

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Child Study Teams:					
Salaries of other professional staff	$ 169,809	$ (2,956)	$ 166,853	$ 151,119	$ 15,734
Salaries of secretarial and clerical assistants	25,692	151	25,843	25,842	1
Purchased professional - educational services	25,050	7,631	32,681	29,054	3,627
Misc. Purchased services	800		800		800
Supplies and materials	2,500	(950)	1,550	1,438	112
Other objects	800	(500)	300	16	284
Total child study teams	224,651	3,376	228,027	207,469	20,558
Improvement of Instructional Services:					
Salaries of supervisor of instruction	29,725	(6,500)	23,225	23,225	
Total improvement of instructional services	29,725	(6,500)	23,225	23,225	
Educational Media Services/School Library:					
Salaries	23,547	1,250	24,797	23,720	1,077
Salaries of technology coordinators	65,000		65,000	65,000	
Purchased professional - technical services	3,515	(1,250)	2,265	2,065	200
Other purchased services	4,525	176	4,701	4,701	
Supplies and materials	3,285	(176)	3,109	1,781	1,328
Total educational media services/school library	99,872		99,872	97,267	2,605
Instructional Staff Training Services:					
Purchased professional - educational services		1,000	1,000	683	317
Total instructional staff training services		1,000	1,000	683	317
Support Services - General Administration:					
Salaries	168,289	(18,261)	150,028	131,792	18,236
Legal services	16,000	10,000	26,000	21,080	4,920
Audit fees	25,500	(2,000)	23,500	23,500	
Other purchased professional services	3,500	7,595	11,095	5,995	5,100
Purchased technical services	6,000	373	6,373	6,002	371
Communications / telephone	14,530	1,016	15,546	14,968	578
BOE other purchased services	4,200	(4,045)	155	3	152
Other purchased services	10,600	(2,500)	8,100	8,083	17
General supplies	1,065	(459)	606	472	134
BOE in-house training/meeting supplies	575		575	56	519
Miscellaneous expenditures	5,875		5,875	4,902	973
BOE membership dues and fees	7,000		7,000	5,964	1,036
Total support services - general administration	263,134	(8,281)	254,853	222,817	32,036
Support Services - School Administration:					
Salaries of principals/assist. principals	144,797	(61,143)	83,654	83,171	483
Salaries of secretarial and clerical assistants	28,827	28,586	57,413	57,413	
Supplies and materials	4,500		4,500	4,151	349
Other objects	500		500		500
Total support services - school administration	178,624	(32,557)	146,067	144,735	1,332

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - Central Services:					
Salaries	$ 194,693	$ (575)	$ 194,118	$ 191,913	$ 2,205
Purchased technical services	15,000	985	15,985	15,983	2
Supplies and materials	1,300		1,300	1,037	263
Miscellaneous expenditures	1,300	(410)	890	316	574
Total support services - central services	212,293		212,293	209,249	3,044
Support Services - Admin. Info. Tech.					
Salaries		6,500	6,500	6,500	
Supplies and materials	11,803		11,803	8,249	3,554
Total admin. information technology	11,803	6,500	18,303	14,749	3,554
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	24,275	500	24,775	23,688	1,087
General supplies	8,250	(500)	7,750	7,231	519
Total required maintenance school facilities	32,525		32,525	30,919	1,606
Custodial Services:					
Salaries	153,389	2,000	155,389	154,669	720
Purchased professional and technical services	166		166	166	
Cleaning, repair and maintenance services	25,118	(8,850)	16,268	16,260	8
Rental of land & building other than lease purch.	8,762	(2,000)	6,762	2,063	4,699
Other purchased property services	13,300	750	14,050	13,104	946
Insurance	23,096		23,096	23,096	
General supplies	16,000	(750)	15,250	13,940	1,310
Energy (Electricity)	135,000		135,000	135,000	
Total custodial services	374,831	(8,850)	365,981	358,298	7,683
Security:					
Salaries	38,523		38,523	16,644	21,879
Total security	38,523		38,523	16,644	21,879
Total operation & maint. of plant services	445,879	(8,850)	437,029	405,861	31,168
Student Transportation Services:					
Management fee - ESC Transp. programs	15,000		15,000	9,402	5,598
Contr. serv. (not between home & sch) - vendor	16,800		16,800	9,144	7,656
Contr. serv. (between home & sch) - joint agree.	60,000	1,000	61,000	59,345	1,655
Contr. Serv. (Reg. Students) - ESC	72,800	(3,727)	69,073	39,406	29,667
Contr. Serv. (Spl. Ed. Students) - ESC	334,880	(52,900)	281,980	244,824	37,156
Contr. Serv. - Aid in Lieu of payments	20,640		20,640	20,185	455
Total student transportation services	520,120	(55,627)	464,493	382,306	82,187

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits:					
Social security contributions	$ 63,000	$ (3,628)	$ 59,372	$ 59,372	
TPAF contributions - ERIP	56,777	(28,337)	28,440	28,440	
Other retirement contributions - PERS	55,460	8,369	63,829	63,829	
Workmen's compensation	32,227	(1,111)	31,116	31,116	
Health benefits	1,113,542	93,204	1,206,746	1,205,764	$ 982
Tuition reimbursement	10,000	(6,000)	4,000	4,000	
Other employee benefits	2,000	12,000	14,000	13,648	352
Total unallocated benefits - employee benefits	1,333,006	74,497	1,407,503	1,406,169	1,334
On-behalf TPAF pension contr. (non-budgeted)				255,704	(255,704)
Reimbursed TPAF social security contr. (non-budgeted)				253,533	(253,533)
Total Undistributed Expenditures	7,722,302	(39,818)	7,682,484	7,737,024	(54,540)
Total General Current Expense	10,690,715	(20,000)	10,670,715	10,532,375	138,340
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	100		100		100
Equipment:					
Special schools - all programs		5,000	5,000	5,000	
Facilities Acquisition and Construction Services:					
Other objects	26,607	56,795	83,402	80,786	2,616
Total facilities acq. and construction services	26,607	56,795	83,402	80,786	2,616
Total Capital Outlay	26,707	61,795	88,502	85,786	2,716
TOTAL EXPENDITURES	10,717,422	41,795	10,759,217	10,618,161	141,056
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(858,124)	(41,795)	(899,919)	28,411	928,330
Fund Balance - July 1, 2010	1,567,569		1,567,569	1,567,569	
Fund Balance - June 30, 2011	$ 709,445	$ (41,795)	$ 667,650	$ 1,595,980	$ 928,330

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Capital reserve				$ 115,558	
Tuition reserve - designated for 2011/2012 budget				202,000	
Tuition reserve - designated for 2012/2013 budget				200,000	
Emergency reserve				200,000	
Excess surplus				107,355	
Assigned Fund Balance:					
Year-end encumbrances				5,100	
Designated for subsequent year's expenditures				396,391	
Unassigned Fund Balance				369,576	
				1,595,980	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(551,368)	
Fund Balance per Governmental Funds (GAAP)				$ 1,044,612	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources					
State sources	$ 187,449		$ 187,449	$ 150,738	$ (36,711)
Federal sources	613,012		613,012	529,178	(83,834)
Total Revenues	800,461		800,461	679,916	(120,545)
EXPENDITURES:					
Instruction:					
Salaries of teachers	221,853		221,853	218,252	3,601
Salaries of other professional staff	23,394		23,394	22,620	774
Purchased professional educ. services	21,710		21,710	1,740	19,970
Purchased professional tech. services					
Other purchased services	139,428		139,428	102,932	36,496
Tuition	179,121		179,121	162,438	16,683
General supplies	48,154		48,154	41,056	7,098
Textbooks	1,364		1,364	997	367
Total Instruction	635,024		635,024	550,035	84,989
Support Services:					
Salaries of other professional staff	80,474		80,474	49,966	30,508
Salaries of secretarial/clerical assistants	2,194		2,194	1,583	611
Personal services - employee benefits	71,282		71,282	71,282	
Purchased professional - educ. services	1,773		1,773	1,469	304
Other purchased services	6,616		6,616	2,483	4,133
Travel	375		375	375	
Supplies and materials	1,937		1,937	1,937	
Total Support Services	164,651		164,651	129,095	35,556
Facilities Acquisition and Construction Services:					
Instructional equipment	786		786	786	
Total Facilities Acq. and Const. Services	786		786	786	
Total Expenditures	800,461		800,461	679,916	120,545
Total Outflows	800,461		800,461	679,916	120,545
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	---	---	---	---	---

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CLEMENTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	$ 10,646,572	$ 679,916
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	615,253	9,304
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(551,368)	(12,541)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 10,710,457	$ 676,679
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 10,618,161	$ 679,916
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is 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	$ 10,618,161	$ 679,916

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Other Supplementary Information

Special Revenue Fund

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	Total Other Prog. (See E-1A)	Total Other Prog. (See E-1B)	Totals
REVENUES:			
State sources		$ 150,738	$ 150,738
Federal sources	$ 454,098	75,080	529,178
Total Revenues	454,098	225,818	679,916
EXPENDITURES:			
Instruction:			
Salaries of teachers	165,112	53,140	218,252
Salaries of other professional staff	10,627	11,993	22,620
Purchased professional - educational services	1,740		1,740
Other purchased services	3,264	99,668	102,932
Tuition	162,438		162,438
General supplies	34,949	6,107	41,056
Textbooks		997	997
Total Instruction	378,130	171,905	550,035
Support Services:			
Salaries of other professional staff	36,912	13,054	49,966
Salaries of secretarial/clerical assistants		1,583	1,583
Personal services - employee benefits	33,622	37,660	71,282
Purchased professional - educational services	1,469		1,469
Other purchased services	867	1,616	2,483
Travel	375		375
Supplies and materials	1,937		1,937
Total Support Services	75,182	53,913	129,095
Facilities Acquisition and Const. Serv.:			
Non-Instructional equipment	786		786
Total Facilities Acq. and Const. Serv.	786		786
Total Expenditures	454,098	225,818	679,916
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	Title I	Title I Carryover	ARRA Title I	Title II A	Title II D	Title II D Carryover	IDEA Basic	IDEA Basic Carryover	IDEA Preschool	ARRA IDEA Preschool	Total
REVENUES:											
State sources											
Federal sources	$ 191,197	$ 24,489	$ 35,967	$ 38,922	$ 320	$ 765	$ 143,199	$ 8,822	$ 3,735	$ 6,682	$ 454,098
Total Revenues	191,197	24,489	35,967	38,922	320	765	143,199	8,822	3,735	6,682	454,098
EXPENDITURES:											
Instruction:											
Salaries of teachers	133,134			31,978							165,112
Salaries of other professional staff	10,627										10,627
Tuition							143,199	8,822	3,735	6,682	162,438
Purchased prof. educ. services		975				765					1,740
Other purchased services	1,408	1,856									3,264
General supplies	4,161		30,788								34,949
Total Instruction	149,330	2,831	30,788	31,978		765	143,199	8,822	3,735	6,682	378,130
Support Services:											
Salaries of other professional staff	14,322	19,344	3,246								36,912
Personal services-employee benefits	26,678			6,944							33,622
Purchased prof. educ. services			1,149		320						1,469
Other purchased services	867										867
Travel		375									375
Supplies and materials		1,937									1,937
Total Support Services	41,867	21,656	4,395	6,944	320						75,182
Facilities Acquisition and Const. Serv.:											
Non-Instructional equipment		2	784								786
Total Facilities Acq. and Const. Serv.		2	784								786
Total Expenditures	191,197	24,489	35,967	38,922	320	765	143,199	8,822	3,735	6,682	454,098
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	—	—	—	—	—	—	—	—	—	—	—

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	ARRA IDEA Basic	Preschool Education Aid	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Compensatory Education	Nonpublic Supplemental Instruction	Nonpublic Speech	Nonpublic ESL	Nonpublic Exam & Classification	Total
REVENUES:										
State sources		$ 123,537	$ 1,616	$ 997	$ 11,173	$ 2,473	$ 4,176	$ 1,519	$ 5,247	$ 150,738
Federal sources	$ 75,080									75,080
Total Revenues	75,080	123,537	1,616	997	11,173	2,473	4,176	1,519	5,247	225,818
EXPENDITURES:										
Instruction:										
Salaries of teachers		53,140								53,140
Salaries of other professional staff		11,993								11,993
Other purchased services	75,080				11,173	2,473	4,176	1,519	5,247	99,668
General supplies		6,107								6,107
Textbooks				997						997
Total Instruction	75,080	71,240		997	11,173	2,473	4,176	1,519	5,247	171,905
Support Services:										
Salaries of other professional staff		13,054								13,054
Salaries of secretarial/clerical assistant		1,583								1,583
Employee benefits		37,660								37,660
Other purchased services			1,616							1,616
Total Support Services		52,297	1,616							53,913
Facilities Acquisition and Const. Serv.:										
Instructional equipment										
Total Facilities Acq. and Const. Serv.										
Total Expenditures	75,080	123,537	1,616	997	11,173	2,473	4,176	1,519	5,247	225,818
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	—	—	—	—	—	—	—	—	—	—

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2011

DISTRICT WIDE TOTAL

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of teachers	$ 53,740	$ 53,140	$ 600
Other salaries for instruction	12,767	11,993	774
General supplies	6,162	6,107	55
Total instruction	72,669	71,240	1,429
Support Services:			
Salaries of other professional staff	13,054	13,054	
Salaries of secretarial/clerical assistants	2,194	1,583	611
Personal services - employee benefits	37,660	37,660	
Total support services	52,908	52,297	611
Total Expenditures	$ 125,577	$ 123,537	$ 2,040

SUMMARY OF LOCATION TOTALS

Total revised 2010-2011 Preschool Education Aid allocation	$ 125,415
Add: Actual ECPA Carryover (June 30, 2010)	162
Add: Budgeted transfer from the General Fund 2010-11	
Total Preschool Education Aid Funds available for 2010-2011 budget	125,577
Less: 2010-2011 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(125,577)
Available & unbudgeted Preschool Education Aid Funds as of June 30, 2011	
Add: June 30, 2011 Unexpended Preschool Education Aid	2,040
2010-2011 Actual Carryover - Preschool Education Aid	$ 2,040
2010-2011 Preschool Education Aid Carryover Budgeted in 2011-2012	$ -

Capital Projects Fund

CLEMENTON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2011

Revenues and Other Financing Sources:	
State sources - SDA Grant	
Capital reserve	
Total revenues	-
Expenditures and Other Financing Uses:	
Purchased professional services	$ 1,500
Construction services	231,385
Transfer to debt service fund	570
	233,455
Excess (deficiency) or revenues over (under) expenditures	(233,455)
Fund Balance - July 1, 2010	242,581
Fund Balance - June 30, 2011	$ 9,126

CLEMENTON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Addition and Renovations to Elementary School
From Inceptionand for the Fiscal Year ended June 30, 2011

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	$ 2,293,603		$ 2,293,603	$ 2,293,603
Bond proceeds	2,293,000		2,293,000	2,293,000
Interest earned	188,871		188,871	188,871
NJ Clean Energy Program	149,651		149,651	149,651
Total revenues	4,925,125		4,925,125	4,925,125
Expenditures and Other Financing Uses:				
Purchased professional services	450,535		450,535	450,535
Construction services	4,279,828		4,279,828	4,279,828
Transfer to Debt Service Fund	188,871	$ 570	189,441	189,441
	4,919,234	570	4,919,804	4,919,804
Excess (deficiency) or revenues over (under) expenditures	$ 5,891	$ (570)	$ 5,321	$ 5,321

Additional project information:

Project Number	0880-014-04-2000
Grant Date	12/13/04
Bond Authorization Date	04/01/05
Bonds Authorized	$ 2,293,000
Bonds Issued	$ 2,293,000
Original Authorized Cost	$ 5,246,061
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 5,246,061
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original target completion date	08/31/05
Revised target completion date	10/31/11

CLEMENTON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Renovation in the D wing and gym
From Inceptionand for the Fiscal Year ended June 30, 2011

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SDA Grant	$ 144,418		$ 144,418	$ 144,418
Capital reserve	145,168		145,168	145,168
Total revenues	289,586		289,586	289,586
Expenditures and Other Financing Uses:				
Purchased professional services	13,500	$ 1,500	15,000	15,000
Construction services	29,516	231,385	260,901	260,901
Other objects	9,880		9,880	9,880
	52,896	232,885	285,781	285,781
Excess (deficiency) or revenues over (under) expenditures	$ 236,690	$ (232,885)	$ 3,805	$ 3,805

Additional project information:

Project Number	0880-010-09-1001
Grant Date	10/29/09
Bond Authorization Date	---
Bonds Authorized	---
Bonds Issued	---
Original Authorized Cost	$ 289,586
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 289,586
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	25.00%
Original target completion date	08/20/10
Revised target completion date	08/20/11

Proprietary Funds

CLEMENTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2011

	Food Service Fund	After School Program	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	$ 52,719	$ 34,384	$ 87,103
Accounts receivable:			
State	252		252
Federal	12,328		12,328
Inventories	1,739		1,739
Total Current Assets	67,038	34,384	101,422
Noncurrent Assets:			
Equipment	138,030		138,030
Less - accumulated depreciation	(58,855)		(58,855)
Total Noncurrent Assets	79,175		79,175
Total Assets	146,213	34,384	180,597
LIABILITIES:			
Current Liabilities:			
Interfund Payable		5,482	5,482
Total Current Liabilities		5,482	5,482
NET ASSETS:			
Invested in capital assets	79,175		79,175
Unrestricted	67,038	28,902	95,940
Total Net Assets	$ 146,213	$ 28,902	$ 175,115

CLEMENTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	After School Program	Totals
OPERATING REVENUES:			
Charges for Services:			
Daily sales reimbursable programs:			
School lunch	$ 43,445		$ 43,445
Daily sales non-reimbursable programs:			
Adult and alacarte sales	26,122		26,122
Program fees		$ 64,603	64,603
Total Operating Revenues	69,567	64,603	134,170
OPERATING EXPENSES:			
Salaries and fringe benefits	107,356	70,214	177,570
Management fee	12,870		12,870
Supplies and materials	6,668	2,613	9,281
Other costs	8,068	6,572	14,640
Depreciation	7,886		7,886
Cost of sales	92,973		92,973
Total Operating Expenses	235,821	79,399	315,220
Operating Income (Loss)	(166,254)	(14,796)	(181,050)
Non-Operating Revenues:			
State sources:			
State school lunch program	3,225		3,225
Federal sources:			
National school lunch program	136,449		136,449
National school breakfast program	28,369		28,369
Food distribution program	14,983		14,983
Local sources:			
Interest earned		479	479
Total Non-Operating Revenues	183,026	479	183,505
Income (Loss) before Contributions and Transfers	16,772	(14,317)	2,455
Operating Transfer In			
Changes in Net Assets	16,772	(14,317)	2,455
Net Assets - July 1, 2010	129,441	43,219	172,660
Net Assets - June 30, 2011	$ 146,213	$ 28,902	$ 175,115

CLEMENTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	After School Program	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	$ 70,367	$ 64,603	$ 134,970
Cash payments to employees for services	(107,356)	(70,214)	(177,570)
Cash payments to suppliers for goods and services	(121,514)	(8,931)	(130,445)
Net cash provided by (used for) operating activities	(158,503)	(14,542)	(173,045)
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	3,597		3,597
Cash received from federal sources	180,385		180,385
Net cash provided by noncapital financing activities	183,982		183,982
Cash Flows Used by Capital and Related Financing Activites:			
Purchase of equipment			
Cash Flow Provided by Investing Activities:			
Interest on cash equivalents		479	479
Net increase (decrease) in cash and cash equivalents	25,479	(14,063)	11,416
Cash and cash equivalents - July 1, 2010	27,240	48,447	75,687
Cash and cash equivalents - June 30, 2011	$ 52,719	$ 34,384	$ 87,103
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Operating income (loss)	$ (166,254)	$ (14,796)	$ (181,050)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	7,886		7,886
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	800		800
(Increase) decrease in inventories	(935)		(935)
Increase (decrease) in accounts payable		254	254
Net cash provided by (used for) operating activities	$ (158,503)	$ (14,542)	$ (173,045)

Noncash Noncapital Financing Activities:
During the year the District received $14,983 of food commodities from the U.S. Department of Agriculture.

Fiduciary Funds

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Trust Funds	Agency Funds		
	Unemployment Compensation	Student Activity	Payroll	Total
ASSETS:				
Cash and cash equivalents	$ 68,276	$ 31,812	$ 12,665	$ 112,753
Total Assets	68,276	$ 31,812	$ 12,665	112,753
LIABILITIES:				
Liabilities:				
Payroll deductions payable			$ 12,665	12,665
Due to student groups		$ 31,812		31,812
Total Liabilities		$ 31,812	$ 12,665	44,477
NET ASSETS:				
Held in trust for unemployment claims	68,276			68,276
Total Net Assets	$ 68,276			$ 68,276

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Insurance Trust Fund
Additions:	
Interest on investments	$ 889
Employee withholdings	7,345
Total Additions	8,234
Deductions:	
Unemployment compensation insurance claims	23,501
Total Deductions	23,501
Change in Net Assets	(15,267)
Net Assets - July 1, 2010	83,543
Net Assets - June 30, 2011	$ 68,276

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Accounts Payable	Balance June 30, 2011
Elementary School	$ 32,459	$ 47,089	$ 47,736		$ 31,812
Total all schools	$ 32,459	$ 47,089	$ 47,736	$ -	$ 31,812

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Payrol Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	$ 17,231	$ 4,621,210	$ 4,625,776	$ 12,665
Total Assets	$ 17,231	$ 4,621,210	$ 4,625,776	$ 12,665
LIABILITIES:				
Net payroll	$ 48	$ 2,788,789	$ 2,788,837	$ -
Payroll deductions and withholdings	17,183	1,832,421	1,836,939	12,665
Total Liabilities	$ 17,231	$ 4,621,210	$ 4,625,776	$ 12,665

Long-Term Debt Schedules

CLEMENTON SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Additions to school building	2/1/99	1,995,000	2/1/12	$ 230,000	4.45%	$ 930,000		$ 225,000	$ 705,000
			2/1/13	235,000					
			2/1/14	240,000					
Renovations and Improvements to school building	4/1/05	2,293,000	4/1/12	100,000	4.20%	2,078,000		95,000	1,983,000
			4/1/13	110,000	4.20%				
			4/1/14	120,000	4.20%				
			4/1/15	385,000	4.20%				
			4/1/16	400,000	4.25%				
			4/1/17	420,000	4.25%				
			4/1/18	448,000	4.25%				
						$ 3,008,000	$ -	$ 320,000	$ 2,688,000

CLEMENTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 330,079		$ 330,079	$ 330,079	
State sources:					
Debt Service Aid Type II	114,761		114,761	114,761	
Total Revenues	444,840		444,840	444,840	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	320,000		320,000	320,000	
Interest	129,275		129,275	129,295	$ (20)
Total Expenditures	449,275		449,275	449,295	(20)
Excess (Deficiency) of revenues over (under) expenditures	(4,435)		(4,435)	(4,455)	(20)
Other Financing Sources:					
Operating transfers in	570		570	570	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,865)		(3,865)	(3,885)	(20)
Fund Balance - July 1, 2010	46,677		46,677	46,677	
Fund Balance - June 30, 2011	$ 42,812		$ 42,812	$ 42,792	$ (20)
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	$ (4,435)	$ -	$ (4,435)	$ (4,455)	$ (20)

Statistical Section

Clementon School District
Net Assets by Component,
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	$ 1,438,955	$ 3,047,268	$ 3,162,174	$ 1,903,340	$ 1,870,079	$ 2,175,946	$ 2,654,944	$ 2,908,481
Restricted for:								
Capital projects	40,487	546,774	524,508	519,291	657,985	550,659	242,581	9,126
Debt service	445	18,352	127,592	94,168	74,395	31,253	46,677	42,792
Other purposes	97,270	327,902	657,050	949,992	1,218,502	1,418,704	1,280,296	1,226,404
Unrestricted	(802,524)	(623,386)	(612,515)	(540,047)	(501,459)	(641,971)	(881,117)	(688,122)
Total governmental activities net assets	$ 774,633	$ 3,316,910	$ 3,858,809	$ 2,926,744	$ 3,319,502	$ 3,534,591	$ 3,343,381	$ 3,498,681
Business-type activities:								
Invested in capital assets, net of related debt				$ 102,761	$ 94,880	$ 94,943	$ 87,061	$ 79,175
Unrestricted	46,080	54,617	28,699	42,061	31,058	66,698	85,599	95,940
Total business-type activities net assets	$ 46,080	$ 54,617	$ 28,699	$ 144,822	$ 125,938	$ 161,641	$ 172,660	$ 175,115
District-wide:								
Invested in capital assets, net of related debt	$ 1,438,955	$ 3,047,268	$ 3,162,174	$ 2,006,101	$ 1,964,959	$ 2,270,889	$ 2,742,005	$ 2,987,656
Restricted:								
Capital projects	40,487	546,774	524,508	519,291	657,985	550,659	242,581	9,126
Debt service	445	18,352	127,592	94,168	74,395	31,253	46,677	42,792
Other purposes	97,270	327,902	657,050	949,992	1,005,695	1,418,704	1,280,296	1,226,404
Unrestricted	(756,444)	(568,769)	(583,816)	(497,986)	(257,094)	(575,273)	(795,518)	(592,182)
Total district net assets	$ 820,713	$ 3,371,527	$ 3,887,508	$ 3,071,566	$ 3,445,940	$ 3,696,232	$ 3,516,041	$ 3,673,796

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Clementon School District
Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
Instruction:								
Regular	$ 3,165,013	$ 3,262,119	$ 2,463,594	$ 2,843,399	$ 2,931,980	$ 2,790,857	$ 3,138,592	$ 2,880,613
Special education	620,474	632,337	507,889	551,204	489,857	615,357	733,156	660,020
Other instruction	45,345	40,823	30,710	33,355	40,202	44,588	34,720	31,908
Support Services:								
Tuition	2,755,926	2,408,465	2,905,990	2,885,197	3,018,031	3,552,263	3,771,456	3,728,817
Student & instruction related services	809,394	798,733	682,566	633,412	784,592	776,704	865,119	842,179
School administrative services	223,283	237,065	177,175	185,679	208,444	208,367	182,101	144,735
General and business administrative services	289,491	524,362	440,919	525,882	599,831	499,496	506,494	482,988
Plant operations and maintenance	567,341	572,121	432,484	519,500	533,813	874,254	470,756	466,227
Pupil transportation	281,557	411,952	422,196	333,530	376,452	392,381	398,386	382,306
Business and other support services	213,557							
Unallocated employee benefits			1,250,273	1,531,943	1,623,162	1,598,871	1,795,289	1,885,736
Interest on long-term debt	123,719	83,547	187,756	237,479	131,122	158,189	137,813	124,126
Unallocated depreciation	32,063	21,376	35,560	46,675	36,932	41,653	40,544	47,021
Total governmental activities expenses	9,127,163	8,992,900	9,537,112	10,327,255	10,774,418	11,552,980	12,074,426	11,676,676
Business-type activities:								
Food service	266,235	255,330	248,747	263,099	279,538	249,731	236,857	235,821
After school program	84,748	98,957	93,519	99,991	95,526	80,943	85,355	79,399
Total business-type activities expense	350,983	354,287	342,266	363,090	375,064	330,674	322,212	315,220
Total district expenses	$ 9,478,146	$ 9,347,187	$ 9,879,378	$ 10,690,345	$ 11,149,482	$ 11,883,654	$ 12,396,638	$ 11,991,896
Program Revenues:								
Governmental activities:								
Operating grants and contributions	1,486,992	1,521,817	1,649,773	1,892,056	1,979,421	1,225,426	1,330,203	1,300,677
Total governmental activities program revenues	1,486,992	1,521,817	1,649,773	1,892,056	1,979,421	1,225,426	1,330,203	1,300,677

(Continued)

Clementon School District
Changes In Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services:								
Food service	$ 102,845	$ 108,549	$ 95,302	$ 86,871	$ 88,704	$ 85,475	$ 77,298	$ 69,567
After school program	79,850	84,346	83,557	99,668	104,696	108,461	88,156	64,603
Operating grants and contributions	128,246	132,648	130,042	135,807	134,057	155,275	167,560	183,026
Capital grants and contributions								
Total business type activities program revenues	310,941	325,543	308,901	322,346	327,457	349,211	333,014	317,196
Total district program revenues	$ 1,797,933	$ 1,847,360	$ 1,958,674	$ 2,214,402	$ 2,306,878	$ 1,574,637	$ 1,663,217	$ 1,617,873
Net (Expense)/Revenue:								
Governmental activities	$ (7,640,171)	$ (7,471,083)	$ (7,887,339)	$ (8,435,199)	$ (8,794,997)	$ (10,327,554)	$ (10,744,223)	$ (10,375,999)
Business-type activities	(40,042)	(28,744)	(33,365)	(40,744)	(47,607)	18,537	10,802	1,976
Total district-wide net expense	$ (7,680,213)	$ (7,499,827)	$ (7,920,704)	$ (8,475,943)	$ (8,842,604)	$ (10,309,017)	$ (10,733,421)	$ (10,374,023)
General Revenues and Other Changes In Net Assets:								
Governmental activities:								
Property taxes levied for general purposes, net	$ 2,968,832	$ 3,210,696	$ 3,391,494	$ 3,513,423	$ 3,636,393	$ 3,636,393	$ 3,622,183	$ 3,767,070
Taxes levied for debt service	155,185	110,600	273,847	248,092	253,451	253,451	328,214	330,079
Unrestricted grants and contributions	4,180,369	4,434,394	4,371,405	4,382,239	4,701,628	6,023,958	6,294,023	6,222,122
State aid restricted for capital projects	150,157	2,267,748	28,068				144,418	
Investment earnings	4	18,210	91,618	52,484	26,370	638	844	2,877
Miscellaneous income	112,435	7,410	277,806	629,850	597,619	318,015	163,331	209,151
Reclassification of construction in progress				(1,278,989)				
Transfers	(30,000)	(35,698)	(5,000)	(43,965)	(27,706)	(8,899)		
Total governmental activities	7,536,982	10,013,360	8,429,238	7,503,134	9,187,755	10,223,556	10,553,013	10,531,299
Business-type activities:								
Investment earnings	646	1,583	2,447	2,122	1,017	317	217	479
Reclassification of construction in progress				110,780	-			
Transfers	30,000	35,698	5,000	43,965	27,706	8,899		
Total business-type activities	30,646	37,281	7,447	156,867	28,723	9,216	217	479
Total district-wide	$ 7,567,628	$ 10,050,641	$ 8,436,685	$ 7,660,001	$ 9,216,478	$ 10,232,772	$ 10,553,230	$ 10,531,778
Change In Net Assets:								
Governmental activities	$ (103,189)	$ 2,542,277	$ 541,899	$ (932,065)	$ 392,758	$ (103,998)	$ (191,210)	$ 155,300
Business-type activities	(9,396)	8,537	(25,918)	116,123	(18,884)	27,753	11,019	2,455
Total district-wide	$ (112,585)	$ 2,550,814	$ 515,981	$ (815,942)	$ 373,874	$ (76,245)	$ (180,191)	$ 157,755

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Clementon School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Restricted for:								
Capital reserve	$ 207	$ 212	$ 222	$ 56,585	$ 158,529	$ 232,005	$ 87,681	$ 115,558
Tuition reserve				200,000	400,000	600,000	202,000	402,000
Excess surplus	37,714	129,564	111,304	255,112	232,420	192,606		107,355
Emergency Reserve					50,000	100,000	100,000	200,000
Assigned to:								
Year-end encumbrances	9,349	70,821	188,325	188,879	16,003	134,343	41,795	5,100
Subsequent year's budget	50,000	127,517	357,199	249,416	148,243	376,686	858,124	396,391
Unassigned	35,955	13,915	(46,974)	86,492	279,719	(148,714)	(337,284)	(181,792)
Total general fund	$ 133,225	$ 342,029	$ 610,076	$ 1,036,484	$ 1,284,914	$1,486,926	$ 952,316	$ 1,044,612
All Other Governmental Funds								
Unreserved, reported in:								
Special revenue fund	(24,912)	$ (10,939)	$ (13,825)	$ (24,912)	$ (31,637)	$ 15,069	$ (9,304)	$ (12,541)
Capital projects fund	37,220	546,562	524,508	519,291	657,985	318,654	242,581	9,126
Debt service fund	589	18,352	127,592	94,168	74,395	31,253	46,677	42,792
Total all other governmental funds	$ 12,897	$ 553,975	$ 638,275	$ 588,547	$ 700,743	$ 364,976	$ 279,954	$ 39,377

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Clementon School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	$ 2,861,421	$ 3,132,215	$ 3,124,017	$ 3,321,296	$ 3,665,341	$ 3,761,515	$ 3,889,844	$ 3,889,844	$ 3,950,397	$ 4,097,149
Tuition fees									99,547	85,115
Interest earnings	1,997	445	4	18,210	91,618	52,484	26,370	638	844	2,877
Miscellaneous	20,813	12,843	124,739	7,410	272,806	629,850	597,619	318,015	63,784	124,036
State sources	4,970,747	4,942,685	5,350,549	7,750,541	5,506,100	5,831,532	6,201,052	6,785,025	6,126,406	6,976,470
Federal sources	353,494	464,239	466,969	487,390	543,146	442,763	479,997	465,739	1,642,238	546,329
Total revenue	8,208,472	8,552,427	9,066,278	11,584,847	10,079,011	10,718,144	11,194,882	11,459,261	11,883,216	11,831,976
Expenditures										
Instruction										
Regular Instruction	2,284,808	2,498,647	2,327,093	2,412,918	2,369,140	2,603,700	2,718,088	2,563,377	2,856,292	2,653,458
Special education instruction	418,039	455,703	451,630	481,613	507,889	551,204	489,857	615,357	733,156	660,020
Other instruction	49,083	56,973	43,355	31,538	30,710	33,355	40,202	44,588	34,720	31,908
Support Services:										
Tuition	2,331,980	2,407,390	2,755,926	2,408,465	2,905,990	2,885,197	3,018,031	3,552,263	3,771,456	3,728,817
Student & instruction related services	616,026	654,554	669,946	662,641	682,566	633,412	784,592	776,704	865,119	842,179
School administrative services	107,921	164,911	166,823	176,354	177,175	185,679	208,444	208,367	182,101	144,735
General and business admin.services	396,313	403,753	380,859	411,833	419,544	493,391	567,923	468,692	476,800	446,815
Plant operations and maintenance	395,316	467,309	479,242	484,873	438,878	434,288	487,939	502,179	441,062	405,861
Pupil transportation	246,471	277,014	281,557	411,952	422,196	333,530	376,452	392,381	398,386	382,306
Other support services	823,378	1,116,566	1,165,411	1,238,611	1,279,851	1,561,538	1,623,162	1,628,502	1,824,939	1,915,406
Charter Schools	4,164									
Capital outlay	162,863	61,103	261,057	4,060,069	77,892	81,588	43,973	384,707	465,939	319,457
Debt service:										
Principal	180,000	190,000	195,000	205,000	223,000	255,000	280,000	290,000	310,000	320,000
Interest and other charges	150,862	137,548	123,719	109,667	191,833	245,617	167,887	155,620	142,878	129,295
Total expenditures	8,167,224	8,891,471	9,301,618	13,095,534	9,726,664	10,297,499	10,806,550	11,582,737	12,502,848	11,980,257
Excess (Deficiency) of revenues over (under) expenditures	41,248	(339,044)	(235,340)	(1,510,687)	352,347	420,645	388,332	(123,476)	(619,632)	(148,281)
Other Financing sources (uses)										
Proceeds from borrowing			137,696	2,293,000						
Prior year payables canceled	1,380									
State Aid canceled								(1,380)		
Transfers in	1,997	445	143	50,964	91,608	49,939	24,426	3,865	145,996	570
Transfers out	(52,121)	(54,854)	(30,143)	(86,662)	(91,608)	(93,904)	(52,132)	(12,764)	(145,996)	(570)
Total other financing sources (uses)	(48,744)	(54,409)	107,696	2,257,302	-	(43,965)	(27,706)	(10,279)	-	-
Net change in fund balances	$ (7,496)	$ (393,453)	$ (127,644)	$ 746,615	$ 352,347	$ 376,680	$ 360,626	$ (133,755)	$ (619,632)	$ (148,281)
Debt service as a percentage of noncapital expenditures	4.13%	3.71%	3.53%	3.48%	4.30%	4.90%	4.16%	3.98%	3.76%	3.85%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Clementon School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	E-Rate Rebate	Prior Year Refunds	Solar Renewable Energy Credits	Dissolution Asset Settlement	Insurance Settlement	BPU Contribution	Miscellaneous	Total
2002	$ 15,654			$ 1,493					$ 3,666	$ 20,813
2003	12,843									12,843
2004	8,631	$ 7,912	$ 278	2,400		$ 92,973			12,406	124,600
2005		7,067							348	7,415
2006	123,018			1,760		239,640			6	364,424
2007	106,969		4,252	82,186		488,927				682,334
2008	70,259	11,196	7,933			281,683	$ 90,000	$ 151,031	11,887	623,989
2009	19,191	66,343	521	9,895	$ 24,660	188,710			9,333	318,653
2010	9,242	99,547		5,278	50,108					164,175
2011	21,807	85,115	3,977	50,547	46,240				4,342	212,028
	$ 387,614	$ 277,180	$ 16,961	$ 153,559	$ 121,008	$ 1,291,933	$ 90,000	$ 151,031	$ 41,988	$ 2,531,274

Source: District records

Clementon School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,		Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2002		$ 4,079,600	$ 132,409,300	$ 92,300	$ 3,600	$ 28,286,000	$ 7,536,100	$ 172,406,900	$ 718,314	$ 173,125,214	$ 22,297,800	$ 1.590	$ 169,142,915
2003		3,975,700	132,106,300	92,300	3,600	27,944,600	7,536,100	171,658,600	713,297	172,371,897	22,391,500	1.688	181,228,151
2004		3,900,100	132,306,430	92,300	3,600	28,234,500	7,536,100	172,073,030	632,876	172,705,906	22,669,000	1.866	188,876,013
2005		3,431,000	132,989,630	103,100	3,600	26,409,900	7,536,100	170,473,330	562,527	171,035,857	24,633,000	2.042	194,822,987
2006		3,159,300	133,439,430	103,100	3,600	26,739,900	7,536,100	170,981,430	450,503	171,431,933	24,864,200	2.166	220,237,369
2007		3,227,600	134,331,980	103,100	3,600	26,063,300	7,536,100	171,265,680	408,926	171,674,606	25,178,700	2.228	263,432,500
2008		3,178,100	135,158,580	103,100	3,600	25,941,900	7,536,100	171,921,380	395,118	172,316,498	25,178,700	2.257	285,845,128
2009		3,074,300	135,825,680	103,100	3,600	25,652,300	7,536,100	172,195,080	413,095	172,608,175	25,694,500	2.271	291,476,778
2010		3,054,000	136,021,730	103,100	3,600	25,652,300	7,536,100	172,370,830	392,444	172,763,274	25,792,800	2.329	297,371,722
2011	R	4,478,000	225,381,800	179,500	6,000	44,198,200	14,619,800	288,863,300	552,147	289,415,447	37,683,100	1.421	Not Available

Source:

Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per $100 of assessed valuation.

R Revaluation

Clementon School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

Fiscal Year Ended June 30,	Clementon School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Clementon	Camden County	
2002	$ 1.647	$ 0.041	$ 1.688	$ 1.282	$ 0.868	$ 3.838
2003	1.605	0.083	1.688	1.217	1.005	3.910
2004	1.777	0.089	1.866	1.243	0.966	4.075
2005	1.977	0.065	2.042	1.263	0.946	4.251
2006	2.006	0.160	2.166	1.283	1.041	4.490
2007	2.088	0.140	2.228	1.522	1.079	4.829
2008	2.117	0.140	2.257	1.572	1.054	4.883
2009	2.071	0.200	2.271	1.646	1.068	4.985
2010	2.139	0.190	2.329	1.724	1.121	5.174
2011	1.321	0.100	1.421	1.101	0.717	3.239

Source: Municipal Tax Collector

Clementon School District
Principal Property Tax Payers,
Current Year and Nine Years Ago

	2010-2011			2001-2002	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Clementon Lnd, LLC	$ 8,088,600	2.79%	Clementon Lake Amusement Park	$ 2,924,500	1.69%
Silver Lake Manor, LLC	6,846,900	2.37%	Silver Lake Manor, LLC	2,615,300	1.51%
Medici, LLC	3,829,700	1.32%	Janice Levin Rt 30 Flee Market	2,200,000	1.27%
Chestnut Arm Realty, LLC	3,826,900	1.32%	Connecticut Yankee Real Estate	2,098,800	1.21%
1st Northern Star	2,480,200	0.86%	Rienzi Property Management Inc.	1,785,000	1.03%
Two Sac Self Storage	2,100,400	0.73%	First Northern Star, LLC	1,600,000	0.92%
Clementon Equities	2,062,900	0.71%	Westmark C/O M. Markovitz	1,565,400	0.90%
Daniel G. Kamin, WH Pike LLC	1,995,000	0.69%	Two Sac Self Storage	1,350,000	0.78%
Clementon Norse	1,684,800	0.58%	Rite Aid Corporation	1,002,000	0.58%
1000 Park Ave. Investments, LLC	1,488,500	0.51%	Dionysuis/Linwood Commons	875,500	0.51%
Total	$ 34,403,900	11.89%		$ 18,016,500	10.41%

Source: Municipal Tax Assessor

Clementon School District
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	$ 2,861,421	$ 2,861,421	100.00%	-
2003	3,132,215	3,132,215	100.00%	-
2004	3,124,017	3,124,017	100.00%	-
2005	3,321,296	3,321,296	100.00%	-
2006	3,665,341	3,665,341	100.00%	-
2007	3,761,515	3,761,515	100.00%	-
2008	3,889,844	3,889,844	100.00%	-
2009	3,889,844	3,889,844	100.00%	-
2010	3,950,397	3,950,397	100.00%	-
2011	4,097,149	4,097,149	100.00%	-

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

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

Clementon School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			
	General Obligation Bonds [a]	Unfunded Pension Liability	Capital Leases	Capital Leases	Total District	Percentage of Personal Income [b]	Per Capita [c]
2002	$ 2,663,000	$ 546,466	-	-	$ 3,209,466	2.05%	$ 647
2003	2,473,000	516,214	-	-	2,989,214	1.85%	602
2004	2,278,000	485,908	150,000	-	2,913,908	1.75%	589
2005	4,366,000	455,581	117,838	-	4,939,419	2.88%	1,002
2006	4,143,000	426,003	90,068	-	4,659,071	2.62%	946
2007	3,888,000	396,408	61,201	-	4,345,609	2.29%	883
2008	3,608,000	366,795	31,193	-	4,005,988	2.03%	814
2009	3,318,000	337,164	-	-	3,655,164	1.81%	747
2010	3,008,000	307,514	-	-	3,315,514	1.64%	678
2011	2,688,000	277,844	-	-	2,965,844	Unavailable	606

Sources:

a District Records

b Personal Income has been estimated based upon the municipal population and per capita personal income.

c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Clementon School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable [b]	Per Capita [c]
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding [a]		
2002	$ 2,473,000	$ -	$ 2,473,000	1.43%	$ 647
2003	2,473,000	-	2,473,000	1.43%	602
2004	2,278,000	-	2,278,000	1.32%	589
2005	4,366,000	-	4,366,000	2.55%	1,002
2006	4,143,000	-	4,143,000	2.42%	946
2007	3,888,000	-	3,888,000	2.26%	883
2008	3,608,000	-	3,608,000	2.09%	814
2009	3,318,000	-	3,318,000	1.92%	747
2010	3,008,000	-	3,008,000	1.74%	678
2011	2,688,000	-	2,688,000	0.93%	606

Sources:

a District Records
b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Clementon School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2010

Governmental Unit	Debt Outstanding		Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes:					
Borough of Clementon	$ 4,586,835	(1)	100.000%		$ 4,586,835
Camden County General Obligation Debt	156,835,508	(1)	0.595%	(2)	933,171
Subtotal, overlapping debt					5,520,006
Clementon School District Direct Debt					2,688,000
Total direct and overlapping debt					$ 8,208,006

Sources:

(1) Entity's Audit Report

(2) The County percentage is based upon a calculation reflecting the Borough's share of the 2010 Equalized Valuation. The source for this computation was the 2010 County Abstract of Ratables, provided by the County Board of Taxation.

Clementon School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis (1)	
2010	$ 289,650,193
2009	295,411,014
2008	289,332,514
	$ 874,393,721
Average equalized valuation of taxable property	$ 291,464,574
Debt limit (3% of average equalized valuation) (2)	8,743,937
Net bonded school debt (3)	2,688,000
Legal debt margin	$ 6,055,937

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 4,988,158	$ 5,125,005	$ 5,352,000	$ 5,621,836	$ 5,999,965	$ 6,747,276	$ 7,628,329	$ 8,340,294	$ 8,679,209	$ 8,743,937
Total net debt applicable to limit (3)	2,663,000	2,473,000	2,278,000	4,366,000	4,143,000	3,888,000	3,608,000	3,318,000	3,008,000	2,688,000
Legal debt margin	$ 2,325,158	$ 2,652,005	$ 3,074,000	$ 1,255,836	$ 1,856,965	$ 2,859,276	$ 4,020,329	$ 5,022,294	$ 5,671,209	$ 6,055,937
Total net debt applicable to the limit as a percentage of debt limit	53.39%	48.25%	42.56%	77.66%	69.05%	57.62%	47.30%	39.78%	34.66%	30.74%

Sources:
(1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
(2) Limit set by NJSA 18A:24-19 for a K through 8 district.
(3) District Records

Clementon School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2001	4,958	$ 156,727,338	$ 31,611	4.4%
2002	4,966	161,290,714	32,479	6.2%
2003	4,951	166,734,827	33,677	6.4%
2004	4,930	171,692,180	34,826	5.7%
2005	4,925	177,930,400	36,128	8.0%
2006	4,921	189,379,764	38,484	9.1%
2007	4,919	197,015,788	40,052	8.3%
2008	4,895	202,339,720	41,336	10.9%
2009	4,892	201,951,544	41,282	16.6%
2010	4,892	e	e	17.4%

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

[b] Personal income has been established based upon the municipal population and per capita personal income presented.

[c] Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

[e] Information not available

Clementon School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	57	57	52	51	50	50	50	51	52	50
Support Services:										
Student & instruction related services	22	23	23	20	20	20	19	18	15	18
School administrative services	3	4	4	4	4	4	4	4	3	3
General and business administrative services	6	6	6	6	6	5	6	6	6	6
Plant operations and maintenance	3	4	4	4	4	4	4	4	4	3
Food Service	5	4	4	2	1	1	1	-	-	
Child Care	7	7	8	8	8	11	11	11	12	12
Total	103	105	101	95	93	95	95	94	92	92

Source:
District Personnel Records

Clementon School District
Operating Statistics,
Last Ten Fiscal Years

Fiscal Year	Resident Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	582	$ 7,673,499	$ 13,184.71	67.68%	57	1:11	574.0	539.0	11.33%	93.90%
2003	583	8,502,820	14,584.60	10.62%	57	1:11	593.9	555.3	3.47%	93.50%
2004	604	8,721,842	14,440.14	-0.99%	52	1:10	595.5	556.2	0.27%	93.40%
2005	609	8,720,798	14,319.87	-0.83%	51	1:11	607.7	569.7	2.05%	93.75%
2006	574	9,233,939	16,087.00	11.40%	50	1:15	575.1	540.4	-5.37%	93.97%
2007	533	10,345,294	19,409.56	35.54%	50	1:07	532.0	501.0	-7.49%	94.17%
2008	513	10,314,690	20,106.61	24.99%	50	1:03	513.0	481.5	-3.57%	93.86%
2009	508	10,752,410	21,166.16	9.05%	51	1:03	508.5	477.7	-0.88%	93.94%
2010	496	11,584,031	23,354.90	16.16%	52	1:05	485.3	468.9	-4.56%	96.62%
2011	499	11,211,505	22,467.95	6.15%	50	1:02	477.8	462.8	-1.55%	96.86%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Clementon School District
School Building Information
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Elementary										
Clementon Elementary (1980)										
Square Feet	79,115	79,115	79,115	79,115	79,937	79,937	79,937	79,937	79,937	79,937
Capacity (students)	600	600	600	600	700	700	700	700	700	700
Enrollment	582	583	604	612	574	533	513	508	496	499
Other										
Central Administration (1946)										
Square Feet	850	850	850	850	850	850	850	850	850	850

Number of Schools at June 30, 2011
Elementary = 1

Source: District Facilities Office

Clementon School District
Schedule of Required Maintenance
Last Ten Fiscal Years

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

* School Facilities	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Clementon Public School	$ 79,375	$ 69,486	$ 37,611	$ 31,352	$ 35,640	$ 31,258	$ 40,431	$ 106,239	$ 28,849	$ 30,919	$ 491,160
Total School Facilities	$ 79,375	$ 69,486	$ 37,611	$ 31,352	$ 35,640	$ 31,258	$ 40,431	$ 106,239	$ 28,849	$ 30,919	$ 491,160

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

Source: District records

Clementon School District
Insurance Schedule
June 30, 2011

	Coverage	Self-insured Retention	Deductible
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	$ 150,000,000	$ 25,000	$ 500
Property valuation	Replacement Cost		
General and automobile liability	10,000,000	100,000	
Workers' compensation	Statutory	100,000	
Boiler and machinery	100,000,000		1,000
Crime	500,000		500
Educators legal liability	10,000,000	10,000	
Pollution liability	3,000,000		25,000
Surety Bonds (2)			
Treasurer	200,000		
Board Secretary	125,000		

(1) Burlington County Insurance Pool Joint Insurance Fund
(2) Selective Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: lscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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
Clementon School District
County of Camden
Clementon, New Jersey

Compliance

We have audited Clementon School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement,* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2011. The School District'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 School District's management. Our responsibility is to express an opinion on the School District'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; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations:* audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards and 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 or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Clementon School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item #2010-1.

Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The Clementon School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit School District's responses and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Public School Accountant

Marlton, New Jersey
August 18, 2011

CLEMENTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2010 (Accounts Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2011 (Accounts Receivable)	Balance, June 30, 2011 Deferred Revenue	Balance, June 30, 2011 Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2011	84.010	NCLB088011	212,574	9/1/10 - 8/31/11						$ 169,127	$ (191,197)		$ (51,581)	$ 29,511	
Fiscal Year 2010	84.010A	NCLB088010	206,023	9/1/09 - 8/31/10	$ (82,003)	$ 33,040		$ 658		72,794	(24,489)				
Fiscal Year 2009 - Carryover	84.010A	NCLB088009	$ 209,863	9/1/09 - 8/31/10	(12,297)	5,725		(5,725)		12,297					
ARRA - Title I	84.389	N/A	89,943	9/1/09 - 8/31/11	(36,948)	37,274				28,782	(35,967)		(8,165)	1,306	
Title II A:															
Fiscal Year 2011	84.367A	NCLB088011	48,961	9/1/10 - 8/31/11						24,710	(38,922)		(31,459)	17,247	
Fiscal Year 2010	84.367A	NCLB088010	48,037	9/1/09 - 8/31/10	(10,769)	7,113		180		3,476					
Fiscal Year 2009 - Carryover	84.367A	NCLB088009	49,776	9/1/09 - 8/31/10	(1,990)	3,810		(8,744)		6,924					
Title II D:															
Fiscal Year 2011	84.318X	NCLB088011	522	9/1/10 - 8/31/11							(836)		(1,044)	208	
Fiscal Year 2010	84.318X	NCLB088010	2,073	9/1/09 - 8/31/10	(1,888)	770		4		1,363	(249)				
Title IV:															
Fiscal Year 2010	84.186A	NCLB088010	3,188	9/1/09 - 8/31/10	(663)	471		(471)		663					
Fiscal Year 2009	84.186A	NCLB088009	3,336	9/1/09 - 8/31/10	(1,754)	13		650		1,091					
I.D.E.A. Part B - Basic:															
Fiscal Year 2011	84.027	FT088011	159,882	9/1/10 - 8/31/11						116,005	(143,199)		(43,877)	16,683	
Fiscal Year 2010	84.027	FT088010	161,316	9/1/09 - 8/31/10	(12,293)	6,204		713		7,889	(8,822)		(11,293)	4,984	
Fiscal Year 2009	84.027	FT088009	157,463	9/1/09 - 8/31/10	(6,889)	5,089		1,800							
Fiscal Year 2008 - Carryover	84.027	FT088008	165,748	9/1/08 - 8/31/09			$ 2,513	(2,513)							
ARRA - I.D.E.A. - Basic	84.391	N/A	185,462	9/1/09 - 8/31/10	(110,382)	93,961				110,382	(75,080)			18,881	
I.D.E.A. Part B - Preschool:															
Fiscal Year 2011	84.173	PS088011	3,735	9/1/10 - 8/31/11						3,735	(3,735)				
ARRA - I.D.E.A. - Preschool	84.392	N/A	6,682	9/1/09 - 8/31/10	(6,682)	6,682				6,532	(6,682)		(150)		
Total U.S. Department of Education					(284,558)	200,152	2,513	(13,448)		565,770	(529,178)		(147,569)	88,820	
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program															
Fiscal Year 2011	10.550	N/A	14,983	7/1/10 - 6/30/11						$ 14,983	$ (14,983)				
School Breakfast Program															
Fiscal Year 2011	10.553	N/A	28,368	7/1/10 - 6/30/11						26,060	(28,369)		$ (2,309)		
Fiscal Year 2010	10.553	N/A	28,897	7/1/09 - 6/30/10	$ (2,584)					2,584					
National School Lunch Program															
Fiscal Year 2011	10.555	N/A	138,449	7/1/10 - 6/30/11						126,430	(136,449)		(10,019)		
Fiscal Year 2010	10.555	N/A	115,998	7/1/09 - 6/30/10	(10,329)					10,329					
Total U.S. Department of Agriculture					(12,913)					180,386	(179,801)		(12,328)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2010	93.778	N/A	16,650	7/1/09 - 6/30/10	(10,678)					17,770	(17,151)		(10,059)		
Total U.S. Department of Health and Human Services					(10,678)					17,770	(17,151)		(10,059)		
Total Federal Awards					$ (308,149)	$ 200,152	$ 2,513	$ (13,448)	$ -	$ 763,926	$ (726,130)	$ -	$ (169,956)	$ 88,820	$ -

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

CLEMENTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2010 (Accounts Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2011 (Accounts Receivable)	Balance, June 30, 2011 Deferred Revenue	Balance, June 30, 2011 Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	11-495-034-5120-078	$ 5,631,709	7/1/10- 6/30/11					$ 5,080,341	$ (5,631,709)		$ (551,368)		
Equalization Aid	10-495-034-5120-078	5,707,282	7/1/09- 6/30/10	$ (615,253)				615,253					
Special Education Categorical Aid	11-495-034-5120-089	348,136	7/1/10- 6/30/11					348,136	(348,136)				
Extraordinary Special Education Cost Aid	11-100-034-5120-473	156,690	7/1/10- 6/30/11						(156,690)		(156,690)		
Extraordinary Special Education Cost Aid	10-495-034-5120-044	130,422	7/1/09- 6/30/10	(130,422)				130,422					
Nonpublic Transportation Aid	11-495-034-5120-014	4,551	7/1/10- 6/30/11						(4,551)		(4,551)		
Nonpublic Transportation Aid	10-495-034-5120-014	3,637	7/1/09- 6/30/10	(3,637)				3,637					
On-behalf TPAF Pension Contribution	11-495-034-5095-001	255,704	7/1/10- 6/30/11					255,704	(255,704)				
Reimbursed TPAF Social Security Contr.	10-495-034-5095-002	261,079	7/1/09- 6/30/10	(12,629)				12,629					
Reimbursed TPAF Social Security Contr.	11-495-034-5095-002	253,533	7/1/10- 6/30/11					253,533	(253,533)				
Total General Fund				(761,941)				6,699,655	(6,650,323)		(712,609)		
Special Revenue Fund:													
Preschool Education Aid	11-495-034-5120-086	125,415	7/1/10- 6/30/11				$ 162	112,874	(123,537)		(12,541)	$ 2,040	
Preschool Education Aid	10-495-034-5120-086	93,045	7/1/09- 6/30/10	(9,304)	$ 162		(162)	9,304					
Auxiliary Services:													
Compensatory Education	11-100-034-5120-067	33,491	7/1/10- 6/30/11					33,491	(11,173)				$ 22,318
Compensatory Education	10-100-034-5120-067	38,388	7/1/09- 6/30/10			$ 32,670				$ (32,670)			
English as a Second Language	11-100-034-5120-067	2,220	7/1/10- 6/30/11					2,220	(1,519)				701
Handicapped Services:													
Supplemental Instruction	11-100-034-5120-066	3,474	7/1/10- 6/30/11					3,474	(2,473)				1,001
Supplemental Instruction	10-100-034-5120-066	3,982	7/1/09- 6/30/10			3,191				(3,191)			
Examination & Classification	11-100-034-5120-066	7,972	7/1/10- 6/30/11					7,972	(5,247)				2,725
Examination & Classification	10-100-034-5120-066	9,138	7/1/09- 6/30/10			6,599				(6,599)			
Corrective Speech	11-100-034-5120-066	11,735	7/1/10- 6/30/11					11,735	(4,176)				7,559
Corrective Speech	10-100-034-5120-066	13,451	7/1/09- 6/30/10			10,780				(10,780)			
Textbook Aid	10-100-034-5120-064	3,255	7/1/09- 6/30/10			17				(17)			
Textbook Aid	11-100-034-5120-064	1,364	7/1/10- 6/30/11					1,364	(997)				367
Nursing Aid	11-100-034-5120-070	1,616	7/1/10- 6/30/11					1,616	(1,616)				
Total Special Revenue Fund				(9,304)	162	53,257	-	184,050	(150,738)	(53,257)	(12,541)	2,040	34,671
Debt Service Fund:													
Debt Service Type II Aid	11-495-034-5120-017	114,761	7/1/10- 6/30/11					114,761	(114,761)				
NJ Schools Development Authority:													
Capital Projects Fund:													
EDA Educational Facilities Construction and Financing Act - Section 15:													
Renovations to D Wing and Gym	0880-010-09-1001	$ 144,418	7/1/09- 6/30/11	(144,418)				72,932			(71,486)		
Total Capital Projects Fund				(144,418)	-	-	-	72,932	-	-	(71,486)	-	-
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)													
Fiscal Year 2011	11-100-010-3350-023	3,225	7/1/10- 6/30/11					2,973	(3,225)		(252)		
Fiscal Year 2010	10-100-010-3360-066	5,113	7/1/09- 6/30/10	(624)				624					
Total Enterprise Fund				(624)				3,597	(3,225)		(252)		
Total State Financial Assistance				$ (916,287)	$ 162	$ 53,257	$ -	$ 7,074,995	$ (6,919,047)	$ (53,257)	$ (796,888)	$ 2,040	$ 34,671

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

Clementon School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Clementon 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, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state 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 OMB Circular A-133, *Audits of State, Local Govemments, 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.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $63,885 for the general fund and ($3,237) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 17,151	$ 6,714,208	$ 6,495,475
Special Revenue Fund	529,178	147,501	610,127
Capital Projects Fund			0
Debt Service Fund		114,761	145,162
Food Service Fund	179,801	3,225	155,275
Total Awards & Financial Assistance	$ 726,130	$ 6,979,695	$ 7,406,039

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	Federal
Adjust to proper balances	$ (13,448)

CLEMENTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be a material weakness? X yes _____ none reported

Noncompliance material to general purpose financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be a material weakness? _____ yes X none reported

Type of auditor's report 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? X yes _____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA - Basic
84.391	ARRA - IDEA - Basic
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee? X yes _____ no

CLEMENTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

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

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 a material weakness? _____ yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Categorical Aid
11-100-034-5095-002	TPAF Rimbursed Social Security
11-100-010-3350-021	National School Lunch Program (State Share)

CLEMENTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding #2011-1

Criteria or specific requirement:

The Board Secretary's Financial Report should properly reflect true balances for all balance sheet accounts, budgetary revenues and budgetary expenditures.

Condition:

Numerous adjustments were required to the balance sheet accounts and budgetary expenditures for both the General Fund and the Special Revenue Fund to properly reflect true balances.

Context:

Inadequate controls over financial statement preparation.

Effect:

Improper financial decisions may be taken by the Board of Education if financial reports do not properly reflect true balances.

Cause:

Oversight on part of business administrator.

Recommendation:

The School District management should take care in properly recording all revenue and expenditure transactions.

View of responsible officials and planned corrective action:

The management agrees with the finding and will take better care in recording all budget account transactions.

CLEMENTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section 3 -- Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

FEDERAL AWARDS

Finding #2011-1

Federal program information:
NCLB – Title I – CFDA No. 84.010, NCLB – Title IIA – CFDA No. 84.367, IDEA – Basic – CFDA No 84.027; U.S. Department of Education, Passed-through State of New Jersey, Department of Education.

Criteria or specific requirement:
As stated in OMB Circular A-87, all proper costs should be properly charged to the appropriate budgetary line account within each grant.

Condition:
Numerous adjustments were required to the budgetary line item expenditures for the Special Revenue Fund to properly reflect true balances.

Questioned Costs:
None.

Context:
Inadequate controls over financial statement preparation.

Effect:
Improper financial decisions may be taken by the Board of Education if financial reports do not properly reflect true balances.

Cause:
Oversight on part of business administrator.

Recommendation:
The School District management should take care in properly recording all revenue and expenditure transactions.

View of responsible officials and planned corrective action:
The management agrees with the finding and will take better care in recording all budget account transactions.

STATE AWARDS

No findings and/or questioned costs identified.

CLEMENTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2011

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.