

**CLINTON TOWNSHIP  
BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**CLINTON TOWNSHIP BOARD OF EDUCATION  
CLINTON TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

**CLINTON TOWNSHIP BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

# Clinton Township Board of Education

Kevin Carroll  
Superintendent of Schools

Patricia A. Leonhardt  
School Business Administrator/Board Secretary



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October 14, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Clinton Township School 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 operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial 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 New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Preschool through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 1,678 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	1677.6	(2.4%)
2009-10	1718.6	(1.83%)
2008-09	1750.6	(0.002%)
2007-08	1753.7	(0.01%)
2006-07	1766.8	(2.0%)
2005-06	1803.8	2.2%
2004-05	1765.0	(0.4%)
2003-04	1773.0	(1.02%)
2002-03	1795.8	.9%
2001-02	1780.3	

2.) **ECONOMIC CONDITION AND OUTLOOK:** While nationwide the economy continues to struggle, Clinton Township seems to be faring well. There is not an overabundance of real estate up for resale, and tax collection rates, which serve as an indicator to the local economy, remain very high.

3.) **MAJOR INITIATIVES:** The 2010-2011 school year focused on the district's progress towards the educational needs of the 21st Century Learner through professional development of the staff. Cross-curricular lessons and integration of technology were planned and implemented in order to accomplish this goal.

Student achievement was framed by the creation of professional learning communities with a focus on how we assess student progress. Rubicon Atlas was utilized to update the district curriculum in line with the revised New Jersey Core Curriculum Content Standards.

4.) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5.) **BUDGETARY CONTROLS;** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

7.) **RISK MANAGEMENT;** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8.) **OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., was selected by the Board of Education. In addition to meeting the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04, the auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9.) **ACKNOWLEDGMENTS:**

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

Respectfully submitted,

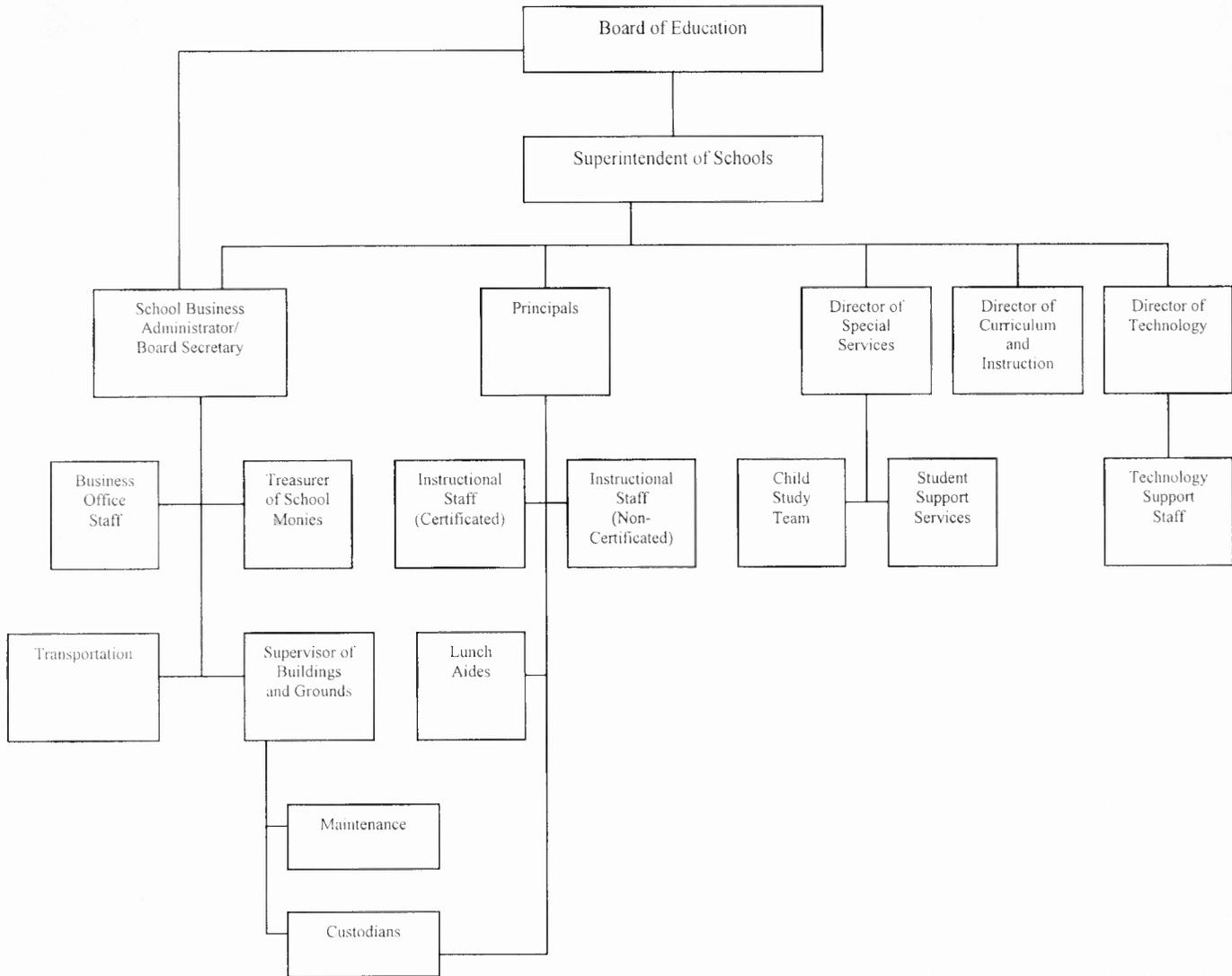
*Kevin Carroll*

Kevin Carroll  
Superintendent of Schools

*Patricia Leonhardt*

Patricia A. Leonhardt  
Board Secretary/Business Administrator

### CLINTON TOWNSHIP SCHOOL DISTRICT



Adopted: 26 July 2010

## CLINTON TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS  
JUNE 30, 2011

Name	Term Expires
Frank "Jim" Dincuff, President	2012
Michelle Cresti, Vice-President	2013
Marc Freda	2014
Maria Grant	2014
Donna Gregory	2012
Grace Hoefig	2012
Mark Kaplan	2013
Kevin Sturges	2013
Michelle Sullivan	2014

**Other Officials**

Mr. Kevin J. Carroll, Superintendent of Schools

Mrs. Patricia Leonhardt, School Business Administrator/Board Secretary

Kathleen Colognato, Treasurer of School Monies

Porzio, Bromberg and Newman, Attorney

**CLINTON TOWNSHIP BOARD OF EDUCATION****CONSULTANTS AND ADVISORS****JUNE 30, 2011**

Audit Firm: William Colantano, Jr. CPA  
100 Route 31 North  
Washington, NJ 07882

Architect: Buck Simperts & Associates  
25 Bridge Ave Suite 201  
Red Bank, NJ 07701

Attorney: Porzio, Bromberg and Newman  
163 Madison Avenue  
Morristown, NJ 07962

Official Depository: TD Bank  
1 Royal Road  
Flemington, NJ 08822

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

October 14, 2011

Honorable President and  
Members of the Board of Education  
Clinton Township School District  
County of Hunterdon, 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 Board of Education of the Clinton Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clinton Township Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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 opinion.

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 Clinton Township Board of Education in the County of Hunterdon, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable 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 a report dated October 14, 2011 on our consideration of the Clinton Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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

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

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



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

**REQUIRED SUPPLEMENTARY INFORMATION-PART I**

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

The discussion and analysis of Clinton Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011.

The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statement and financial statement to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets increased \$660,446, which represents a 2.7 percent increase from fiscal year 2010.
- General revenues accounted for \$27,742,728 in revenue or 92.2 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,348,560 or 7.8 percent to total revenues of \$30,091,288.
- Total assets of governmental activities decreased by \$513,562 as cash and cash equivalents increased by \$786,356, receivables decreased by \$225,427, capital assets decreased by \$1,195,312 and other assets increased by \$120,821.
- The School District had \$28,811,732 in expenses; only \$2,348,560 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$27,742,728 were adequate to provide for these programs.
- Among major funds, the General Fund had \$25,702,639 in revenues and \$24,743,857 in expenditures. After considering net other financing uses of \$100,000 the General Fund's balance increased \$858,782 over fiscal year 2010. This increase was anticipated by the Board of Education. It is a result of effective cost-cutting measures implemented by the District.

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

**Using this Generally Accepted Accounting Principals Report (GAAP)**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Clinton Township School District, the General Fund is by far the most significant fund.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all the current year's revenues and expenses regardless of when cash is received or paid.

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

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

The Statement of Net Assets and the Statement of Activities reports information on two distinct kinds of activities:

- **Governmental Activities** – All of the School District's major programs and services are reported here including, but not limited to, instruction, co-curricular activities, support services, operation and maintenance of plant facilities, and pupil transportation.
- **Business-Type Activities** – The District's Food Service Enterprise Fund is reported here. Charges for goods and services offset the expense of the goods and services provided.

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

#### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. In addition to the governmental funds, the district also utilizes proprietary and fiduciary funds.

#### **Governmental Funds**

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

#### **Proprietary Funds**

Proprietary funds use the accrual basis of accounting, which is the same method utilized on the government-wide statements. The District's Food Service Enterprise Fund was initiated in fiscal year 2011 and is the only proprietary fund of the District. The information provided on the enterprise fund and proprietary fund statements is essentially the same as on the business-type activities portion of the government-wide statements.

#### **Fiduciary Funds**

Fiduciary funds report activities where the District acts as a trustee for other third parties. The District's fiduciary funds are the Unemployment Compensation Fund, the Student Activity Agency Fund, and the Payroll Agency Fund. We exclude these activities from the District's government-wide statements because the District cannot use these assets to finance its operations.

### **The School District as a Whole**

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

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

Table 1 provides a summary of the District's net assets at 6/30/11 with comparisons to 6/30/10.

**Table 1**  
**Net Assets**

	6/30/11	6/30/10	Variance	
			Dollars	%
<b>Assets:</b>				
Current & Other Assets	4,117,104	3,435,354	681,750	19.85
Capital Assets	56,212,669	57,407,981	(1,195,312)	(2.08)
<b>Total Assets</b>	<b>60,329,773</b>	<b>60,843,335</b>	<b>(513,562)</b>	<b>(0.84)</b>
<b>Liabilities:</b>				
Long-Term Liabilities	33,867,079	34,578,458	(711,379)	(2.06)
Other Liabilities	1,357,744	1,820,373	(462,629)	(25.41)
<b>Total Liabilities</b>	<b>35,224,823</b>	<b>36,398,831</b>	<b>(1,174,008)</b>	<b>(3.23)</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	24,737,524	24,170,262	567,262	2.35
Restricted	725,276	360,271	365,005	101.31
Unrestricted	(357,850)	(86,029)	(271,821)	(315.96)
<b>Total Net Assets</b>	<b>25,104,950</b>	<b>24,444,504</b>	<b>660,446</b>	<b>2.70</b>

Total net assets increased \$660,446. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District decreased by \$271,821.

The increase in restricted net assets can be attributed mostly to the deposit to the Capital Reserve Fund for future capital project funding of \$390,000.

The large decrease in unrestricted net assets can mostly be attributed to an unamortized bond premium for a refunding bond issue dated June 30, 2011 of \$1,164,102. Bond premiums are recorded at the time of issuance for fund reporting purposes but are deferred and amortized over the life of the bonds for government-wide reporting purposes.

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

Table 2 provides a summary of the District's changes in net assets in fiscal year ending 6/30/11 with comparisons to 6/30/10.

**Table 2**  
**Changes in Net Assets**

	Fiscal Year Ending		Variance	
	6/30/11	6/30/10	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	1,253,588	644,923	608,665	94.38
Operating Grants	1,094,972	955,369	139,603	14.61
General Revenues:				
Property Taxes	24,878,124	24,134,225	743,899	3.08
Unrestricted Grants	2,416,664	3,384,872	(968,208)	(28.60)
Other	447,940	260,638	187,302	71.86
Total Revenues	<u>30,091,288</u>	<u>29,380,027</u>	<u>711,261</u>	<u>2.42</u>
Program Expenses				
Instruction:				
Regular	10,295,742	10,217,601	78,141	0.76
Special	3,299,597	3,416,750	(117,153)	(3.43)
Other	482,522	504,601	(22,079)	(4.38)
Support Services:				
Tuition	644,832	740,675	(95,843)	(12.94)
Student & Instructional Staff	4,866,959	4,969,819	(102,860)	(2.07)
General & Business Administration	1,572,965	1,508,265	64,700	4.29
School Administration	1,340,834	1,410,570	(69,736)	(4.94)
Maintenance	2,579,451	2,828,358	(248,907)	(8.80)
Transportation	1,887,008	2,028,437	(141,429)	(6.97)
Food Service	485,150	32,154	452,996	1408.83
Special Schools	89,858	234,564	(144,706)	(61.69)
Interest on Long-Term Debt	1,266,814	1,495,883	(229,069)	(15.31)
Total Expenses	<u>28,811,732</u>	<u>29,387,677</u>	<u>(575,945)</u>	<u>(1.96)</u>
Increases (Decreases) Before Special Items	<u>1,279,556</u>	<u>(7,650)</u>	<u>1,287,206</u>	<u>(16826.22)</u>
Transfers & Special Items:				
Transfers	(100,000)	(145,939)	45,939	(31.48)
Payment to Refunding Bond Agent	(519,110)		(519,110)	*
Total Transfers & Special Items	<u>(619,110)</u>	<u>(145,939)</u>	<u>(473,171)</u>	<u>324.23</u>
Increase (Decrease) in Net Assets	<u><u>660,446</u></u>	<u><u>(153,589)</u></u>	<u><u>814,035</u></u>	<u><u>(530.01)</u></u>

\* = Undefined

## **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 82.2 percent of revenues for governmental activities for the Clinton Township School District for fiscal year 2011.

Instruction comprised 48.9 percent of district expenses. Support services expenses made up 46.4 percent of the expenses and other expenses comprised 4.7 percent of total expenses.

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

## **Business-Type Activities**

The business-type activity of the District is the Food Service Fund. The following is a summary of the fiscal year 2011 results of operations:

- Food Service revenues and other financing sources exceeded expenses and other financing uses by \$26,233. The majority of this increase was the result of the transfer in of net capital assets from the General Fund in the amount of \$21,713.
- Charges for services from amounts paid for daily food services were \$429,007 and total operating expenses were \$485,150.
- Federal and state reimbursements for meals, including payments for free and reduced lunches served and donated government commodities were \$60,628.

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 6/30/11 with comparisons to 6/30/10.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/11	6/30/10	6/30/11	6/30/10
Instruction	14,077,861	14,138,952	12,695,153	12,970,953
Support Services:				
Tuition	644,832	740,675	556,493	692,865
Student & Instructional Staff General & Business	4,866,959	4,969,819	4,597,400	4,723,578
Administration	1,572,965	1,508,265	1,533,087	1,469,488
School Administration	1,340,834	1,410,570	1,340,834	1,410,570
Plant Operations & Maintenance	2,579,451	2,828,358	2,520,794	2,744,871
Pupil Transportation	1,887,008	2,028,437	1,867,224	2,012,459
Food Service	485,150	32,154	(4,485)	32,154
Special Schools	89,858	234,564	89,858	234,564
Interest on Long-Term Debt	1,266,814	1,495,883	1,266,814	1,495,883
<b>Total Expenses</b>	<b>28,811,732</b>	<b>29,387,677</b>	<b>26,463,172</b>	<b>27,787,385</b>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

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

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

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 82.7 percent. The community, as a whole, is the primary support of the Clinton Township School District.

#### **The School District's Funds**

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,469,865 and expenditures of \$28,777,677. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$858,782. The District continues to experience negative repercussions from budget constraints and has been forced to eliminate or reduce several key programs and personnel in fiscal year 2011.

#### **General Fund Budgeting Highlights**

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

During the course of fiscal year 2011, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

For the General Fund, budget basis revenue and other financing sources (excluding on-behalf TPAF Pension and Social Security) was \$24,031,854, \$605,073 above final budgeted estimates of \$23,426,781. This difference was due primarily to unbudgeted extraordinary aid of \$400,855.

General fund revenues and other financing sources exceeded expenditures and other financing uses by \$721,101 and reflect the previously mentioned cost-cutting measures and increased extraordinary aid.

**Capital Assets**

At the end of the fiscal year 2011, the School District had \$56,212,669 invested in land, construction in progress, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/11 with comparisons to 6/30/10.

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

	6/30/11	6/30/10	Variance	
			Dollars	%
Land	4,996,634	4,996,634	--	0.00
Land Improvements	418,769	471,638	(52,869)	(11.21)
Buildings & Improvements	50,188,090	51,428,688	(1,240,598)	(2.41)
Machinery & Equipment	448,108	459,009	(10,901)	(2.37)
Vehicles	58,617	44,072	14,545	33.00
Construction in Progress	102,451	7,940	94,511	1190.31
Total	<u>56,212,669</u>	<u>57,407,981</u>	<u>(1,195,312)</u>	(2.08)

\* = Undefined

Overall capital assets decreased \$1,195,312 from fiscal year 2010 to fiscal year 2011. The District expanded \$67,036 for the underground storage tank removal project, which is recorded in Construction in Progress.

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

**Debt Administration**

At June 30, 2011, the School District had \$33,867,079 in long-term liabilities.

The District issued refunding bonds on 6/30/11 for the 2003 series general improvement bonds of \$12,100,000, which generated a net economic gain of \$431,225 for the District.

At June 30, 2011, the School District's overall debt limit was \$76,542,565 and the legal debt margin was \$43,851,686.

Table 5 provides a summary of the School District's outstanding debt at 6/30/11 with comparisons to 6/30/10.

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

	6/30/11	6/30/10	Variance	
			Dollars	%
2011 Refunding Bonds for '03 Issue	12,100,000	-	12,100,000	*
2006 Refunding Bonds for '03 Issue	8,785,000	8,800,000	(15,000)	(0.17)
2003 General Obligation Bonds	10,905,000	23,660,000	(12,755,000)	(53.91)
2003 Refunding Bonds for '93 & '95 Issues	-	1,140,000	(1,140,000)	(100.00)
Unamortized Bond Premiums	1,374,442	244,917	1,129,525	461.19
Capital Leases Payable	5,789	38,256	(32,467)	(84.87)
Compensated Absences Payable	696,848	695,285	1,563	0.22
	<u>33,867,079</u>	<u>34,578,458</u>	<u>(711,379)</u>	(2.06)

\* = Undefined

**CLINTON TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**UNAUDITED**

**For the Future**

The Clinton Township School District continues to be concerned about its future budgetary and financial health. A major dilemma is the continued increases in state and federally mandated costs combined with budget defeats in the past and reductions in discretionary spending. Although the 2011-12 budget passed, the effects of previous budget defeats are still being felt.

Clinton Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden.

The Administration and Board of Education continue to work diligently to offer our students a strong educational experience while ensuring their health and safety in clean, well-maintained educational facilities.

In conclusion, the Clinton Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Patricia Leonhardt, School Business Administrator/Board Secretary or email at [pleonhardt@ctsd.k12.nj.us](mailto:pleonhardt@ctsd.k12.nj.us)

## BASIC FINANCIAL STATEMENTS

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,122,068	\$ 7,313	\$ 1,129,381
Receivables, Net	1,812,879	4,414	1,817,293
Internal Balances	1,411	(1,411)	
Inventory		3,442	3,442
Bond Issuance Costs, Net	476,660		476,660
Restricted Assets:			
Cash & Cash Equivalents	690,328		690,328
Capital Assets (Note 4):			
Land and Construction in Progress	5,099,085		5,099,085
Other Capital Assets, net of depreciation	51,099,495	14,089	51,113,584
Total Assets	<u>60,301,926</u>	<u>27,847</u>	<u>60,329,773</u>
<b>LIABILITIES</b>			
Accounts Payable	121,501	440	121,941
Accrued Interest	405,586		405,586
Payables to Other Governments	60,002		60,002
Deferred Revenues	227,429	1,174	228,603
Temporary Notes Payable	540,000		540,000
Other Current Liabilities	1,612		1,612
Long-Term Liabilities (Note 5):			
Due Within One Year	1,201,998		1,201,998
Due Beyond One Year	32,665,081		32,665,081
Total Liabilities	<u>35,223,209</u>	<u>1,614</u>	<u>35,224,823</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	24,723,435	14,089	24,737,524
Restricted for:			
Debt Service	901		901
Capital Projects	104,795		104,795
Legal Reserves	619,580		619,580
Unrestricted	<u>(369,994)</u>	<u>12,144</u>	<u>(357,850)</u>
TOTAL NET ASSETS	<u>\$ 25,078,717</u>	<u>\$ 26,233</u>	<u>\$ 25,104,950</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 7,086,651	\$ 3,209,091	\$ 484,226	\$ 232,180		\$ (9,579,336)		\$ (9,579,336)
Special Education	2,317,124	982,473	123,977	474,937		(2,700,683)		(2,700,683)
Other Special Education	290,689	139,016		20,582		(409,123)		(409,123)
Other Instruction	50,541	2,276	46,806			(6,011)		(6,011)
Support Services:								
Tuition	644,832			88,339		(556,493)		(556,493)
Student & Instruction Related Services	3,341,357	1,525,602	51,253	218,306		(4,597,400)		(4,597,400)
General & Business Administration Services	1,134,713	438,252	39,878			(1,533,087)		(1,533,087)
School Administration Services	884,959	455,875				(1,340,834)		(1,340,834)
Plant Operations & Maintenance	2,134,362	445,089	58,657			(2,520,794)		(2,520,794)
Pupil Transportation	1,876,156	10,852	19,784			(1,867,224)		(1,867,224)
Special Schools	59,163	30,695				(89,858)		(89,858)
Interest on Long-Term Debt	1,266,814					(1,266,814)		(1,266,814)
Total Governmental Activities	<u>21,087,361</u>	<u>7,239,221</u>	<u>824,581</u>	<u>1,034,344</u>	<u>\$ -</u>	<u>(26,467,657)</u>	<u>\$ -</u>	<u>(26,467,657)</u>
Business-Type Activities:								
Food Service	485,150		429,007	60,628			4,485	4,485
Total Business-Type Activities	<u>485,150</u>	<u>-</u>	<u>429,007</u>	<u>60,628</u>	<u>-</u>	<u>-</u>	<u>4,485</u>	<u>4,485</u>
Total Primary Government	<u>\$ 21,572,511</u>	<u>\$ 7,239,221</u>	<u>\$ 1,253,588</u>	<u>\$ 1,094,972</u>	<u>\$ -</u>	<u>(26,467,657)</u>	<u>4,485</u>	<u>(26,463,172)</u>
			<u>General Revenues, Special Items and Transfers</u>					
						22,145,328		22,145,328
						2,732,796		2,732,796
						2,416,664		2,416,664
						7,158	35	7,193
						440,747		440,747
						(100,000)		(100,000)
						(519,110)		(519,110)
						(21,713)	21,713	
						<u>27,101,870</u>	<u>21,748</u>	<u>27,123,618</u>
						634,213	26,233	660,446
						<u>24,444,504</u>		<u>24,444,504</u>
						<u>\$ 25,078,717</u>	<u>\$ 26,233</u>	<u>\$ 25,104,950</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 1,121,167			\$ 901	\$ 1,122,068
Due from Other Funds	195,212				195,212
Receivables from Other Governments:					
State	409,224	\$ 33,099	\$ 900,879		1,343,202
Federal		443,528			443,528
Local	26,113				26,113
Other Receivables	36				36
Restricted Cash & Cash Equivalents	619,580		70,748		690,328
<b>TOTAL ASSETS</b>	<b>\$ 2,371,332</b>	<b>\$ 476,627</b>	<b>\$ 971,627</b>	<b>\$ 901</b>	<b>\$ 3,820,487</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 113,530	\$ 1,783	\$ 6,188		\$ 121,501
Due to Other Funds		193,801			193,801
Payables to Other Governments:					
State		44,752			44,752
Federal		15,250			15,250
Deferred Revenue	8,000	219,429			227,429
Temporary Notes Payable			540,000		540,000
Other Current Liabilities		1,612			1,612
<b>Total Liabilities</b>	<b>121,530</b>	<b>476,627</b>	<b>546,188</b>	<b>\$ -</b>	<b>1,144,345</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 569,580				\$ 569,580
Maintenance Reserve Account	50,000				50,000
Excess Surplus-Designated for Subsequent Year's Expenditures	3,502				3,502
Committed Fund Balance:					
Year End Encumbrances	130,975		\$ 10,517		141,492
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	635,351		414,922	\$ 815	1,051,088
Unassigned Fund Balance	860,394			86	860,480
Total Fund Balances	<u>2,249,802</u>	<u>\$ -</u>	<u>425,439</u>	<u>901</u>	<u>2,676,142</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,371,332</u>	<u>\$ 476,627</u>	<u>\$ 971,627</u>	<u>\$ 901</u>	

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

Capital assets used in government activities are not financial resources & therefore  
are not reported in the funds. The cost of the assets is  
and the accumulated depreciation is

\$ 69,911,631  
13,713,051

56,198,580

Long-term liabilities, including bonds payable, are not due & payable in the current period  
& therefore are not reported as liabilities in the funds

(33,867,079)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as  
an expenditure when due.

(405,586)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is  
and the accumulated amortization is

703,404  
226,744

476,660

Total Net Assets of Governmental Activities

\$ 25,078,717

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP 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
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 22,145,328			\$ 2,732,796	\$ 24,878,124
Tuition Charges	608,203				608,203
Transportation Charges	15,978				15,978
Interest on Investments	6,922		\$ 86		7,008
Interest Earned on Capital Reserve Funds	150				150
Miscellaneous	509,394	\$ 52,902			562,296
<b>Total</b>	<b>23,285,975</b>	<b>52,902</b>	<b>86</b>	<b>2,732,796</b>	<b>26,071,759</b>
State Sources	2,416,664	249,809			2,666,473
Federal Sources		731,633			731,633
<b>Total Revenues</b>	<b>25,702,639</b>	<b>1,034,344</b>	<b>86</b>	<b>2,732,796</b>	<b>29,469,865</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	6,882,570	232,180			7,114,750
Special Education Instruction	1,844,152	472,754			2,316,906
Other Special Instruction	270,107	20,582			290,689
Other Instruction	3,735				3,735
Support Service & Undistributed Costs:					
Tuition	556,493	88,339			644,832
Student & Instruction Related Services	3,123,051	218,306			3,341,357
General & Business Administrative Services	1,085,665		161,556		1,247,221
School Administrative Services	884,959				884,959
Plant Operations & Maintenance	2,118,743		1,910		2,120,653
Pupil Transportation	1,870,359				1,870,359
Unallocated Benefits	5,853,527				5,853,527

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 119,853	\$ 2,183	\$ 95,971		\$ 218,007
Special Schools	59,163				59,163
Debt Service:					
Principal				\$ 1,280,000	1,280,000
Interest on Bonds				1,460,039	1,460,039
Interest on SDA Obligations	71,480				71,480
Total Expenditures	<u>24,743,857</u>	<u>1,034,344</u>	<u>259,437</u>	<u>2,740,039</u>	<u>28,777,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>958,782</u>	<u>-</u>	<u>(259,351)</u>	<u>(7,243)</u>	<u>692,188</u>
Other Financing Sources (Uses):					
Transfers In				86	86
Transfers Out	(100,000)		(86)		(100,086)
Proceeds from Refunding Bond Issue			12,100,000		12,100,000
Payment to Refunding Bond Escrow Agent			(13,149,110)		(13,149,110)
Premium on Bond Issue			1,210,666		1,210,666
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>161,470</u>	<u>86</u>	<u>61,556</u>
Net Change in Fund Balance	858,782	-	(97,881)	(7,157)	753,744
Fund Balances, July 1	<u>1,391,020</u>	<u>-</u>	<u>523,320</u>	<u>8,058</u>	<u>1,922,398</u>
Fund Balances, June 30	<u>\$ 2,249,802</u>	<u>\$ -</u>	<u>\$ 425,439</u>	<u>\$ 901</u>	<u>\$ 2,676,142</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP 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 Changes in Fund Balances-Governmental Fund (from B-2)		\$ 753,744
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital Outlays	\$ 218,007	
Cost Basis of Assets Transferred	(21,713)	
Depreciation Expense	<u>(1,405,695)</u>	(1,209,401)
Government funds report bond proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements		(12,100,000)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statements of activities:		
Bond Principal Payments	1,280,000	
Defeasance of Refunded Bonds	12,630,000	
Capital Lease Principal Payments	<u>32,467</u>	13,942,467
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:		
Bond Premium	(1,210,666)	
Bond Insurance Costs	161,556	
Amortization of Bond Premium	81,141	
Amortization of Bond Issuance Costs	<u>(44,177)</u>	(1,012,146)
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		261,112
In the statement of activities, 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.		<u>(1,563)</u>
Change in Net Assets of Governmental Activities		<u>\$ 634,213</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 7,313
Receivables from Other Governments:	
State	627
Federal	3,612
Accounts Receivable-Other	175
Inventory	3,442
Total Current Assets	15,169
Noncurrent Assets:	
Capital Assets	153,454
Less: Accumulated Depreciation	139,365
Total Noncurrent Assets	14,089
Total Assets	29,258
LIABILITIES	
Current Liabilities:	
Due to Other Funds	1,411
Accounts Payable	440
Deferred Revenues	1,174
Total Liabilities	3,025
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	14,089
Unrestricted	12,144
TOTAL NET ASSETS	\$ 26,233

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 319,694
Daily Sales-Unreimbursable Programs	109,313
Total Operating Revenues	<u>429,007</u>
Other Expenses:	
Salaries	176,672
Employee Benefits	43,643
Purchased Property Services (Repairs)	10,387
Insurance	2,772
Management Fee	15,000
Other Purchased Services	2,151
Supplies and Materials	22,597
Depreciation	7,624
Costs of Sales	203,193
Miscellaneous	1,111
Total Operating Expenses	<u>485,150</u>
Operating Income (Loss)	<u>(56,143)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	5,202
Federal Sources:	
National School Lunch Program	51,603
Food Donation Program	3,823
Interest Earned on Investments	35
Total Nonoperating Revenues (Expenses)	<u>60,663</u>
Other Financing Sources (Uses):	
Gain on Transfer In of Equipment from General Fund:	
Capital Assets Cost	153,454
Less: Capital Assets Accumulated Depreciation	131,741
Total Other Financing Sources (Uses)	<u>21,713</u>
Change in Net Assets	26,233
Net Assets, Beginning	<u>-</u>
Net Assets, Ending	<u>\$ 26,233</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 429,568
Payments to Food Service Management Company	(461,405)
Payments to Vendors (Net)	(14,862)
Net Cash Provided by (Used For) Operating Activities	(46,699)
Cash Flows from Noncapital Financing Activities:	
State Sources	4,575
Federal Sources	47,991
General Fund Interfund Activity	1,411
Net Cash Provided by (Used For) Noncapital Financing Activities	53,977
Cash Flows from Investing Activities:	
Interest Earned on Investments	35
Net Increase (Decrease) in Cash and Cash Equivalents	7,313
Cash and Cash Equivalents, July 1	-
Cash and Cash Equivalents, June 30	\$ 7,313
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (56,143)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	7,624
Federal Food Distribution Program	3,823
(Increase) Decrease in Accounts Receivable	(175)
(Increase) Decrease in Inventory	(3,442)
Increase (Decrease) in Account Payable	440
Increase (Decrease) in Deferred Revenue	1,174
Net Cash Provided by (Used For) Operating Activities	\$ (46,699)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 90,616	\$ 110,722	\$ 480,954
Due from Other Funds			756
Accounts Receivable-Other		2,400	
	90,616	\$ 113,122	\$ 481,710
TOTAL ASSETS			
LIABILITIES			
Due to Other Funds	756		
Accounts Payable	28,781		
Accumulated Interest			\$ 10
Due to Student Groups		\$ 113,122	
Payroll Deductions & Withholdings			481,700
	29,537	\$ 113,122	\$ 481,710
TOTAL LIABILITIES			
NET ASSETS			
Held in Trust for Unemployment Claims & Other Purposes	\$ 61,079		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 23,758
Investment Earnings:	
Interest	98
Total Additions	<u>23,856</u>
DEDUCTIONS	
Unemployment Claims	137,463
Total Deductions	<u>137,463</u>
Other Financing Sources (Uses):	
Transfers In from the General Fund	100,000
Total Other Financing Sources (Uses)	<u>100,000</u>
Change in Net Assets	(13,607)
Net Assets, Beginning of the Year	<u>74,686</u>
Net Assets, End of the Year	<u>\$ 61,079</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2011 of 1,678 students.

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity as been removed from these statements.

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

B. Government-Wide and Fund Financial Statements (Cont'd)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Proprietary Fund Types (Cont'd)

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

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

Fiduciary Fund Types

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types (Cont'd)

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as 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.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Food Service Equipment	15
Athletic Equipment	15
Audio Visual Equipment	10
Buses	08
Vehicles	08
Computer Equipment	05 to 10
Office Equipment	05 to 10

K. Compensated Absences

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

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employers share of social security and medicare taxes are included.

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

L. Deferred Revenue

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

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

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the following:

Legal Reserves:		
Capital Reserve	\$	569,580
Maintenance Reserve		50,000
Unexpended Voter-Approved Capital Project		
Balance, Net of Related Debt		104,795
Debt Service Fund Balance		901
Total Restricted Net Assets	\$	<u>725,276</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

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

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

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

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

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

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

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents 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. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash & Cash Equivalents		<u>\$ 2,502,001</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 1,812,396
Enterprise Fund Statement of Net Assets	B-4	7,313
Fiduciary Funds, Statement of Net Assets	B-7	<u>682,292</u>
Total Cash		<u>\$ 2,502,001</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$2,502,001 and the bank balance is \$2,841,587. Of the bank balance, \$295,661 is covered by federal depository insurance and \$2,545,926 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

Deposit and Investment Risk (Cont'd)

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
2. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district has no investments.

**NOTE 4. CAPITAL ASSETS**

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

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 4,996,634			\$ 4,996,634
Construction in Progress	7,940	\$ 94,511		102,451
Total	5,004,574	94,511	\$ -0-	5,099,085
Capital Assets, Being Depreciated:				
Land Improvements	1,064,181			1,064,181
Building & Improvements	62,581,397			62,581,397
Furniture & Equipment	1,116,025	98,316	153,454	1,060,887
Vehicles	80,901	25,180		106,081
Total	64,842,504	123,496	153,454	64,812,546

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 4. CAPITAL ASSETS** (Cont'd)

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Accumulated Depreciation:				
Land Improvements	\$ 592,543	\$ 52,869		\$ 645,412
Building & Improvements	11,152,709	1,240,598		12,393,307
Furniture & Equipment	657,016	101,593	\$ 131,741	626,868
Vehicles	36,829	10,635		47,464
Total	<u>12,439,097</u>	<u>1,405,695</u>	<u>131,741</u>	<u>13,713,051</u>
Total Capital Assets, Being Depreciated, Net	<u>52,403,407</u>	<u>(1,282,199)</u>	<u>21,713</u>	<u>51,099,495</u>
Transfers	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 57,407,981</u>	<u>\$ (1,187,688)</u>	<u>\$ 21,713</u>	<u>\$ 56,198,580</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets:				
Machinery & Equipment		\$ 153,454		\$ 153,454
Less: Accum Depreciation		<u>139,365</u>		<u>139,365</u>
Business-Type Activities Capital Assets, Net	<u>\$ -0-</u>	<u>\$ 14,089</u>	<u>\$ -0-</u>	<u>\$ 14,089</u>

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

Instruction:	
Regular	\$ 654,849
Special Education	213,468
Other Special Instruction	26,755
Co-curricular Activities	344
Support Services:	
Student & Instruction	307,542
General & Business Admin	99,926
School Administration	81,453
Plant & Maintenance	13,922
Pupil Transportation	1,991
Special School	<u>5,445</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,405,695</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 23,660,000		\$ 12,755,000	\$ 10,905,000	\$ 825,000
Refunding Bonds Payable	9,940,000	\$12,100,000	1,155,000	20,885,000	215,000
Unamortized Bond Premiums	244,917	1,210,666	81,141	1,374,442	102,384
Capital Leases Payable	38,256		32,467	5,789	5,789
Compensated Absences Payable	695,285	55,909	54,346	696,848	53,825
<b>Total Governmental Activities Long-Term Liabilities</b>	<b><u>\$ 34,578,458</u></b>	<b><u>\$13,366,575</u></b>	<b><u>\$ 14,077,954</u></b>	<b><u>\$ 33,867,079</u></b>	<b><u>\$ 1,201,998</u></b>

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

The annual requirements to amortize all general obligation bonds and refunding bonds outstanding as of June 30, 2011 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,040,000	\$ 1,160,710	\$ 2,200,710
2013	835,000	1,365,238	2,200,238
2014	855,000	1,339,988	2,194,988
2015	880,000	1,314,137	2,194,137
2016	910,000	1,287,537	2,197,537
2017-2021	5,225,000	5,798,408	11,023,408
2022-2026	6,840,000	4,370,557	11,210,557
2027-2031	8,875,000	2,611,915	11,486,915
2032-2034	6,330,000	557,670	6,887,670
<b>Totals</b>	<b><u>\$ 31,790,000</u></b>	<b><u>\$ 19,806,160</u></b>	<b><u>\$ 51,596,160</u></b>

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds and NJ EDA Loans – General obligation school building bonds and NJ EDA Loans payable at June 30, 2011, with their outstanding balances are comprised of the following individual issues:

\$32,259,000 – 2003 general obligation school building bonds, \$8,339,000 defeased on September 6, 2006, \$12,630,000 defeased on June 30, 2011, remainder due in annual installments of \$125,000 to \$1,820,000 beginning Jan 15, 2012, through Jan 15, 2030 interest from 4.00% to 4.60%	\$ 10,905,000
\$8,830,000 – 2006 general obligation refunding bonds, due in annual installments of \$15,000 to \$2,190,000 beginning Jan 15, 2011, through Jan 15, 2034 interest from 3.50% to 4.35%	8,785,000
\$12,100,000 – 2011 general obligation refunding bonds, due in Annual installments of \$195,000 to \$1,255,000 beginning Jan 15, 2012, through January 15, 2024 interest from 3.00% to 5.00%	<u>12,100,000</u>
	<u>\$ 31,790,000</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2011 is \$76,542,565. General obligation debt at June 30, 2011 is \$32,690,879, resulting in a legal debt margin of \$43,851,686.

Advance Refunding of School Bond Series 2003

Defeasance of Debt-On September 6, 2006, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2003 series bonds. As a result, the portion of the 2003 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. At June 30, 2011, outstanding bonds in the amount of \$8,224,000 are considered defeased. The bonds are scheduled to be redeemed through the escrow account on January 15, 2012.

Defeasance of Debt - On June 30, 2011, the District issued \$12,100,000 in general obligation bonds with an average interest rate of 4.75% and a true interest cost of 3.23% to advance refund \$12,630,000 of outstanding 2003 series bonds with an average interest rate of 4.23%. The net proceeds of \$13,149,110 (issue amount of \$12,100,000 plus the bond premium of \$1,210,666 and less \$161,556 in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2003 series bonds. As a result, the portion of the 2003 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. The advance refunding of outstanding callable 2003 series bonds generated \$520,086 in gross debt service savings and an economic gain (difference between the present values of the old and new debt service payments) of \$431,225.

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

Capital Leases Payable - The District is leasing a maintenance truck totaling \$27,274 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2011:

<u>Year Ending June 30,</u>	<u>General Fund</u>
2012	\$ 6,168
Amount Representing Interest	<u>379</u>
Present Value of Minimum Leases Payments	<u>\$ 5,789</u>

**NOTE 6. PENSION PLANS**

Description of Systems

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

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2005, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements (Cont'd)

Three Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/11	\$ 742,959	100%
06/30/10	699,334	100%
06/30/09	702,342	100%

Three Year Trend Information for PERS (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/11	\$ 316,175	100%
06/30/10	253,592	100%
06/30/09	225,779	100%

During the year ended June 30, 2011, the State of New Jersey contributed \$709,553 to the TPAF for post-retirement medical benefits and \$33,406 for the non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$789,845 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service or an a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

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

**NOTE 8. DEFERRED COMPENSATION**

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

Lincoln Financial  
AXA The Equitable  
Variable Annuity Life Ins Co

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

Interfund balances as of June 30, 2011 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 195,212	
Special Revenue Fund		\$ 193,801
Food Service Enterprise Fund		1,411
Payroll Agency Fund	756	
Unemployment Compensation Fund		756
	<u>\$ 195,968</u>	<u>\$ 195,968</u>

The balance due from the Special Revenue Fund to the General Fund represents a temporary cash flow shortage in the Special Revenue Fund due to the late receipt of Federal grant program funding.

The balance due from the Food Service Enterprise Fund to the General Fund represents expenditures for the Food Service Fund disbursed in the General Fund.

All interfund balances are to be liquidated within one year.

The transfer of \$100,000 from the General Fund to the State Unemployment Fund represents a board contribution. A transfer in the amount of \$86 made from the Capital Projects Fund to the Debt Service Fund represents interest earnings designated by the Board of Education.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2011 consisted of the following:

Food	\$ 2,112
Supplies	<u>1,330</u>
	<u>\$ 3,442</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 12. RISK MANAGEMENT**

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

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

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

Fiscal Year	Other	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2010-2011	\$ -0-	\$100,000	\$ 98	\$ 23,758	\$ 137,463	\$ 61,079
2009-2010	-0-	145,939	54	24,848	100,417	74,686
2008-2009	-0-	16,000	440	25,169	59,136	4,262

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$1 on June 27, 2010 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$390,000 to their Capital Reserve account by board resolution in June 2011 as summarized in the following schedule.

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)**

The following schedule is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	\$ 179,430	\$ 390,000	\$ 150		\$ 569,580
Maintenance	50,000				50,000
Totals	<u>\$ 229,430</u>	<u>\$ 390,000</u>	<u>\$ 150</u>	<u>\$ -0-</u>	<u>\$ 619,580</u>

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. The following is an analysis of the General Fund Balance on the "budgetary basis" as of June 30, 2011 and 2010. The total differs from the Governmental Funds Balance Sheet, which is stated on the "GAAP" basis, by \$3,595.

	2011	2010
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage In accordance with state statute NJSA 18A: 7 F-7 the excess surplus is designated for utilization in succeeding years budgets	\$ 3,502	
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount in excess of allowable percentage appropriated in the succeeding year's budget to reduce tax requirements		\$ 73,055
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	569,580	179,430
Maintenance Reserve Account-Represents funds restricted for required maintenance of school facilities	50,000	50,000
Assigned:		
Designated for Subsequent Year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements	635,351	494,953
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	130,975	72,201
Unassigned:		
Undesignated-represents fund balance which has not been restricted or designated	<u>876,162</u>	<u>674,830</u>
Total Fund Balance	<u>\$ 2,265,570</u>	<u>\$ 1,544,469</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 \$3,502.

**NOTE 16. TEMPORARY NOTES ISSUED**

The District has temporary notes outstanding of \$540,000 on June 30, 2011 as summarized on Schedule F-3. The notes were issued as authorized in the 2003 school addition referendum project. The reason for the note issue is cash flow shortages due to the delayed receipt of state aid approved for this project. As of June 30, 2011, the District has state aid receivable for this project of \$900,879. The difference between the aid receivable and the notes outstanding of \$360,879 equals debt authorized but not issued for the District as of June 30, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 22,145,328		\$ 22,145,328	\$ 22,145,328	
Tuition-Individuals	56,000		56,000	87,350	\$ 31,350
Tuition from Other LEAs Within the State-Regular	443,832		443,832	396,876	(46,956)
Tuition from Other LEAs Within the State-Special	106,491		106,491	123,977	17,486
Transportation Fees from Other LEAs Within/State	16,233		16,233	15,978	(255)
Interest on Investments	10,000		10,000	6,922	(3,078)
Interest Earned on Capital Reserve Funds	100		100	150	50
Building Use Rental Income	37,000		37,000	56,522	19,522
Shared Services Revenue	86,078		86,078	92,438	6,360
Health/Dental Insurance Contributions	173,530		173,530	275,475	101,945
Miscellaneous	15,952		15,952	84,959	69,007
<b>Total</b>	<u>23,090,544</u>	<u>\$ -</u>	<u>23,090,544</u>	<u>23,285,975</u>	<u>195,431</u>
State Sources:					
Categorical Special Education Aid	336,237		336,237	336,237	
Extraordinary Special Education Costs Aid				400,855	400,855
Non Public Transportation Aid				7,653	7,653
Non Public Transportation Aid-Prior Year Difference				1	1
TPAF Wage Freeze Aid				1,433	1,433
On-Behalf TPAF Pension Contribution				742,959	742,959
Reimbursed TPAF Social Security Contribution				789,845	789,845
<b>Total</b>	<u>336,237</u>	<u>-</u>	<u>336,237</u>	<u>2,278,983</u>	<u>1,942,746</u>
<b>TOTAL REVENUES</b>	<u>\$ 23,426,781</u>	<u>\$ -</u>	<u>\$ 23,426,781</u>	<u>\$ 25,564,958</u>	<u>\$ 2,138,177</u>
<b>EXPENDITURES</b>					
Current:					
Regular Program-Instruction:					
Salaries of Teachers:					
Preschool	\$ 131,250	\$ 27,696	\$ 158,946	\$ 158,921	\$ 25
Kindergarten	174,910	47,275	222,185	222,185	
Grades 1-5	3,371,071	81,987	3,453,058	3,448,754	4,304
Grades 6-8	2,509,790	(218,391)	2,291,399	2,290,557	842
Home Instruction:					
Salaries of Teachers	5,000	5,841	10,841	10,841	
Purchased Professional-Educational Services		10,890	10,890	10,889	1
Regular Programs-Undistributed Instruction:					
Other Purchased Services	506,605	(20,298)	486,307	485,766	541
General Supplies	208,857	75,473	284,330	241,588	42,742
Textbooks	16,075	(4,377)	11,698	10,745	953
Other Objects	2,465	15	2,480	2,324	156
<b>Total</b>	<u>6,926,023</u>	<u>6,111</u>	<u>6,932,134</u>	<u>6,882,570</u>	<u>49,564</u>
Special Education:					
Auditory Impairments					
Salaries of Teachers		47,490	47,490	47,490	
General Supplies		150	150	150	
<b>Total</b>	<u>-</u>	<u>47,640</u>	<u>47,640</u>	<u>47,640</u>	<u>-</u>
Resource Room/Center:					
Salaries of Teachers	1,630,380	(66,763)	1,563,617	1,563,572	45
Other Salaries for Instruction	319,601	(247,525)	72,076	67,438	4,638
General Supplies	8,249	(3,289)	4,960	4,526	434
<b>Total</b>	<u>1,958,230</u>	<u>(317,577)</u>	<u>1,640,653</u>	<u>1,635,536</u>	<u>5,117</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Autism:					
Salaries of Teachers	\$ 158,490	\$ 1,375	\$ 159,865	\$ 159,840	\$ 25
Other Salaries for Instruction		90	90	90	
General Supplies	1,500	(215)	1,285	1,046	239
Total	159,990	1,250	161,240	160,976	264
Total Special Education	2,118,220	(268,687)	1,849,533	1,844,152	5,381
Basic Skills/Remedial:					
Salaries of Teachers	292,465	(25,250)	267,215	266,955	260
General Supplies	3,350	(37)	3,313	3,152	161
Total	295,815	(25,287)	270,528	270,107	421
School Sponsored Co/Extra Curricular Activities:					
Salaries		3,890	3,890	3,735	155
Total	-	3,890	3,890	3,735	155
Total Instruction Regular	\$ 9,340,058	\$ (283,973)	\$ 9,056,085	\$ 9,000,564	\$ 55,521
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State-Special	\$ 371,383	\$ (65,193)	\$ 306,190	\$ 296,784	\$ 9,406
Tuition to Private Schools for Disabled					
Within the State	392,287	(69,411)	322,876	259,709	63,167
Total	763,670	(134,604)	629,066	556,493	72,573
Health Services:					
Salaries	229,725	4,050	233,775	231,289	2,486
Purchased Professional & Technical Services	3,500		3,500	3,075	425
Supplies & Materials	9,575	(10)	9,565	9,376	189
Total	242,800	4,040	246,840	243,740	3,100
Speech, OT, PT and Related Services					
Salaries	533,076	1	533,077	533,076	1
Purchased Professional Educational Services	128,000	(5,001)	122,999	116,830	6,169
Supplies & Materials	5,200	200	5,400	5,238	162
Total	666,276	(4,800)	661,476	655,144	6,332
Other Support Services-Students-Extraordinary:					
Salaries	128,051	366,172	494,223	492,717	1,506
Total	128,051	366,172	494,223	492,717	1,506
Guidance:					
Salaries of Other Professional Staff	338,830	55,740	394,570	394,570	
Other Purchased Services	1,250		1,250	282	968
Supplies & Materials	2,000	3,801	5,801	5,596	205
Total	342,080	59,541	401,621	400,448	1,173

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Child Study Team:					
Salaries of Other Professional Staff	\$ 712,135	\$ (6,635)	\$ 705,500	\$ 697,044	\$ 8,456
Salaries of Secretarial & Clerical Assistants	20,000	27,052	47,052	47,051	1
Purchased Professional Educational Services	63,440	(1,776)	61,664	6,475	55,189
Miscellaneous Purchased Services	18,250	507	18,757	5,852	12,905
Supplies & Materials	16,050	(1,732)	14,318	7,947	6,371
Other Objects	14,234		14,234	1,759	12,475
Total	844,109	17,416	861,525	766,128	95,397
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction		56,784	56,784	56,784	
Salaries of Other Professional Staff		1,104	1,104	1,104	
Salaries of Secretarial & Clerical Assistants		23,651	23,651	23,651	
Other Purchased Services		950	950	436	514
Supplies & Materials	100		100		100
Other Objects	200	800	1,000	800	200
Total	300	83,289	83,589	82,775	814
Educational Media Service/School Library:					
Salaries	349,091	16,209	365,300	364,029	1,271
Supplies & Materials	26,675	(102)	26,573	25,807	766
Total	375,766	16,107	391,873	389,836	2,037
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction		56,784	56,784	56,784	
Salaries of Other Professional Staff	376		376		376
Purchased Professional Educational Services	480	38,565	39,045	32,100	6,945
Other Purchased Services	2,000	(1,448)	552	551	1
Supplies & Materials	200	2,761	2,961	2,828	133
Total	3,056	96,662	99,718	92,263	7,455
Support Services-General Administration:					
Salaries	223,186	(98)	223,088	223,086	2
Legal Services	40,000	53,825	93,825	93,825	
Audit Fees	33,000	(6,500)	26,500	26,500	
Architectural/Engineering Services	15,000	12,690	27,690	27,681	9
Other Purchased Professional Services	3,990	41,973	45,963	19,633	26,330
Communications & Telephone	81,840	492	82,332	82,332	
Board of Education Other Purchased Services	2,750	(2,500)	250		250
Miscellaneous Purchased Services	72,429	(8,300)	64,129	64,112	17
General Supplies	1,500	(346)	1,154	1,154	
Board of Education In House Training/ Meeting Supplies	200	3,150	3,350	3,330	20
Judgments Against the School District		2,000	2,000	2,000	
Miscellaneous Expenditures	2,525	(275)	2,250	2,250	
Board of Education Membership Dues & Fees	24,400	(12,002)	12,398	12,143	255
Total	500,820	84,109	584,929	558,046	26,883
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	557,375	(72,458)	484,917	484,793	124
Salaries of Secretarial & Clerical Assistants	283,938	20,909	304,847	304,747	100
Other Purchased Services	70,019	1,074	71,093	70,723	370
Supplies & Materials	24,320	(1,602)	22,718	20,666	2,052
Other Objects	4,420	290	4,710	4,030	680
Total	940,072	(51,787)	888,285	884,959	3,326

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services-Central Services:					
Salaries	\$ 374,195	\$ 10	\$ 374,205	\$ 374,204	\$ 1
Purchased Technical Services		12,455	12,455	12,231	224
Miscellaneous Purchased Services	31,220	(4,353)	26,867	26,746	121
Supplies & Materials	7,100	(2,609)	4,491	3,616	875
Interest on Current Loans	3,000	4,170	7,170	7,168	2
Miscellaneous Expenditures	1,400		1,400	1,370	30
Total	416,915	9,673	426,588	425,335	1,253
Support Services-Administrative Information Technology:					
Salaries	95,000	(14,999)	80,001	80,000	1
Purchased Professional Services	18,960	(14,629)	4,331	3,296	1,035
Other Purchased Services	3,960	7,650	11,610	11,571	39
Supplies & Materials	3,448	3,777	7,225	7,202	23
Other Objects	462	(180)	282	215	67
Total	121,830	(18,381)	103,449	102,284	1,165
Required Maintenance for School Facilities:					
Salaries	103,570	90,270	193,840	190,247	3,593
Cleaning, Repair & Maintenance Services	187,368	(17,425)	169,943	120,836	49,107
General Supplies	81,800	(28,466)	53,334	32,507	20,827
Total	372,738	44,379	417,117	343,590	73,527
Custodial Services:					
Salaries	723,610	(18,056)	705,554	704,652	902
Purchased Professional & Technical Services	16,000	24,545	40,545	39,905	640
Cleaning Repair & Maintenance Services	27,500	28,859	56,359	57,150	(791)
Other Purchased Property Services	69,268	(28,171)	41,097	21,332	19,765
Insurance	113,121	6,860	119,981	119,976	5
Miscellaneous Purchased Services	6,600	(330)	6,270	3,397	2,873
General Supplies	122,750	48,885	171,635	141,147	30,488
Energy (Natural Gas)	260,000		260,000	170,717	89,283
Energy (Electricity)	651,000	(21,863)	629,137	499,200	129,937
Energy (Oil)	12,000	(4,726)	7,274	7,270	4
Total	2,001,849	36,003	2,037,852	1,764,746	273,106
Care and Upkeep of Grounds:					
General Supplies	-	992	992	863	129
Security:					
Cleaning, Repair, and Maintenance Service		5,387	5,387	5,386	1
General Supplies		4,320	4,320	4,158	162
Total	-	9,707	9,707	9,544	163
Student Transportation Services:					
Salaries of Noninstructional Aides		11,881	11,881	9,681	2,200
Salaries for Pupil Transportation (Between Home & School)-Regular	6,381	(20)	6,361	6,220	141
Salaries for Pupil Transportation (Between Home & School)-Special Education	13,881	(7,781)	6,100	5,026	1,074
Management Fee-ESC Transportation Program	30,600	10,590	41,190	41,189	1
Contracted Services (Between Home & School)-Vendors	1,800	19,229	21,029	1,610	19,419
Contracted Services (Other Than Between Home & School)-Vendors		4,045	4,045	4,041	4
Contracted Services (Regular Students)-ESCs	1,463,768	40,585	1,504,353	1,451,853	52,500
Contracted Services (Special Education Students)-ESCs	410,559	(10,000)	400,559	324,071	76,488
Contracted Services-Aid In Lieu of Payments-Nonpublic	140,000	(114,800)	25,200	23,858	1,342
Miscellaneous Purchased Services	3,050		3,050	2,750	300
General Supplies	100		100		100
Other Objects	150		150	60	90
Total	2,070,289	(46,271)	2,024,018	1,870,359	153,659

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	\$ 330,000	\$ (55,255)	\$ 274,745	\$ 259,635	\$ 15,110
Other Retirement Contributions-PERS	265,738	52,603	318,341	316,175	2,166
Other Retirement Contributions-Regular		7,397	7,397	7,397	
Workmen's Compensation	132,694	(2,117)	130,577	130,577	
Health Benefits	3,382,350	46,576	3,428,926	3,407,887	21,039
Tuition Reimbursement	75,000	1,800	76,800	72,051	4,749
Other Employee Benefits	123,100	14,650	137,750	127,001	10,749
Total	<u>4,308,882</u>	<u>65,654</u>	<u>4,374,536</u>	<u>4,320,723</u>	<u>53,813</u>
Food Services:					
Transfers to Cover Deficit	10,000	(10,000)	-	-	-
On-Behalf TPAF Pension Contribution					
				742,959	(742,959)
Reimbursed TPAF Social Security Contribution					
				789,845	(789,845)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,532,804</u>	<u>(1,532,804)</u>
Total Undistributed Expenditures	<u>\$ 14,109,503</u>	<u>\$ 627,901</u>	<u>\$ 14,737,404</u>	<u>\$ 15,492,797</u>	<u>\$ (755,393)</u>
TOTAL CURRENT	<u>\$ 23,449,561</u>	<u>\$ 343,928</u>	<u>\$ 23,793,489</u>	<u>\$ 24,493,361</u>	<u>\$ (699,872)</u>
CAPITAL OUTLAY					
Equipment:					
Grades 1-5		\$ 9,150	\$ 9,150	\$ 9,088	\$ 62
Undistributed Expenditures:					
Administrative Information Technology	\$ 22,793	32,137	54,930	54,929	1
Custodial Services		37,810	37,810	34,651	3,159
Non-Instructional Services		21,185	21,185	21,185	
Total	<u>22,793</u>	<u>100,282</u>	<u>123,075</u>	<u>119,853</u>	<u>3,222</u>
Facilities Acquisitions and Construction Services:					
Other Objects	71,480	-	71,480	71,480	-
TOTAL CAPITAL OUTLAY	<u>\$ 94,273</u>	<u>\$ 100,282</u>	<u>\$ 194,555</u>	<u>\$ 191,333</u>	<u>\$ 3,222</u>
SPECIAL SCHOOLS					
Other Special Schools-Instruction:					
Salaries of Teachers	\$ 67,096	\$ (7,650)	\$ 59,446	\$ 36,913	\$ 22,533
Other Salaries for Instruction	12,000	7,650	19,650	19,650	
Purchased Professional and Technical Services	7,000		7,000	1,643	5,357
General Supplies	1,250		1,250	957	293
Total	<u>87,346</u>	<u>-</u>	<u>87,346</u>	<u>59,163</u>	<u>28,183</u>
TOTAL SPECIAL SCHOOLS	<u>\$ 87,346</u>	<u>\$ -</u>	<u>\$ 87,346</u>	<u>\$ 59,163</u>	<u>\$ 28,183</u>
TOTAL EXPENDITURES	<u>\$ 23,631,180</u>	<u>\$ 444,210</u>	<u>\$ 24,075,390</u>	<u>\$ 24,743,857</u>	<u>\$ (668,467)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (204,399)	\$ (444,210)	\$ (648,609)	\$ 821,101	\$ 1,469,710
Other Financing Sources (Uses):					
Transfers Out-Unemployment Compensation Fund	(363,509)	198,900	(164,609)	(100,000)	64,609

CLINTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (567,908)	\$ (245,310)	\$ (813,218)	\$ 721,101	\$ 1,534,319
Fund Balances, July 1	1,544,469		1,544,469	1,544,469	
Fund Balances, June 30	\$ 976,561	\$ (245,310)	\$ 731,251	\$ 2,265,570	\$ 1,534,319
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (72,201)	\$ (72,201)	\$ (72,201)	
Increase in Capital Reserve	\$ 100	390,050	390,150	390,150	
Budgeted Fund Balance	(568,008)	(563,159)	(1,131,167)	403,152	\$ 1,534,319
TOTAL	\$ (567,908)	\$ (245,310)	\$ (813,218)	\$ 721,101	\$ 1,534,319
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Capital Reserve				\$ 569,580	
Maintenance Reserve				50,000	
Excess Surplus:					
Current Year - Designated for 2012-2013 Budget				3,502	
Committed Fund Balance:					
Year-end Encumbrances				130,975	
					\$ 754,057
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				635,351	
Unassigned Fund Balance				876,162	
Fund Balance Per Budgetary Basis					1,511,513
					2,265,570
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis					(15,768)
Fund Balance Per Governmental Funds (GAAP)					\$ 2,249,802

CLINTON TOWNSHIP SCHOOL DISTRICT  
 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	\$ 71,606		\$ 71,606	\$ 57,919	\$ (13,687)
State Sources	293,757		293,757	249,809	(43,948)
Federal Sources	930,913		930,913	731,633	(199,280)
TOTAL REVENUES	<u>\$ 1,296,276</u>	<u>\$ -</u>	<u>\$ 1,296,276</u>	<u>\$ 1,039,361</u>	<u>\$ (256,915)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 405,545	\$ 4,620	\$ 410,165	\$ 400,195	\$ 9,970
Purchased Professional & Technical Services	211,752	(14,000)	197,752	153,804	43,948
Other Purchased Services	95,274		95,274	88,339	6,935
General Supplies	173,732	55,262	228,994	140,244	88,750
Textbooks	29,159		29,159	29,159	
Total	<u>915,462</u>	<u>45,882</u>	<u>961,344</u>	<u>811,741</u>	<u>149,603</u>
Support Services:					
Salaries	10,000	(9,070)	930	930	
Employee Benefits	2,353	(114)	2,239		2,239
Purchased Professional & Technical Services	212,514	46,585	259,099	161,779	97,320
Cleaning, Repairs & Maintenance Services	15,800		15,800	15,800	
Other Purchased Services	18,884	15,670	34,554	31,183	3,371
Supplies and Materials	22,263	(2,136)	20,127	15,745	4,382
Total	<u>281,814</u>	<u>50,935</u>	<u>332,749</u>	<u>225,437</u>	<u>107,312</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment	99,000	(96,817)	2,183	2,183	-
TOTAL EXPENDITURES	<u>\$ 1,296,276</u>	<u>\$ -</u>	<u>\$ 1,296,276</u>	<u>\$ 1,039,361</u>	<u>\$ 256,915</u>

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION**

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 25,564,958	\$ 1,039,361
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		3,057
Outstanding Encumbrances-Current Year		(8,074)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	153,449	
State Aid Receivable Current Year	(15,768)	
Total Revenues (GAAP Basis)	<u>\$ 25,702,639</u>	<u>\$ 1,034,344</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 24,743,857	\$ 1,039,361
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances-Prior Year		3,057
Outstanding Encumbrances-Current Year		(8,074)
Total Expenditures (GAAP Basis)	<u>\$ 24,743,857</u>	<u>\$ 1,034,344</u>

**OTHER SUPPLEMENTAL INFORMATION**

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>NCLB Title I</u>	<u>NCLB Title IIA</u>	<u>NCLB Title IID</u>	<u>NCLB Title IV</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ARRA IDEA Basic</u>	<u>NJ BPU Energy Audit</u>	<u>NJ Nonpublic</u>	<u>Local Grants</u>	<u>Totals</u>
REVENUES											
Local Sources										\$ 57,919	\$ 57,919
State Sources								\$ 32,295	\$ 217,514		249,809
Federal Sources	\$ 20,582	\$ 26,652	\$ 41	\$ 712	\$ 385,653	\$ 14,319	\$ 283,674				731,633
<b>TOTAL REVENUES</b>	<b>\$ 20,582</b>	<b>\$ 26,652</b>	<b>\$ 41</b>	<b>\$ 712</b>	<b>\$ 385,653</b>	<b>\$ 14,319</b>	<b>\$ 283,674</b>	<b>\$ 32,295</b>	<b>\$ 217,514</b>	<b>\$ 57,919</b>	<b>\$ 1,039,361</b>
EXPENDITURES											
Instruction:											
Salaries	\$ 19,301				\$ 360,455	\$ 14,319	\$ 6,120				\$ 400,195
Purchased Professional and Technical Services									\$ 153,804		153,804
Other Purchased Services							88,339				88,339
General Supplies	1,281	\$ 6,259					91,860			\$ 40,844	140,244
Textbooks									29,159		29,159
<b>Totals</b>	<b>20,582</b>	<b>6,259</b>	<b>\$ -</b>	<b>\$ -</b>	<b>360,455</b>	<b>14,319</b>	<b>186,319</b>	<b>\$ -</b>	<b>182,963</b>	<b>40,844</b>	<b>811,741</b>
Support Services:											
Salaries							930				930
Purchased Professional and Technical Services		15,798		643	25,198		53,294	32,295	34,551		161,779
Cleaning, Repairs and Maintenance										15,800	15,800
Other Purchased Services		3,530	41				27,050			562	31,183
Supplies and Materials		1,065		69			13,898			713	15,745
<b>Total</b>	<b>-</b>	<b>20,393</b>	<b>41</b>	<b>712</b>	<b>25,198</b>	<b>-</b>	<b>95,172</b>	<b>32,295</b>	<b>34,551</b>	<b>17,075</b>	<b>225,437</b>
Facilities Acquisition and Construction Services:											
Instructional Equipment	-	-	-	-	-	-	2,183	-	-	-	2,183
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,582</b>	<b>\$ 26,652</b>	<b>\$ 41</b>	<b>\$ 712</b>	<b>\$ 385,653</b>	<b>\$ 14,319</b>	<b>\$ 283,674</b>	<b>\$ 32,295</b>	<b>\$ 217,514</b>	<b>\$ 57,919</b>	<b>\$ 1,039,361</b>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/11
			Prior Years	Current Year	
Renovations to the Three Existing Elementary Schools and the Acquisition, Construction and Equipping of a New Middle School	04/07/03	\$ 39,522,182	\$ 39,275,710	\$ 97,881	\$ 148,591
Roof Repairs for the Four District Schools	07/18/03	1,309,417	1,032,569		276,848
		<u>\$ 40,831,599</u>	<u>\$ 40,308,279</u>	<u>\$ 97,881</u>	<u>\$ 425,439</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources:	
Local Sources-Interest Earnings	\$ 86
Total Revenues	<u>86</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	65,633
Construction Services	19,038
Other Supplies	1,910
Equipment & Furniture Purchases	5,450
Fees & Permits	5,850
Transfers to Debt Service Fund 40	86
Total Expenditures	<u>97,967</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,881)
Fund Balance-Beginning	<u>523,320</u>
Fund Balance-Ending	<u>\$ 425,439</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	<u>\$ 425,439</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 425,439</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS-BUDGETARY BASIS  
ROOF REPAIRS FOR THE FOUR DISTRICT SCHOOLS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SCC Grant	\$ 309,417		\$ 309,417	\$ 388,684
Voter Approved Change of Purpose	1,000,000		1,000,000	643,885
Total Revenues	<u>1,309,417</u>	<u>\$ -</u>	<u>1,309,417</u>	<u>1,032,569</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	17,569		17,569	17,569
Construction Services	1,015,000		1,015,000	1,015,000
Total Expenditures	<u>1,032,569</u>	<u>-</u>	<u>1,032,569</u>	<u>1,032,569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 276,848</u>	<u>\$ -</u>	<u>\$ 276,848</u>	<u>\$ -</u>

Additional Project Information:

Project Number	SP#203130
Project Number	SP#203131
Project Number	SP#203132
Grant Date	07/18/03
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,736,471
Reduced Authorized Cost	\$ (703,902)
Revised Authorized Cost	\$ 1,032,569
Percentage Completion	100%

CLINTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES  
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS  
RENOVATIONS TO THE THREE EXISTING ELEMENTARY SCHOOLS AND THE  
ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW MIDDLE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Bond Proceeds	\$ 32,259,000		\$ 32,259,000	\$ 32,259,000
State Sources-SCC Grant	7,262,867		7,262,867	7,262,867
Local Sources	315		315	315
<b>Total Revenues</b>	<b>39,522,182</b>	<b>\$ -</b>	<b>39,522,182</b>	<b>39,522,182</b>
<b>Expenditures and Other Financing Uses:</b>				
Land Purchase	3,224,134		3,224,134	3,224,134
Purchased Professional & Technical Services	3,393,328	65,633	3,458,961	3,478,961
Insurance	28,085		28,085	28,085
Construction Services	31,428,318	19,038	31,447,356	31,575,947
Land Improvements-Parking Lot	101,690		101,690	101,690
Utility Service Relocation	44,610		44,610	44,610
Water & Sewer Connection Fees	73,680		73,680	73,680
Real Estate Rollback Taxes	104,593		104,593	104,593
Equipment & Furniture Purchases	678,144	5,450	683,594	683,594
Food Service Kitchen Supplies	7,028		7,028	7,028
Other Supplies		1,910	1,910	1,910
Fees & Permits	192,100	5,850	197,950	197,950
<b>Total Expenditures</b>	<b>39,275,710</b>	<b>97,881</b>	<b>39,373,591</b>	<b>39,522,182</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 246,472</b>	<b>\$ (97,881)</b>	<b>\$ 148,591</b>	<b>\$ -</b>

Additional Project Information:

Project Number	0920-030-03-1109
Project Number	0920-035-03-1110
Project Number	0920-040-03-1111
Project Number	0920-N01-03-1112
Grant Date	04/07/03
Bond Authorized Date	07/01/03
Bonds Authorized	\$ 39,522,182
Bonds Issued	\$ 32,259,000
Original Authorized Cost	\$ 39,522,182
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 39,522,182
Percentage Complete	99.62%

CLINTON TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF TEMPORARY NOTES PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Issue	Original Date of Issue	Original Amount of Issue	Issue Date	Maturity Date	Interest Rate	Balance 07/01/10	Issued	Redeemed	Balance 06/30/11
School Construction and Renovations-2003 Project	08/08/06	\$ 7,194,675	06/03/10	10/01/10	1.90%	\$ 540,000		\$ 540,000	
			09/30/10	01/28/11	2.15%		\$ 540,000	540,000	
			01/27/11	07/27/11	2.45%		540,000		\$ 540,000
						<u>\$ 540,000</u>	<u>\$ 1,080,000</u>	<u>\$ 1,080,000</u>	<u>\$ 540,000</u>

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
FOOD SERVICE ENTERPRISE FUND  
JUNE 30, 2011

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 7,313
Receivables from Other Governments:	
State	627
Federal	3,612
Accounts Receivable-Other	175
Inventory	3,442
Total Current Assets	<u>15,169</u>
Non-current Assets:	
Capital Assets	153,454
Less: Accumulated Depreciation	139,365
Total Noncurrent Assets	<u>14,089</u>
Total Assets	<u>29,258</u>
LIABILITIES	
Current Liabilities:	
Due to Other Funds	1,411
Accounts Payable	440
Deferred Revenues	1,174
Total Liabilities	<u>3,025</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	14,089
Unrestricted	<u>12,144</u>
TOTAL NET ASSETS	<u>\$ 26,233</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 319,694
Daily Sales-Unreimbursable Programs	109,313
Total Operating Revenues	429,007
Other Expenses:	
Salaries	176,672
Employee Benefits	43,643
Purchased Property Services (Repairs)	10,387
Insurance	2,772
Management Fee	15,000
Other Purchased Services	2,151
Supplies and Materials	22,597
Depreciation	7,624
Costs of Sales	203,193
Miscellaneous	1,111
Total Operating Expenses	485,150
Operating Income (Loss)	(56,143)
Non-operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	5,202
Federal Sources:	
National School Lunch Program	51,603
Food Donation Program	3,823
Interest Earned on Investments	35
Total Non-operating Revenues (Expenses)	60,663
Other Financing Sources (Uses):	
Gain on Transfer In of Equipment from General Fund:	
Capital Assets Cost	153,454
Less: Capital Assets Accumulated Depreciation	131,741
Total Other Financing Sources (Uses)	21,713
Change in Net Assets	26,233
Net Assets, Beginning	-
Net Assets, Ending	\$ 26,233

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 429,568
Payments to Food Service Management Company	(461,405)
Payments to Vendors (Net)	(14,862)
Net Cash Provided by (Used For) Operating Activities	(46,699)
Cash Flows from Noncapital Financing Activities:	
State Sources	4,575
Federal Sources	47,991
General Fund Interfund Activity	1,411
Net Cash Provided by (Used For) Noncapital Financing Activities	53,977
Cash Flows from Investing Activities:	
Interest Earned on Investments	35
Net Increase (Decrease) in Cash and Cash Equivalents	7,313
Cash and Cash Equivalents, July 1	-
Cash and Cash Equivalents, June 30	\$ 7,313
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (56,143)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	7,624
Federal Food Distribution Program	3,823
(Increase) Decrease in Accounts Receivable	(175)
(Increase) Decrease in Inventory	(3,442)
Increase (Decrease) in Account Payable	440
Increase (Decrease) in Deferred Revenue	1,174
Net Cash Provided by (Used For) Operating Activities	\$ (46,699)

## **FIDUCIARY FUND**

### **DETAIL STATEMENTS**

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 90,616	\$ 110,722	\$ 480,954	\$ 682,292
Due from Other Funds			756	756
Accounts Receivable-Other		2,400		2,400
<b>Total Assets</b>	<u>90,616</u>	<u>113,122</u>	<u>481,710</u>	<u>685,448</u>
<b>LIABILITIES</b>				
Due to Other Funds	756			756
Accounts Payable	28,781			28,781
Accumulated Interest			10	10
Due to Student Groups		113,122		113,122
Payroll Deductions & Withholdings			481,700	481,700
<b>Total Liabilities</b>	<u>29,537</u>	<u>113,122</u>	<u>481,710</u>	<u>624,369</u>
<b>NET ASSETS</b>				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 61,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,079</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 23,758
Investment Earnings:	
Interest	98
Total Additions	<u>23,856</u>
DEDUCTIONS	
Unemployment Claims	<u>137,463</u>
Total Deductions	<u>137,463</u>
Other Financing Sources (Uses):	
Transfers In from the General Fund	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>100,000</u>
Change in Net Assets	(13,607)
Net Assets, Beginning of the Year	<u>74,686</u>
Net Assets, End of the Year	<u><u>\$ 61,079</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 93,298	\$ 267,651	\$ 250,227	\$ 110,722
Accounts Receivable-Other		2,400		2,400
<b>TOTAL ASSETS</b>	<b>\$ 93,298</b>	<b>\$ 270,051</b>	<b>\$ 250,227</b>	<b>\$ 113,122</b>
<b>LIABILITIES</b>				
Due to Student Groups:				
Spruce Run School	\$ 7,041	\$ 9,786	\$ 8,083	\$ 8,744
Patrick McGaheran School	6,231	16,123	13,705	8,649
Round Valley School	11,336	42,644	38,905	15,075
Clinton Township Middle School	68,690	201,498	189,534	80,654
<b>TOTAL LIABILITIES</b>	<b>\$ 93,298</b>	<b>\$ 270,051</b>	<b>\$ 250,227</b>	<b>\$ 113,122</b>

CLINTON TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 485,501	\$ 15,588,165	\$ 15,592,712	\$ 480,954
Due from Other Funds		756		756
<b>TOTAL ASSETS</b>	<u>\$ 485,501</u>	<u>\$ 15,588,921</u>	<u>\$ 15,592,712</u>	<u>\$ 481,710</u>
<b>LIABILITIES</b>				
Due to Other Funds		\$ 24,514	\$ 24,514	
Accumulated Interest	\$ 46	713	749	\$ 10
Payroll Deductions & Withholdings	479,291	7,000,022	7,003,777	475,536
Net Payroll	6,164	8,563,672	8,563,672	6,164
<b>TOTAL LIABILITIES</b>	<u>\$ 485,501</u>	<u>\$ 15,588,921</u>	<u>\$ 15,592,712</u>	<u>\$ 481,710</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

CLINTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/10	Issued	Retired	Balance 06/30/11
			Date	Amount					
Refunding of 1993 & 1995 Issues	09/15/2003	\$ 7,000,000				\$ 1,140,000		\$ 1,140,000	
Renovations Upgrades to Spruce Run, Patrick McGaheran & Round Valley Schools, Acquisition of Land & Construction & Furnishing of a New Middle School	12/01/2003	32,259,000	01/15/2012	\$ 825,000	4.00%				
			01/15/2024	365,000	4.50%				
			01/15/2025	1,430,000					
			01/15/2026	1,500,000					
			01/15/2027	1,575,000					
			01/15/2028	1,655,000	4.55%				
			01/15/2029	1,735,000	4.60%				
	01/15/2030	1,820,000				23,660,000	12,755,000	\$ 10,905,000	

CLINTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2011  
(Continued)

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/10	Issued	Retired	Balance 06/30/11
			Date	Amount					
2006 Refunding of 2003 Issue	09/6/2006	\$ 8,830,000	01/15/2012-						
			01/15/2015	\$ 20,000	4.00%				
			01/15/2016-						
			01/15/2017	20,000	4.10%				
			01/15/2018-						
			01/15/2022	25,000					
			01/15/2023-						
			01/15/2026	30,000					
			01/15/2027-						
			01/15/2030	35,000	4.35%				
			01/15/2031	1,950,000					
			01/15/2032	2,030,000					
			01/15/2033	2,110,000					
01/15/2034	2,190,000		\$ 8,800,000	\$ 15,000	\$ 8,785,000				
2011 Refunding of 2003 Issue	06/30/2011	12,100,000	01/15/2012	195,000	3.00%				
			01/15/2013	815,000					
			01/15/2014	835,000					
			01/15/2015	860,000					
			01/15/2016	890,000	4.00%				
			01/15/2017	925,000					
			01/15/2018	965,000	5.00%				
			01/15/2019	1,015,000					
			01/15/2020	1,070,000					
			01/15/2021	1,130,000					
			01/15/2022	1,190,000					
			01/15/2023	1,255,000					
			01/15/2024	955,000					
				\$ 12,100,000		12,100,000			
			\$ 33,600,000	\$ 12,100,000	\$ 13,910,000	\$ 31,790,000			

Analysis of Amount Retired	
Defeasance of 2003 Bonds	\$ 12,630,000
Paid from Budget Appropriation	1,280,000
	<u>\$ 13,910,000</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2011

	Interest Rate	Amount of Original Issue	Balance 07/01/10	Issued Current Year	Retired Current Year	Balance 06/30/11
Ford F-250 Truck	6.55%	\$ 27,274	\$ 11,222		\$ 5,433	\$ 5,789
Apple Laptop Computers and Servers	5.38%	21,345	5,505		5,505	
Various Network Switches and Audio/Video Equipment	4.45%	83,897	21,529		21,529	
			<u>\$ 38,256</u>	<u>\$ -</u>	<u>\$ 32,467</u>	<u>\$ 5,789</u>

CLINTON TOWNSHIP 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	\$ 2,732,796		\$ 2,732,796	\$ 2,732,796	
Total Revenues	<u>2,732,796</u>	<u>\$ -</u>	<u>2,732,796</u>	<u>2,732,796</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	1,460,039		1,460,039	1,460,039	
Redemption of Principal	1,280,000		1,280,000	1,280,000	
Total Expenditures	<u>2,740,039</u>	<u>-</u>	<u>2,740,039</u>	<u>2,740,039</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,243)		(7,243)	(7,243)	
Other Financing Sources (Uses):					
Transfers In from Capital Projects Fund				86	86
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>86</u>	<u>86</u>
Net Change in Fund Balance	(7,243)		(7,243)	(7,157)	86
Fund Balance, July 1	<u>8,058</u>	<u>-</u>	<u>8,058</u>	<u>8,058</u>	
Fund Balance, June 30	<u>\$ 815</u>	<u>\$ -</u>	<u>\$ 815</u>	<u>\$ 901</u>	<u>\$ 86</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (7,243)</u>	<u>\$ -</u>	<u>\$ (7,243)</u>	<u>\$ (7,157)</u>	<u>\$ 86</u>

**STATISTICAL SECTION**

CLINTON TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

CLINTON TOWNSHIP SCHOOL DISTRICT  
 NET ASSETS BY COMPONENT  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENT ACTIVITIES</b>									
Invested in Capital Assets, Net of Related Debt	\$ 13,792,360	\$ 14,387,177	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,723,435
Restricted	75,582	378,627	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276
Unrestricted	(752,402)	(1,032,607)	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(369,994)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS</b>	<b>\$ 13,115,540</b>	<b>\$ 13,733,197</b>	<b>\$ 14,925,553</b>	<b>\$ 19,768,682</b>	<b>\$ 22,998,317</b>	<b>\$ 23,745,299</b>	<b>\$ 24,598,093</b>	<b>\$ 24,444,504</b>	<b>\$ 25,078,717</b>
<b>BUSINESS-TYPE ACTIVITIES</b>									
Invested in Capital Assets, Net of Related Debt									\$ 14,089
Unrestricted									12,144
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,233</b>
<b>DISTRICT-WIDE</b>									
Invested in Capital Assets, Net of Related Debt	\$ 13,792,360	\$ 14,387,177	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,737,524
Restricted	75,582	378,627	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276
Unrestricted	(752,402)	(1,032,607)	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(357,850)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 13,115,540</b>	<b>\$ 13,733,197</b>	<b>\$ 14,925,553</b>	<b>\$ 19,768,682</b>	<b>\$ 22,998,317</b>	<b>\$ 23,745,299</b>	<b>\$ 24,598,093</b>	<b>\$ 24,444,504</b>	<b>\$ 25,104,950</b>

CLINTON TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>EXPENSES</b>									
Governmental Activities:									
Instruction:									
Regular	\$ 7,692,523	\$ 8,004,052	\$ 8,693,496	\$ 8,918,661	\$ 9,584,955	\$ 10,475,635	\$ 10,043,370	\$ 10,217,601	\$ 10,295,742
Special Education	2,340,038	2,799,055	2,713,146	2,779,702	3,540,796	3,291,525	3,484,836	3,416,750	3,299,597
Other Special Education	255,484	224,729	245,349	188,731	309,989	277,501	401,992	338,861	429,705
Other Instruction	92,280	115,492	96,422	94,879	79,135	97,082	166,473	165,740	52,817
Support Services:									
Tuition	115,151	215,138	202,719	363,353	551,591	578,004	616,096	740,675	644,832
Student & Instruction Related Services	3,195,189	2,921,534	2,851,740	3,534,810	3,553,613	4,312,277	4,283,237	4,969,819	4,866,959
General & Business Administrative Services	967,808	1,054,060	1,472,117	1,711,993	1,835,510	1,574,369	1,466,054	1,508,265	1,572,965
School Administration	873,312	931,028	1,015,939	1,032,402	1,145,778	1,278,280	1,313,750	1,410,570	1,340,834
Plant Operations & Maintenance	1,952,195	1,884,481	2,078,819	2,011,351	2,189,848	2,870,477	2,875,907	2,828,358	2,579,451
Pupil Transportation	1,558,806	1,514,293	1,582,651	1,747,694	1,884,304	1,851,610	1,933,904	2,028,437	1,887,008
Food Services	14,362	15,257	18,210	17,063	21,317	32,126	28,885	32,154	89,858
Special Schools				81,173		135,775	191,750	234,564	
Transfer to Charter Schools				16,703					
Interest on Long Term Debt	508,105	1,287,907	1,805,606	1,746,451	1,924,428	1,799,686	1,624,627	1,495,883	1,266,814
Total Governmental Activities Expenses	19,565,253	20,967,026	22,776,214	24,244,966	26,621,264	28,574,347	28,430,881	29,387,677	28,326,582
Business-Type Activities:									
Food Services									485,150
Total Business-Type Activities	-	-	-	-	-	-	-	-	485,150
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 19,565,253</b>	<b>\$ 20,967,026</b>	<b>\$ 22,776,214</b>	<b>\$ 24,244,966</b>	<b>\$ 26,621,264</b>	<b>\$ 28,574,347</b>	<b>\$ 28,430,881</b>	<b>\$ 29,387,677</b>	<b>\$ 28,811,732</b>

CLINTON TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30.								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PROGRAM REVENUES</b>									
Governmental Activities:									
Charges for Services:									
Regular Instruction	\$ 234,664	\$ 275,156	\$ 211,848	\$ 258,615	\$ 235,926	\$ 414,764	\$ 415,117	\$ 426,432	\$ 484,226
Special Education			4,035	41,395	86,936		86,190	31,666	123,977
Other Instruction						7,667			46,806
Other Support Services- Tuition			1,330						
Student & Instructional Related Services	64,455	70,742	53,182	100				48,583	51,253
General & Business Administrative Services	150	117	11	93	273	1,825	83,074	38,777	39,878
Plant Operations & Maintenance	13,926	41,071	87,119	96,801	109,077	98,525	117,669	83,487	58,657
Pupil Transportation	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	19,784
Special Schools				64,900					
Operating Grants & Contributions	595,793	557,914	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344
Capital Grants & Contributions		309,417	31,645	3,356,417	3,653,616	119,127	102,062		
Total Governmental Activities Program Revenues	<u>918,822</u>	<u>1,274,663</u>	<u>979,691</u>	<u>4,467,318</u>	<u>4,706,891</u>	<u>1,393,538</u>	<u>1,589,263</u>	<u>1,600,292</u>	<u>1,858,925</u>
Business-Type Activities:									
Charges for Services:									
Food Service									429,007
Operating Grants & Contributions									60,628
Total Business-Type Activities Program Revenues	-	-	-	-	-	-	-	-	<u>489,635</u>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<u>\$ 918,822</u>	<u>\$ 1,274,663</u>	<u>\$ 979,691</u>	<u>\$ 4,467,318</u>	<u>\$ 4,706,891</u>	<u>\$ 1,393,538</u>	<u>\$ 1,589,263</u>	<u>\$ 1,600,292</u>	<u>\$ 2,348,560</u>
<b>NET (EXPENSE) REVENUES</b>									
Governmental Activities	\$ (18,646,431)	\$ (19,692,363)	\$ (21,796,523)	\$ (19,777,648)	\$ (21,914,373)	\$ (27,180,809)	\$ (26,841,618)	\$ (27,787,385)	\$ (26,467,657)
Business-Type Activities									4,485
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<u>\$ (18,646,431)</u>	<u>\$ (19,692,363)</u>	<u>\$ (21,796,523)</u>	<u>\$ (19,777,648)</u>	<u>\$ (21,914,373)</u>	<u>\$ (27,180,809)</u>	<u>\$ (26,841,618)</u>	<u>\$ (27,787,385)</u>	<u>\$ (26,463,172)</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET ASSETS</b>									
Governmental Activities:									
Property Taxes Levied for General Purposes	\$ 14,879,975	\$ 15,875,300	\$ 16,793,105	\$ 17,547,401	\$ 18,273,534	\$ 21,122,013	\$ 21,102,628	\$ 21,533,969	\$ 22,145,328
Property Taxes Levied for Debt Service	2,087,630	1,638,495	1,635,674	3,067,929	3,064,645	2,717,581	2,987,434	2,600,256	2,732,796
Unrestricted Grants & Contributions	2,251,759	2,579,375	2,650,643	2,871,828	3,603,834	3,755,960	3,398,695	3,384,872	2,416,664
Investment Earnings	31,480	153,550	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158
Miscellaneous Income	5,759	53,207	27,338	33,601	86,698	38,971	182,299	247,523	440,747
Transfers Out			(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)
Special Item-Prior Year Accounts Receivable Cancelled	(7,403)		1,163,376						
Special Item-Gain/(Loss) on Deletion of Assets		100			12,136	(12,324)	(1,524)		
Special Item-Gain/(Loss) on Transfer of Assets									(21,713)
Special Item-Payment to Refunding Bond Agent					(436,726)				(519,110)
<b>Total Governmental Activities</b>	<b>19,249,200</b>	<b>20,300,027</b>	<b>22,989,679</b>	<b>24,620,777</b>	<b>25,144,008</b>	<b>27,927,791</b>	<b>27,694,412</b>	<b>27,633,796</b>	<b>27,101,870</b>
Business-Type Activities:									
Investment Earnings									35
Special Item-Gain/(Loss) on Transfer of Assets									21,713
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,748</b>
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 19,249,200</b>	<b>\$ 20,300,027</b>	<b>\$ 22,989,679</b>	<b>\$ 24,620,777</b>	<b>\$ 25,144,008</b>	<b>\$ 27,927,791</b>	<b>\$ 27,694,412</b>	<b>\$ 27,633,796</b>	<b>\$ 27,123,618</b>
<b>CHANGE IN NET ASSETS</b>									
Governmental Activities	\$ 602,769	\$ 607,664	\$ 1,193,156	\$ 4,843,129	\$ 3,229,635	\$ 746,982	\$ 852,794	\$ (153,589)	\$ 634,213
Business-Type Activities									26,233
<b>TOTAL DISTRICT</b>	<b>\$ 602,769</b>	<b>\$ 607,664</b>	<b>\$ 1,193,156</b>	<b>\$ 4,843,129</b>	<b>\$ 3,229,635</b>	<b>\$ 746,982</b>	<b>\$ 852,794</b>	<b>\$ (153,589)</b>	<b>\$ 660,446</b>

CLINTON TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST NINE FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Reserved	\$ 10,046	\$ 2,934	\$ 134,605	\$ 125,310	\$ 222,991	\$ 483,109	\$ 205,627	\$ 374,686	\$ 754,057
Unreserved	101,427	447,009	451,226	935,163	450,869	789,560	1,128,376	1,016,334	1,495,745
Total General Fund	<u>\$ 111,473</u>	<u>\$ 449,943</u>	<u>\$ 585,831</u>	<u>\$ 1,060,473</u>	<u>\$ 673,860</u>	<u>\$ 1,272,669</u>	<u>\$ 1,334,003</u>	<u>\$ 1,391,020</u>	<u>\$ 2,249,802</u>
All Other Governmental Funds:									
Reserved, Reported In:									
Capital Projects Fund	\$ 1,026,839	\$ 134,041		\$ 14,139,147	\$ 943,388	\$ 106,168	\$ 18,100		\$ 10,517
Unreserved, Reported In:									
Special Revenue Fund	(3,995)								
Capital Projects Fund	59,181	31,737,852	\$ 27,692,395	(614,131)	1,305,250	445,957	534,397	\$ 523,320	414,922
Debt Service Fund	6	20,314	57,879	677,551	747,066	286,905	207,382	8,058	901
Total All Other Governmental Funds	<u>\$ 1,082,031</u>	<u>\$ 31,892,207</u>	<u>\$ 27,750,274</u>	<u>\$ 14,202,567</u>	<u>\$ 2,995,704</u>	<u>\$ 839,030</u>	<u>\$ 759,879</u>	<u>\$ 531,378</u>	<u>\$ 426,340</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Tax Levy	\$ 16,123,890	\$ 16,967,605	\$ 17,513,795	\$ 18,428,779	\$ 20,615,330	\$ 21,338,179	\$ 23,839,594	\$ 24,090,062	\$ 24,134,225	\$ 24,878,124
Tuition Charges	198,871	220,498	274,898	211,048	258,615	235,926	414,764	501,307	458,098	608,203
Transportation Fees	9,834	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	15,978
Interest Earnings	64,345	31,480	153,550	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158
Miscellaneous	12,759	10,438	69,071	50,578	21,161	20,518	81,192	314,343	422,640	562,296
State Sources	2,157,662	2,422,422	2,743,178	2,801,783	3,081,396	3,810,300	3,986,730	3,703,713	3,664,102	2,666,473
State Sources- Capital Projects			309,417	31,645	3,356,417	3,653,616	119,127	102,062		
Federal Sources	235,052	448,274	382,703	424,005	419,416	399,656	442,214	432,002	622,422	731,633
<b>Total Revenues</b>	<b>18,802,413</b>	<b>20,110,551</b>	<b>21,466,858</b>	<b>22,688,135</b>	<b>28,864,353</b>	<b>30,009,082</b>	<b>29,215,611</b>	<b>29,204,169</b>	<b>29,330,580</b>	<b>29,469,865</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,842,497	5,795,387	5,859,015	6,512,224	6,505,462	6,520,666	6,768,244	7,133,712	6,994,248	6,882,570
Special Education Instruction	1,624,827	1,658,550	1,861,696	2,016,790	1,945,237	2,401,497	2,224,565	2,460,601	2,039,225	1,844,152
Other Special Instruction	186,437	196,005	166,461	186,888	158,096	215,185	221,028	278,481	233,327	270,107
School Sponsored/Other Instructional	94,048	77,186	86,681	73,780	80,998	57,673	75,609	118,432	112,630	3,735
<b>Support Services:</b>										
Tuition	132,424	98,826	110,545	50,742	98,034	551,591	578,004	616,096	692,865	556,493
Student & Inst Related Services	2,026,587	2,142,490	2,108,809	1,975,158	2,474,365	2,186,598	2,677,087	2,737,918	3,324,588	3,123,051
General Administration	421,038	444,777	589,086	580,049	681,972	592,188	637,450	543,258	535,962	558,046
School Administration Services	651,092	686,840	694,889	712,508	719,616	846,082	937,436	951,734	1,013,008	884,959
Central Services	364,272	366,268	377,403	350,684	412,714	387,425	367,992	439,975	424,616	425,335
Administrative Information Technology				206,776	295,992	351,404	257,582	158,753	122,012	102,284
Plant Operations & Maintenance	1,561,983	1,687,778	1,645,452	1,774,030	1,647,376	1,763,905	2,381,484	2,428,324	2,347,758	2,118,743
Pupil Transportation	1,364,864	1,507,245	1,518,732	1,584,276	1,740,541	1,874,888	1,843,013	1,925,189	2,019,941	1,870,359
Employee Benefits	1,758,350	2,149,217	2,552,147	2,490,432	2,959,337	3,334,055	3,455,706	3,743,903	3,984,681	4,320,723
Food Service	7,310	4,476	5,282	7,619	6,572	10,858	14,900	19,102	22,392	
On-Behalf TPAF Pension & Social Security Contribution	647,478	887,397	1,028,003	1,087,732	1,279,335	1,940,221	2,037,056	1,469,916	1,518,172	1,532,804
Capital Outlay	3,340	124,313	13,654	18,593	81,218	49,725	389,729	104,220	24,483	119,853
Lease Purchase Agreement-Principal	17,042	18,275	18,683							
Special Schools					15,651		108,902	135,731	161,276	59,163
Transfer of Funds to Charter Schools					16,703					
Special Revenue Funds	364,918	625,328	560,406	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344
Capital Projects Fund	285,135	263,411	2,072,906	4,445,490	17,088,959	15,077,572	1,843,402	101,690	29,177	259,437
<b>Debt Service:</b>										
Principal	1,474,800	1,576,800	1,234,800	1,294,799	1,329,800	1,354,800	1,279,799	1,439,800	1,245,000	1,280,000
Interest & Other Charges	590,915	513,830	383,387	1,984,335	1,758,443	1,687,384	2,065,909	1,634,400	1,555,395	1,531,519
<b>Total Expenditures</b>	<b>19,419,357</b>	<b>20,824,399</b>	<b>22,888,037</b>	<b>27,933,426</b>	<b>41,935,418</b>	<b>41,814,780</b>	<b>30,900,127</b>	<b>29,206,586</b>	<b>29,356,125</b>	<b>28,777,677</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(616,944)	(713,848)	(1,421,179)	(5,245,291)	(13,071,065)	(11,805,698)	(1,684,516)	(2,417)	(25,545)	692,188
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non Budgeted)							132,516			
Prior Year Receivable Cancelled	(892)	(7,403)								
Bond Issue Proceeds			32,259,000							
Premium on Bonds and Notes			310,725							
Proceeds from Refunding Bond Issue						140,358	4,135	600		1,210,666
Payment to Refunding Bond Escrow Agent						8,830,000				12,100,000
Proceeds from Deletion of Capital Assets			100	1,250,000		(8,775,726)				(13,149,110)
Transfers In (Out)				(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(892)</b>	<b>(7,403)</b>	<b>32,569,825</b>	<b>1,239,246</b>	<b>(2,000)</b>	<b>212,222</b>	<b>126,651</b>	<b>(15,400)</b>	<b>(145,939)</b>	<b>61,556</b>
<b>Net Change in Fund Balances</b>	<b>\$ (617,836)</b>	<b>\$ (721,251)</b>	<b>\$ 31,148,646</b>	<b>\$ (4,006,045)</b>	<b>\$ (13,073,065)</b>	<b>\$ (11,593,476)</b>	<b>\$ (1,557,865)</b>	<b>\$ (17,817)</b>	<b>\$ (171,484)</b>	<b>\$ 753,744</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>12.22%</b>	<b>11.51%</b>	<b>8.54%</b>	<b>16.24%</b>	<b>14.25%</b>	<b>12.87%</b>	<b>13.21%</b>	<b>11.86%</b>	<b>10.57%</b>	<b>10.99%</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, lease purchase agreement-principal, capital projects fund, and debt service.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services

CLINTON TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Interest Income	\$ 30,821	\$ 19,709	\$ 38,878	\$ 64,925	\$ 172,319	\$ 184,357	\$ 151,759	\$ 34,237	\$ 12,300	\$ 7,072
Tuition	198,871	220,498	274,898	211,048	258,615	235,926	414,764	501,307	458,098	608,203
Transportation Fees	9,834	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	15,978
Shared Service Charges from Other LEA's								83,000	86,320	92,438
Employee Contributions for Health Benefits									203,360	275,475
Book Fines	249	483								
Building Use Rental Income		400	20,895	40,400			10,000	47,374	60,987	56,523
E-Rate Telephone Rebates								10,394	8,712	56,073
Donations		1,000					5,603	43,012		
Payroll Account Balances	2,322				2,138			10	645	
Prior Year Refunds	1,107	5,395	22,901		3,071	8,638	2,417	120	838	17,033
Prior Year Accounts Payable Canceled							325	31,932	6,439	3,370
Prior Year Outstanding Checks Canceled	3,531	409		4,784	4,711	6,489		5,246	600	73
Prior Year Insurance Claims										3,706
Sale of Assets								37,659		
Student Activity Ski Club Stipends								12,600		
Insurance Rebates								11,793		3,321
Miscellaneous Refunds	81	355								700
Miscellaneous Other	568		11,375	18	1,228	450	286	2,872	1,022	682
<b>Annual Totals</b>	<b>\$ 247,384</b>	<b>\$ 258,083</b>	<b>\$ 389,193</b>	<b>\$ 331,175</b>	<b>\$ 452,082</b>	<b>\$ 445,860</b>	<b>\$ 601,554</b>	<b>\$ 841,356</b>	<b>\$ 855,299</b>	<b>\$ 1,140,647</b>

Source: District Records

CLINTON TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacant Land	\$ 21,694,525	\$ 41,673,000	\$ 38,231,900	\$ 25,178,000	\$ 21,548,100	\$ 20,364,500	\$ 19,106,600	\$ 19,716,000	\$ 18,895,600	\$ 18,076,000
Residential	1,289,655,500	1,479,674,500	1,496,003,300	1,548,702,100	2,067,886,100	2,080,587,600	2,090,024,500	2,082,368,700	2,028,180,000	1,930,391,700
Farm Regular	46,822,000	53,780,500	55,582,700	53,599,400	69,249,700	70,948,100	70,456,000	70,495,700	70,897,500	69,096,900
Q Farm	2,497,500	2,426,300	2,441,400	2,621,600	2,609,800	2,861,516	2,533,216	2,452,816	2,515,500	2,499,600
Commercial	160,561,644	186,635,844	183,349,544	189,682,244	226,528,300	221,664,300	228,922,200	234,903,800	228,936,000	226,230,600
Industrial	145,504,500	149,292,000	149,292,000	149,292,000	162,969,600	162,969,600	164,242,500	164,242,500	164,242,500	158,714,500
Apartment	2,155,600	11,765,600	15,349,400	18,623,800	18,005,800	18,005,800	18,005,800	18,005,800	18,132,000	18,132,000
<b>Total Assessed Value</b>	<b>1,668,891,269</b>	<b>1,925,247,744</b>	<b>1,940,250,244</b>	<b>1,987,699,144</b>	<b>2,568,797,400</b>	<b>2,577,401,416</b>	<b>2,593,290,816</b>	<b>2,592,185,316</b>	<b>2,531,799,100</b>	<b>2,423,141,300</b>
Public Utilities (a)	10,349,611	10,762,600	9,524,746	9,046,869	12,078,767	13,071,697	14,613,079	13,462,227	11,039,724	8,858,764
<b>Net Valuation Taxable</b>	<b>\$ 1,679,240,880</b>	<b>\$ 1,936,010,344</b>	<b>\$ 1,949,774,990</b>	<b>\$ 1,996,746,013</b>	<b>\$ 2,580,876,167</b>	<b>\$ 2,590,473,113</b>	<b>\$ 2,607,903,895</b>	<b>\$ 2,605,647,543</b>	<b>\$ 2,542,838,824</b>	<b>\$ 2,432,000,064</b>
<b>Estimated Actual County Equal. Value</b>	<b>\$ 1,862,718,669</b>	<b>\$ 2,081,060,243</b>	<b>\$ 2,113,520,672</b>	<b>\$ 2,341,659,493</b>	<b>\$ 2,621,243,314</b>	<b>\$ 2,788,155,777</b>	<b>\$ 2,655,695,163</b>	<b>\$ 2,548,647,650</b>	<b>\$ 2,510,347,819</b>	<b>\$ 2,350,284,312</b>
<b>Percentage of Net Valuation to Estimated Actual County Equalized Value</b>	<b>90.15%</b>	<b>93.03%</b>	<b>92.25%</b>	<b>85.27%</b>	<b>98.46%</b>	<b>92.91%</b>	<b>98.20%</b>	<b>102.24%</b>	<b>101.29%</b>	<b>103.48%</b>
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 1.01</b>	<b>\$ 0.91</b>	<b>\$ 0.95</b>	<b>\$ 1.03</b>	<b>\$ 0.83</b>	<b>\$ 0.92</b>	<b>\$ 0.92</b>	<b>\$ 0.93</b>	<b>\$ 0.98</b>	<b>\$ 1.01</b>

\*

\*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

\* Revalued/Reassessed

CLINTON TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate					Overlapping Rates		Total Direct & Overlapping Tax Rate
	(From J-6)					Municipality	County	
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Regional School Rate				
2002	\$ 0.89	\$ 0.12	\$ 1.01	\$ 0.55	\$ 0.25	\$ 0.50	\$ 2.31	
2003	* 0.82	0.09	0.91	0.53	0.23	0.46	2.13	
2004	0.87	0.08	0.95	0.60	0.25	0.44	2.24	
2005	0.88	0.15	1.03	0.62	0.26	0.44	2.35	
2006	* 0.71	0.12	0.83	0.50	0.21	0.36	1.90	
2007	0.82	0.10	0.92	0.50	0.22	0.36	2.00	
2008	0.81	0.11	0.92	0.51	0.20	0.34	1.97	
2009	0.83	0.10	0.93	0.53	0.20	0.34	2.00	
2010	0.87	0.11	0.98	0.55	0.22	0.33	2.08	
2011	0.92	0.09	1.01	0.57	0.23	0.33	2.14	

Sources: Municipal Tax Collector

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

\* Revalued/Reassessed

CLINTON TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Exxon Capital Corporation	\$ 123,100,000	1	5.06%	\$ 112,310,600	1	6.69%
New York Life Insurance Company	36,133,200	2	1.49%	36,909,100	2	2.20%
IR Clinton Funding Company LLC	22,500,000	3	0.93%			
KBT NJ LLC-Wrightwood Capital	19,246,700	4	0.79%	21,703,500	3	1.29%
East Coast- The Mews at Annandale	16,368,200	5	0.67%			
Hunterdon Medical Center	12,210,800	6	0.50%			
Meridian Property Group LLC	7,829,800	7	0.32%			
Annandale Falls LLC	5,938,200	8	0.24%			
American Golf Corp	5,689,700	9	0.23%			
Kullman Associates LLC	5,399,100	10	0.22%	5,422,100	10	0.32%
Beaver Brook Arc Inc				19,232,900	4	1.15%
United Telephone Company of NJ				12,962,711	5	0.77%
Clinton Building Associates LLC				6,712,900	6	0.40%
Individual Property Owner #1				5,985,000	7	0.36%
Individual Property Owner #2				5,785,300	8	0.34%
Chanco Development Corp				5,572,100	9	0.33%
	<u>\$ 254,415,700</u>		<u>10.45%</u>	<u>\$ 232,596,211</u>		<u>13.85%</u>

Source: Municipal Tax Assessor

CLINTON TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Year of the Levy (a)	
		Amount	Percentage of Levy
2001	\$ 36,565,250	\$ 36,138,352	98.83%
2002	39,533,023	39,112,730	98.94%
2003	41,587,677	41,266,707	99.23%
2004	44,273,273	43,760,401	98.84%
2005	47,352,092	47,004,295	99.27%
2006	49,411,013	48,983,098	99.13%
2007	52,091,060	51,679,715	99.21%
2008	51,446,910	50,955,818	99.04%
2009	52,058,339	51,313,261	98.56%
2010	53,031,523	52,325,739	98.66%

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

(a)

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002	\$ 11,614,598		\$ 80,968			\$ 11,695,566	1.56%	\$ 866
2003	10,037,798		31,832			10,069,630	1.29%	736
2004	41,052,998		11,480			41,064,478	5.10%	2,995
2005	39,758,199					39,758,199	4.80%	2,878
2006	38,428,399					38,428,399	4.62%	2,755
2007	37,564,599			\$ 7,194,675		44,759,274	5.00%	3,214
2008	36,284,800		98,670	1,782,471		38,165,941	4.03%	2,747
2009	34,845,000		69,192	1,782,471		36,696,663	3.84%	2,641
2010	33,600,000		38,256	540,000		34,178,256	3.76%	2,459
2011	31,790,000		5,789	540,000		32,335,789	N/A	2,327

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2002	\$ 11,614,598		\$ 11,614,598	0.69%	\$ 860
2003	10,037,798		10,037,798	0.52%	734
2004	41,052,998		41,052,998	2.11%	2,994
2005	39,758,199		39,758,199	1.99%	2,878
2006	38,428,399		38,428,399	1.49%	2,755
2007	37,564,599		37,564,599	1.45%	2,697
2008	36,284,800		36,284,800	1.39%	2,611
2009	34,845,000		34,845,000	1.34%	2,507
2010	33,600,000		33,600,000	1.32%	2,418
2011	31,790,000		31,790,000	1.31%	2,288

**NOTE** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

CLINTON TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2010

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 25,756,034	100.00	\$ 25,756,034
Regional High School	4,615,000	27.58	1,272,720
County General Obligation Debt	100,047,622	10.70	10,706,394
Subtotal, Overlapping Debt			37,735,148
School District Direct Debt			34,579,057
Total Direct and Overlapping Debt			\$ 72,314,205

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2010	\$ 2,446,419,074
2009	2,558,919,364
2008	<u>2,648,918,096</u>
	<u>\$ 7,654,256,534</u>

Average Equalized Valuation of Taxable Property \$ 2,551,418,845

Debt Limit (3.0% of Average Equalization Value) 76,542,565 (a)

Total Net Debt Applicable to Limit 32,690,879

Legal Debt Margin \$ 43,851,686

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 44,542,991	\$ 49,137,398	\$ 53,856,437	\$ 58,404,085	\$ 63,460,895	\$ 69,980,832	\$ 75,719,273	\$ 79,082,228	\$ 79,246,179	\$ 76,542,565
Total Net Debt Applicable	<u>11,614,598</u>	<u>10,037,798</u>	<u>48,316,180</u>	<u>46,989,736</u>	<u>45,655,267</u>	<u>44,759,274</u>	<u>38,067,271</u>	<u>36,627,471</u>	<u>34,579,057</u>	<u>32,690,879</u>
Legal Debt Margin	<u>\$ 32,928,393</u>	<u>\$ 39,099,600</u>	<u>\$ 5,540,257</u>	<u>\$ 11,414,349</u>	<u>\$ 17,805,628</u>	<u>\$ 25,221,558</u>	<u>\$ 37,652,002</u>	<u>\$ 42,454,757</u>	<u>\$ 44,667,122</u>	<u>\$ 43,851,686</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.08%	20.43%	89.71%	80.46%	71.94%	63.96%	50.27%	46.32%	43.63%	42.71%

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

(a) Limit Set by NJSA 18A:24-19

CLINTON TOWNSHIP SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2002	13,510	\$ 771,556,100	\$ 57,110	3.5%
2003	13,683	802,726,878	58,666	3.8%
2004	13,712	821,581,904	59,917	3.1%
2005	13,813	823,144,296	59,592	4.1%
2006	13,949	897,283,374	64,326	4.5%
2007	13,926	949,112,604	68,154	3.9%
2008	13,896	955,363,896	68,751	5.2%
2009	13,897	908,085,568	65,344	9.2%
2010	13,897	N/A	N/A	9.5%
2011	13,897	N/A	N/A	N/A

Sources:

- ( a ) Population information provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented
- ( c ) Per capita personal income by county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.
- ( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

CLINTON TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

CLINTON TOWNSHIP SCHOOL DISTRICT  
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST EIGHT FISCAL YEARS

FUNCTION/PROGRAM	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:								
Regular	110.0	110.0	115.0	141.0	110.5	109.0	106.5	111.5
Special Education	80.0	88.0	94.0	54.0	77.1	87.4	76.0	71.5
Support Services:								
Student and Instruction Related Services	28.0	28.0	28.0	28.0	32.6	33.6	32.9	31.3
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services	11.0	11.0	11.0	11.0	12.0	12.0	11.0	11.0
Central Services	5.0	5.0	6.0	6.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	4.0	4.0	5.0	5.0	8.0	3.0
Plant Operations and Maintenance	17.0	17.0	17.0	16.0	24.4	25.4	22.9	17.0
Total	<u>257.0</u>	<u>265.0</u>	<u>277.0</u>	<u>262.0</u>	<u>268.6</u>	<u>279.4</u>	<u>264.3</u>	<u>252.3</u>

Sources: District Personnel Records

Note: Information prior to fiscal year 2004 is unavailable

CLINTON TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	1,780	\$ 17,048,125	\$ 9,578	5.93%	160	1 to 11.13	1,780.4	1,709.1	0.84%	96.00%
2003	1,805	18,327,770	10,154	6.02%	158	1 to 11.42	1,795.7	1,721.6	0.86%	95.87%
2004	1,773	19,164,607	10,809	6.45%	167	1 to 10.62	1,773.0	1,694.3	-1.26%	95.56%
2005	1,765	20,190,209	11,439	5.83%	162	1 to 10.90	1,764.9	1,694.2	-0.46%	96.00%
2006	1,804	21,676,998	12,016	5.04%	175	1 to 10.31	1,803.8	1,734.3	2.20%	96.15%
2007	1,818	23,645,299	13,006	8.24%	175	1 to 10.39	1,766.7	1,695.9	-2.06%	95.99%
2008	1,774	25,321,288	14,274	9.74%	178	1 to 10.03	1,753.7	1,683.6	-0.74%	96.00%
2009	1,749	25,926,476	14,824	3.85%	185	1 to 10.00	1,750.6	1,683.8	-0.18%	96.18%
2010	1,726	26,502,070	15,355	3.58%	180	1 to 9.60	1,718.7	1,648.2	-1.82%	95.90%
2011	1,678	25,586,868	15,248	-0.69%	179	1 to 10.70	1,677.6	1,608.4	-2.39%	95.88%

Source: District Records

( a ) Operating expenditures equal total expenditures less debt service and capital outlay.

( b ) Teaching staff includes only full-time equivalents or certificated staff.

( c ) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

DISTRICT BUILDING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Spruce Run School (1955)</u>										
Square Feet	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445
Capacity (Students)	444	444	444	444	444	444	444	444	444	444
Enrollment	552	580	573	563	574	528	351	358	326	312
<u>Patrick McGaheran School (1988)</u>										
Square Feet	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623
Capacity (Students)	541	541	541	541	541	541	541	541	541	541
Enrollment	596	574	587	574	610	624	382	338	334	343
<u>Round Valley School (1965)</u>										
Square Feet	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806
Capacity (Students)	506	506	506	506	506	506	506	506	506	506
Enrollment	651	651	637	649	658	653	613	612	605	562
<u>Clinton Township Middle School (2007)</u>										
Square Feet							123,284	123,284	123,284	123,284
Capacity (Students)							640	640	640	640
Enrollment							428	444	445	463
Number of Schools at June 30, 2011:										
Elementary	3									
Middle School	1									
High School	0									
Other	0									

Source: District Facilities Office

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

CLINTON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS

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

*School Facilities	Spruce Run School	Patrick McGaheeran School	Round Valley School	Clinton Township Middle School	Josephine Mitchell Administrative Building (1)	Little Red Schoolhouse (1)	Total
2002	\$ 85,495	\$ 106,196	\$ 166,232		\$ 15,568	\$ 2,936	\$ 376,427
2003	87,151	101,678	161,380		13,578	2,357	366,144
2004	116,841	115,229	114,560				346,630
2005	127,662	164,866	174,131		3,637		470,296
2006	109,820	120,085	212,653				442,558
2007	92,655	133,279	112,692				338,626
2008	108,059	98,330	193,521	\$ 93,777			493,687
2009	103,222	166,417	113,929	92,220			475,788
2010	99,781	131,899	115,025	116,673			463,378
2011	77,364	71,681	106,628	87,917			343,590
	<u>\$ 1,008,050</u>	<u>\$ 1,209,660</u>	<u>\$ 1,470,751</u>	<u>\$ 390,587</u>	<u>\$ 32,783</u>	<u>\$ 5,293</u>	<u>\$ 4,117,124</u>

\*School facilities as defined under  
 EFCFA (NJAC 6A:26-1.2 &  
 NJAC 6:24-1.3)

(1) Buildings Sold in Fiscal Year 2005

CLINTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-NJ-School Boards Assoc Insurance Group:		
Comprehensive General Liability	\$ 11,000,000	
Comprehensive Automobile Liability	11,000,000	
Crime Coverage	1,000,000	\$ 1,000
Property-Blanket Building & Contents (Limit Fund)	300,000,000	5,000
Equipment Breakdown	100,000,000	5,000
Excess Liability-Fireman's Fund:		
Property Damage	10,000,000	
School Board Legal Liability- NJ-School Boards Assoc Insurance Group:		
Directors and Officers Policy	11,000,000	15,000
Environmental Impairment Policy-Chubb Insurance: Aggregate	20,000,000	10,000
Workers Compensation NJ-School Boards Assoc Insurance Group:		
Employer's Liability	2,000,000	
Disease Policy Limit	2,000,000	
Disease Each Employee	2,000,000	
Student Accident-Life QBE Insurance Corporation: Policy Limit	500,000	
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer of School Monies	250,000	
School Board Secretary/Business Administrator	100,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

October 14, 2011

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

We have audited the financial statements of the Board of Education of the Clinton School District in the County of Hunterdon as of and for the year ended June 30, 2011, and have issued our report thereon dated October 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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

October 14, 2011

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

Compliance

We have audited the compliance of the Board of Education of the Clinton School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

## Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



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

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education: General Fund: Education Jobs Fund	84.410A	ARRA-092011	\$ 52,074	08/10/2010-09/30/2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
US Department of Education Passed Through State Department of Education: Special Revenue Fund													
NCLB Title IA	84.010A	NCLB-092011	23,537	09/01/2010-08/31/2011			14,982	20,582			(8,555)	2,955	
NCLB Title IIA Carryover	84.367A	NCLB-092008	23,824	09/01/2008-08/31/2009	1,331								1,331
NCLB Title IIA	84.367A	NCLB-092009	25,682	09/01/2008-08/31/2009	(24,773)				12		(24,761)		
NCLB Title IIA Carryover	84.367A	NCLB-092009	25,682	09/01/2009-08/31/2010	12				(12)				
NCLB Title IIA	84.367A	NCLB-092010	25,742	09/01/2009-08/31/2010				25,742			(25,742)		
NCLB Title IIA	84.367A	NCLB-092011	25,981	09/01/2010-08/31/2011			910				(25,981)	25,071	
NCLB Title IID	84.318X	NCLB-092011	52	09/01/2010-08/31/2011			41				(52)	11	
NCLB Title III Carryover	84.365A	NCLB-092007	14,061	09/01/2006-08/31/2007	6,626								6,626
NCLB Title III	84.365A	NCLB-092009	24,178	09/01/2008-08/31/2009	(11,169)		11,169						
NCLB Title IV Carryover	84.186A	NCLB-092008	4,400	09/01/2007-08/31/2008	118				(118)				
NCLB Title IV	84.186A	NCLB-092009	3,374	09/01/2008-08/31/2009	(2,515)		2,480		35				
NCLB Title IV	84.186A	NCLB-092010	3,199	09/01/2009-08/31/2010				712	83		(657)	28	
ARRA IDEA Basic	84.391	ARRA-092010	452,535	09/01/2009-08/31/2011	(15,202)		213,411	283,674			(168,472)	83,007	
ARRA IDEA Preschool	84.392	ARRA-092010	16,377	09/01/2009-08/31/2011	(1,637)		1,637						
IDEA Basic Carryover	84.027	IDEA-092007	399,075	09/01/2006-08/31/2007	31,431	(23,533)			(2,436)				5,462
IDEA Basic	84.027	IDEA-092009	425,768	09/01/2008-08/31/2009	(44,847)		18,878		2,436		(23,533)		
IDEA Basic	84.027	IDEA-092010	424,561	09/01/2009-08/31/2010	(83,255)	(29,207)	85,905	2,650			(29,207)		
IDEA Basic Carryover	84.027	IDEA-092010	424,561	09/01/2010-08/31/2011		52,740		25,970				26,770	
IDEA Basic	84.027	IDEA-092011	418,471	09/01/2010-08/31/2011			285,663	357,033			(132,808)	61,438	
IDEA Preschool Carryover	84.173	IDEA-092007	13,427	09/01/2006-08/31/2007	1,831								1,831
IDEA Preschool	84.173	IDEA-092009	12,693	09/01/2008-08/31/2009			1,120	1,120					
IDEA Preschool	84.173	IDEA-092010	12,685	09/01/2009-08/31/2010	(2,538)		2,538						
IDEA Preschool	84.173	IDEA-092011	13,199	09/01/2010-08/31/2011			9,439	13,199			(3,760)		
Total Special Revenue Fund					(144,587)	-	647,222	731,633	-	-	(443,528)	199,280	15,250

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
 (CONTINUED)

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2011			
											Accounts Receivable	Deferred Revenue	Due to Grantor	
US Department of Agriculture Passed- Through State Department of Agriculture: Enterprise Fund:														
Food Donation Program	10.550	N/A	\$ 4,261	07/01/2010- 06/30/2011			\$ 4,261	\$ 3,823					\$ 438	
National School Lunch Program	10.555	N/A	51,603	07/01/2010- 06/30/2011			47,991	51,603				\$ (3,612)		
Total Enterprise Fund					\$ -	\$ -	52,252	55,426	\$ -	\$ -		(3,612)	438	\$ -
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (144,587)	\$ -	\$ 699,474	\$ 787,059	\$ -	\$ -		\$ (447,140)	\$ 199,718	\$ 15,250

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2011			MEMO		
									Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education</u>														
General Fund:														
Categorical Special Education Aid	11-495-034	\$ 336,237	07/01/2010-											
	-5120-089		06/30/2011		\$ 336,237	\$ 336,237							\$ 15,768	\$ 336,237
Extraordinary Special Education Costs Aid	10-100-034	399,380	07/01/2009-											
	-5120-473		06/30/2010	\$ (399,380)	399,380									399,380
Extraordinary Special Education Costs Aid	11-100-034	400,855	07/01/2010-											
	-5120-473		06/30/2011			400,855			\$ (400,855)					400,855
Nonpublic Remote Transportation	10-495-034	23,729	07/01/2009-											
	-5120-014		06/30/2010	(23,728)	23,729	1								23,729
Nonpublic Remote Transportation	11-495-034	7,653	07/01/2010-											
	-5120-014		06/30/2011			7,653			(7,653)					7,653
TPAF Wage Freeze Aid	11-495-034	1,433	07/01/2010-											
	-5095-002		06/30/2011		717	1,433			(716)					1,433
On-Behalf TPAF Pension Contribution- Post Retirement Medical	11-495-034	709,553	07/01/2010-											
	-5095-001		06/30/2011		709,553	709,553								709,553
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	11-495-034	33,406	07/01/2010-											
	-5095-007		06/30/2011		33,406	33,406								33,406
Reimbursed TPAF Social Security Contribution	11-495-034	789,845	07/01/2010-											
	-5095-002		06/30/2011		789,845	789,845								789,845
<b>Total General Fund</b>				<b>(423,108)</b>	<b>2,292,867</b>	<b>2,278,983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(409,224)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>15,768</b>	<b>2,702,091</b>	
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	10-100-034	35,024	07/01/2009-											
	-5120-064		06/30/2010	764				764						34,260
Textbook Aid	11-100-034	29,159	07/01/2010-											
	-5120-064		06/30/2011		29,159	29,159								29,159
Nursing Services	11-100-034	34,551	07/01/2010-											
	-5120-070		06/30/2011		34,551	34,551								34,551
Auxiliary Services Aid:														
Compensatory Education	11-100-034	95,449	07/01/2010-											
	-5120-067		06/30/2011		95,449	61,372								61,372
Compensatory Education	10-100-034	88,773	07/01/2009-								34,077			
	-5120-067		06/30/2010	1				1						88,772
English as a Second Language	11-100-034	683	07/01/2010-											
	-5120-067		06/30/2011		683	683								683
Home Instruction	11-100-034	804	07/01/2010-											
	-5120-067		06/30/2011			804			(804)					804
Home Instruction	10-100-034	12,358	07/01/2009-											
	-5120-067		06/30/2010	(12,358)	12,358									12,358
Handicapped Aid:														
Examination & Classification	10-100-034	50,078	07/01/2009-											
	-5120-066		06/30/2010	3,477				3,477						46,601
Examination & Classification	11-100-034	42,097	07/01/2010-											
	-5120-066		06/30/2011		42,097	37,635					4,462			42,097
Corrective Speech	10-100-034	37,662	07/01/2009-											
	-5120-066		06/30/2010	6,725				6,725						30,937
Corrective Speech	11-100-034	35,204	07/01/2010-											
	-5120-066		06/30/2011		35,204	30,589					4,615			35,204
Supplemental Instruction	10-100-034	28,671	07/01/2009-											
	-5120-066		06/30/2010	3,902				3,902						24,769
Supplemental Instruction	11-100-034	24,319	07/01/2010-											
	-5120-066		06/30/2011		24,319	22,721					1,598			24,319
NJ Board of Public Utilities Clean Energy Program Award	N/A	32,295	08/09/2009- 08/09/2011			32,295			(32,295)					32,295
<b>Total Special Revenue Fund</b>				<b>2,511</b>	<b>273,820</b>	<b>249,809</b>	<b>-</b>	<b>14,869</b>	<b>(33,099)</b>	<b>-</b>	<b>44,752</b>	<b>-</b>	<b>498,181</b>	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2011			MEMO		
									Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<b>State Department of Education</b>														
<b>Capital Projects Fund (EDA):</b>														
<b>Roof Renovation Project:</b>														
Spruce Run School	SP #203130	\$ 56,114	N/A										\$ 32,809	
Patrick McGaheran School	SP #203131	217,574	N/A											181,271
Round Valley School	SP #203132	114,996	N/A											95,337
<b>Building Addition Project:</b>														
Spruce Run School	0920-030-03-1109	615,133	N/A	\$ (119,951)	\$ 38,952		\$ (1)		\$ (80,998)					615,133
Patrick McGaheran School	0920-035-03-1110	318,772	N/A	(39,226)	39,226									318,772
Round Valley School	0920-040-03-1111	972,868	N/A	(578,856)			1		(578,857)					972,868
New Middle School	0920-N01-03-1112	5,356,094	N/A	(241,024)					(241,024)					5,356,094
<b>Total Capital Projects Fund</b>				<u>(979,057)</u>	<u>78,178</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(900,879)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>7,572,284</u>
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	11-100-010-3350-23	5,202	07/01/2010-06/30/2011		4,575	5,202			(627)					5,202
<b>Total Enterprise Fund</b>				-	4,575	5,202	-	-	(627)	-	-	-	-	5,202
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ (1,399,654)</u>	<u>\$ 2,649,440</u>	<u>\$ 2,533,994</u>	<u>\$ -</u>	<u>\$ 14,869</u>	<u>\$ (1,343,829)</u>	<u>\$ -</u>	<u>\$ 44,752</u>	<u>\$ 15,768</u>		<u>\$ 10,777,758</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Clinton Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting.

**NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$137,681 for the general fund and (\$5,017) for the special revenue fund and \$-0- for the Capital Projects Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the Capital Project Fund.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 2,416,664	\$ 2,416,664
Special Revenue Fund	\$ 52,902	\$ 731,633	249,809	1,034,344
Food Service Fund		<u>55,426</u>	<u>5,202</u>	<u>60,628</u>
	<u>\$ 52,902</u>	<u>\$ 787,059</u>	<u>\$ 2,671,675</u>	<u>\$ 3,511,636</u>

CLINTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contribution represents the amount paid by the state on behalf of the 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.

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

2. Reportable conditions identified that are not considered to be material weaknesses?        Yes   X   No

Noncompliance Material to Financial Statements Noted?        Yes   X   No

Federal Awards

Internal Control Over Major Programs:

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

2. Reportable conditions identified that are not considered to be material weaknesses?        Yes   X   No

Type of Auditor's Report Issued on Compliance for Major Programs? Unqualified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133        Yes   X   No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
84.027	\$ 385,653	IDEA Basic
84.391	283,674	ARRA IDEA Basic

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \$300,000

Auditee qualified as a low-risk auditee  X  Yes   No

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

Type of Auditor's Report Issued on Compliance  
for Major Programs: Unqualified

Internal Control Over Major Programs:

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

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?   Yes  X  No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?   Yes  X  No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5120-089	\$ 336,237	Categorical Special Education Aid
11-495-034-5095-002	789,845	Reimbursed TPAF Social Security Aid
11-100-034-5120-473	400,855	Extraordinary Special Education Costs Aid

CLINTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

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CLINTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

There were no prior year findings or questioned costs.