

CLINTON-GLEN GARDNER SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

CLINTON-GLEN GARDNER SCHOOL BOARD OF EDUCATION

CLINTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

CLINTON-GLEN GARDNER SCHOOL BOARD OF EDUCATION

DEPARTMENT OF ADMINISTRATION

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INTRODUCTORY SECTION



Clinton Public School

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Jenine Kastner, *Supervisor of Special Services*

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November, 21, 2012

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

Dear Board Members and Citizens of the District:

The Comprehensive Annual Financial Report of the Clinton-Glen Gardner School District for the fiscal year ending June 30, 2012, 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 (CAFR) 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 1996 the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES :**

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

The District provides a full range of educational services appropriate to grade levels, preschool through grade eight. These include regular, as well as, special education programs for disabled students. The District completed the 2011-2012 fiscal year with an enrollment of 496. The following depicts district enrollment variations over the past 10 years:

Average Daily Enrollment

Fiscal Year:	Student Enrollment:	Percent Change:
2002-2003	564.5	(5.76%)
2003-2004	570.4	(1.04%)
2004-2005	572.6	0.39%
2005-2006	547.4	(4.4%)
2006-2007	555.8	1.5%
2007-2008	542.2	(2.4%)
2008-2009	533.6	(8.6%)
2009-2010	521.4	(2.3%)
2010-2011	508.9	(2.4%)
2011-2012	496.0	(2.5%)

2) ECONOMIC CONDITION AND OUTLOOK:

The communities of Clinton and Glen Gardner have seen a decline in student enrollments in recent years. Although there has been no growth due to the national economic decline in the housing market, it appears that the Town of Clinton and Borough of Glen Gardner remain attractive to parents with school age children.

3) MAJOR INITIATIVES:

Clinton Public School has a long history of over 125 years of continuous operation. The school is located on a 9.6 acre site situated at the crest of the School Street hill just east of Leigh Street in the Town of Clinton. The current brick structure was built in September, 1923, and additions were constructed in 1963 and in 1969. A third addition in 1995 included a full size gymnasium, art and computer rooms, a modern science lab, several classrooms and offices. Another addition in 2000 accommodated the classrooms and students that had been displaced to substandard areas.

During its history, Clinton Public School has been recognized for its progressive educational programs. Offerings for children with special needs, opportunities for the gifted, a commitment to the arts, advanced technology opportunities, before school, and after school child care programs, and a world language program are but a few of the areas that have been provided for our students.

Our students have consistently scored above the State averages on standardized tests and have achieved success with their high school education.

Our staff has demonstrated their dedication to our students in numerous ways. While a majority of our staff has advanced degrees, they continue to search for innovative ways to challenge their students.

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 evaluation of costs and benefits requires estimates and decisions 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 cancelled or are included as appropriation of fund balance in the subsequent year.

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 accounting

7) DEBT ADMINISTRATION:

In June 1994, the District issued general obligation bonds in the amount of \$4,985,000 at an interest rate of 5.625%. The proceeds of this bond issue were placed in the District's debt service fund for use to provide funds for a third addition and building improvements to the District's present buildings. In 2002, the District refunded these bonds and issued \$3,335,000 in new debt at an interest rate range of 3.75-5.0%. The building renovations included installation of fire doors, a sprinkler system, three new classrooms, a health suite and a child study team office, while the addition contained four classrooms, plus computer and science rooms, a gymnasium, and a physical education office.

The most recent building project was completed in September, 2001. This project was financed from bonds totaling \$2,070,000 at an interest rate range of 4.8-4.25%, a state grant of \$1,580,000, and interest on invested principal. In January 2010, the District refunded these bonds and issued \$1,505,000 in new debt at an interest rate range of 3.0-4.0%. This project added a wing of 5 new classrooms, updated heating and air conditioning, and renovated and expanded school office areas.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Notes 1 & 3. The District has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability - \$1,000,000 per occurrence plus \$50,000 fire legal liability and \$5,000 medical expense, excess Umbrella Liability - \$10,000,000.00 Automobile Liability, School Board Liability, Property and Contents, Systems Breakdown, Workers Compensation, Supplemental Group Disability, Fidelity Bonds and Student Accident Insurance.

Elimination of Glen-Gardner Non-Op

On June 30, 2009, pursuant to P.L. 2007, Chapter 63, and A-4141, the State eliminated thirteen Non-Operating Districts including Glen Gardner. The Sending/Receiving Agreement between Clinton and Glen Gardner was dissolved, and the two districts were merged as one entity. A report filed on June 30, 2009 by Assistant Commissioner of Field Services, Dr. Gerald Vernotica provided the details of the merger.

Independent Audit

State Statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of William Colantano, CPA's. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, 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.

Awards

In 2006, the Dodge Foundation awarded the school a \$20,000 grant to bring the acclaimed Schools Attuned program to Clinton Public School. Twenty teachers and administrators were trained in August, 2004 in how to better meet the individual needs of students.

In 1995, Clinton Public School was selected as one of ten schools in New Jersey to be recognized as a "Star School". This honor was especially rewarding, as we were the only elementary school in the State to be so honored. Schools are selected for this award as a result of "their innovative teaching approaches, a faculty engaged in research, significant student achievement and a "cutting edge" awareness of education needs of the 21st Century".

Clinton Public School was selected by the Melville Corporation in 1992 as only one of nine schools in the Northeast to "create new models of effective Education". This three-year grant has provided our school with approximately \$30,000 per year that has enabled our staff to conduct intensive research and to pilot new programs. During the 1994-1995 school year, the last of our three-year funded initiative, we refined many of the reform movements that we have been studying and implementing during the previous years.

We at Clinton Public School believe that modern technology and telecommunication are essential resources for the classroom. We provide resources to our students and classrooms that are not normally found within the walls of a traditional school. Our board of education has made a commitment to invest in personnel, equipment and training to implement this vision.

Data-There are 4 data closets connected by fiber optics that connect our entire school network (LAN). All four data closets were upgraded in 2008 with 10/100/1000 PoE switches to increase speed and reliability of our network. A minimum of 4 network cables were run to each classroom and all offices are connected to the network. A 10Mbps fiber line permits unlimited internet access to the entire building. Our staff and students are protected from data intrusion and inappropriate content on the internet through a content filter and firewall that was upgraded in 2008. All staff has district e-mail accounts, and all internal and incoming e-mails are being archived through an e-mail archiver that was set up in 2009. All incoming e-mails are being screened for spam content via our spam filter that was set up in 2008. We have a web-based student information system that was upgraded in 2008 and 2009. Our school website was upgraded in 2007, and includes web pages for teachers, staff and the Board of Education.

In 2008, nearly all classroom computers and laptops were either upgraded or replaced with newer machines. A new imaging process was implemented in 2007 to greatly reduce mass deployment time and effort, reduce computer downtime, reduce inconsistencies between machines, and manage updates. A comprehensive technology inventory was designed in 2007 to track equipment, upgrades, software, and troubleshooting. A new network design was implemented in 2008 so that the computing experience of all teachers and students are virtually identical, regardless of the computer, and so that all files and settings are saved to a server and follow a user from computer to computer. Both mobile lab computer carts were upgraded with new computers in 2008 and the computer lab was outfitted with new computers in 2009. In 2008 and 2009, a total of 8 SMART Boards (interactive white boards) were set up as well as a SMART Cart including a touch screen, projector, and student response system.

In 2010, we used a significant portion of our ARRA stimulus funds for teacher laptops and SMART Boards. We plan to continue to increasing our number of SMART Boards toward the goal of having one in each classroom. In addition, we have installed 3 new copiers for staff use (2 black & white and 1 color). Each copier has the ability to scan in color directly to our network and act as printers for our staff.

In 2011, the Middle School implemented a new electronic grade book and report card solution that ties directly into our student information system. Also, a new network-based video security system involving three security cameras and a central video recorder was installed at the school.

This recorder is expandable to add more cameras in the future and records video at all three locations for later retrieval.

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Video-Monitors are installed in all classrooms. The cable signal enters the building through two trunk lines, which provides us with the ability to broadcast in house. A digital video studio enables students and staff to prepare school-wide morning news shows, informational videos regarding programs, etc.

Voice-Telephones with voice messaging and teacher mailbox capabilities are located in all classrooms enabling our staff and parents to communicate more easily. A new voicemail system was implemented in 2008 to accommodate our needs.

12) **ACKNOWLEDGEMENTS:**

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

Respectfully submitted,



Dr. Richard Katz

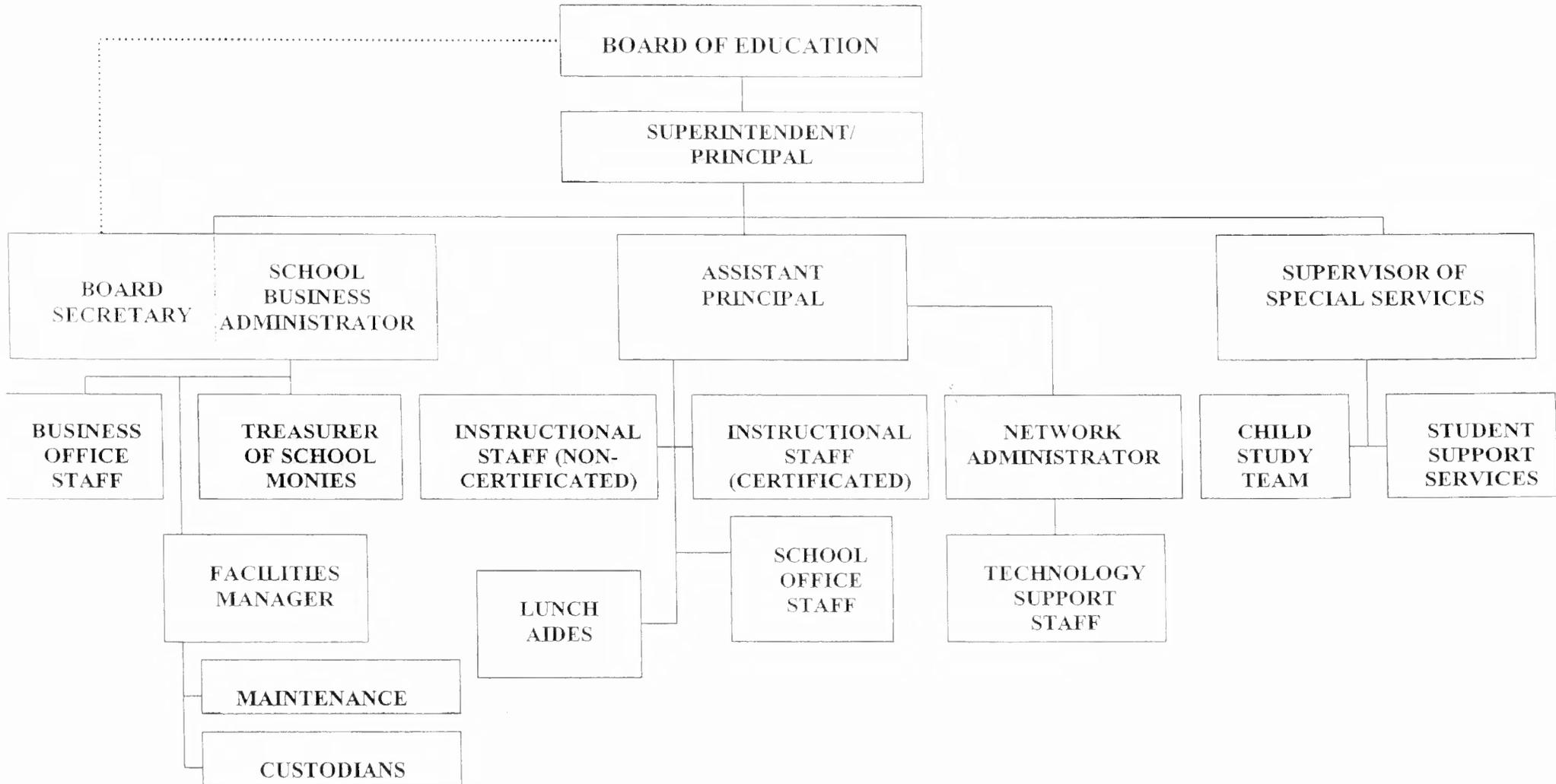
Superintendent/Principal



Lisa Craft

Business Administrator

CLINTON-GLEN GARDNER BOARD OF ED
ORGANIZATIONAL CHART



BOARD OF EDUCATION

ROSTER OF OFFICIALS JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Year Term Expires</u>	
Robert Pyle	2013	President
Cara Morris	2012	Vice President
Amanda DiRienz	2012	
Patty Cooper	2014	
Margaret Layding	2014	

OTHER OFFICIALS

Dr. Richard Katz	Superintendent/Principal
Lisa Craft	Business Administrator
Kathleen Olsen	Treasurer
Matthew Giacobbe	Attorney

**CLINTON-GLEN GARDNER
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS
JUNE 30, 2012**

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Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

November 21, 2012

Honorable President and
Members of the Board of Education
Clinton-Glen Gardner 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-Glen Gardner School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2012, 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-Glen Gardner School 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 previously 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-Glen Gardner School Board of Education in the County of Hunterdon, as of June 30, 2012, 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 our report dated November 21, 2012 on our consideration of the Clinton-Glen Gardner School 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's financial statements. The schedules of expenditures of federal awards and state financial assistance as required by 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", respectively and other accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance and other accompanying supplementary information are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's basic financial statements. The introductory section, statistical section and other accompanying information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

The discussion and analysis of the Clinton-Glen Gardner School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the school district's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the school district's financial performance.

Financial Highlights

- ◆ Pursuant to P.L. 2009, c.78, signed into law on June 30, 2009, the non-operating Glen Gardner Borough School District was merged with the Town of Clinton School District effective July 1, 2009. A report was issued by the Assistant Commissioner that provided guidance on the implementation. The budgets were merged, and Surplus of \$226,510 was returned to the Borough of Glen Gardner. Final accumulated tuition adjustments were settled through an agreement to reallocate taxes of \$50,710 for 5 years to Clinton Town from the Borough of Glen Gardner utilizing the "Other" line on the Tax Certification. Equalized Values will be phased to 100% over a 5 year period for the purpose of calculating the tax apportionment among the two communities. The Clinton-Glen Gardner Board of Education was reduced to 5 members, eliminating the former Glen Gardner Representative position. Elections will now be held at large between the two communities, with no guaranteed representation.

Key financial highlights for 2012 are as follows:

- ◆ In total, net assets increased \$555,487 which represents an 11.4% increase from 2011.
- ◆ General revenues accounted for \$8,468,119 or 93.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$606,021 or 6.7% of total revenues of \$9,074,140.
- ◆ Total assets of governmental activities increased by \$232,437 as cash and cash equivalents increased by \$263,119, receivables and other assets increased by \$58,545 and capital assets decreased by \$89,191.
- ◆ The school district had \$8,518,653 in expenses; only \$606,021 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,468,119 were adequate to provide for these programs.
- ◆ The General Fund had \$8,041,790 in revenues and \$7,667,837 in expenditures and transfers. The General Fund's balance increased \$346,953 over 2011.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net 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. In the case of the Clinton-Glen Gardner School District, the General Fund is by far the most significant fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

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 2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the school district's net 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 have improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the school district's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the school district is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the school district's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Child Care Enterprise Funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the school district's 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.

Governmental Funds

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

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the school district as a whole.

Table 1 provides a summary of the school district's net assets for 2012 with net asset comparisons to fiscal year 2011.

	Table 1		Variance	
	Net Assets			
	6/30/12	6/30/11	Dollars	%
Assets				
Current and other Assets	988,635.00	625,146.00	363,489.00	58.14
Capital Assets	7,061,516.00	7,157,060.00	(95,544.00)	(1.33)
Total Assets	<u>8,050,151.00</u>	<u>7,782,206.00</u>	<u>267,945.00</u>	<u>(3.44)</u>
Liabilities				
Long-term Liabilities	2,561,159.00	2,825,267.00	(264,108.00)	(9.35)
Other Liabilities	61,395.00	84,829.00	(23,434.00)	(27.62)
Total Liabilities	<u>2,622,554.00</u>	<u>2,910,096.00</u>	<u>(287,542.00)</u>	<u>(9.88)</u>
Net assets				
Invested in Capital Assets, net of Debt	4,550,682.00	4,390,855.00	159,827.00	3.64
Restricted	197,547.00	167,217.00	30,330.00	18.14
Unrestricted	679,368.00	314,038.00	365,330.00	116.63
Total Net Assets	<u><u>5,427,597.00</u></u>	<u><u>4,872,110.00</u></u>	<u><u>555,487.00</u></u>	<u><u>11.40</u></u>

Total assets increased by \$267,945. Cash and cash equivalents increased by \$311,872 receivables and other assets increased by \$51,617, and capital assets decreased by \$95,544. 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, increased by \$365,330.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

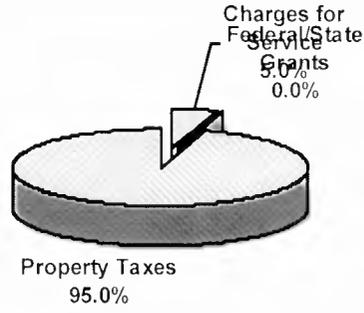
Table 2 shows the changes in net assets from fiscal year 2012.

Table 2
Changes in Net Assets

	6/30/12	6/30/11	Variance	
			Dollars	%
Revenues				
Program revenues:				
Charges for services	347,727.00	426,329.00	(78,602.00)	(18.44)
Operating grants and contributions	193,718.00	226,528.00	(32,810.00)	(14.48)
Capital Grants	64,576.00		64,576.00	
General revenues:				
Property taxes	6,581,417.00	6,488,801.00	92,616.00	1.43
Unrestricted Grants	1,883,405.00	1,651,392.00	232,013.00	14.05
Other	3,297.00	8,951.00	(5,654.00)	(63.17)
Total revenues	<u>9,074,140.00</u>	<u>8,802,001.00</u>	<u>272,139.00</u>	<u>(3.09)</u>
Program Expenses				
Instruction:				
Regular	3,282,752.00	3,064,959.00	217,823.00	7.11
Special	1,537,296.00	1,557,303.00	(20,007.00)	(1.28)
Other	75,067.00	74,827.00	240.00	0.32
Support services:				
Tuition	258,451.00	181,942.00	76,509.00	42.05
Student & Instructional staff	1,250,154.00	1,346,673.00	(96,519.00)	(7.17)
General & Business Administration	595,851.00	553,444.00	42,407.00	7.66
School Administration	244,835.00	268,637.00	(23,802.00)	(8.86)
Maintenance	567,423.00	536,418.00	31,005.00	5.78
Pupil Transportation	314,568.00	294,709.00	19,889.00	6.75
Food Service	124,732.00	127,014.00	(2,282.00)	(1.80)
Child Care Service	139,139.00	142,781.00	(3,642.00)	(2.55)
Interest and Long Term Debt	128,355.00	142,942.00	(14,587.00)	(10.20)
Total expenses	<u>8,518,653.00</u>	<u>8,291,619.00</u>	<u>227,034.00</u>	<u>(2.74)</u>
Increase (Decrease) in net assets	<u>555,487.00</u>	<u>510,382.00</u>	<u>45,105.00</u>	<u>8.84</u>

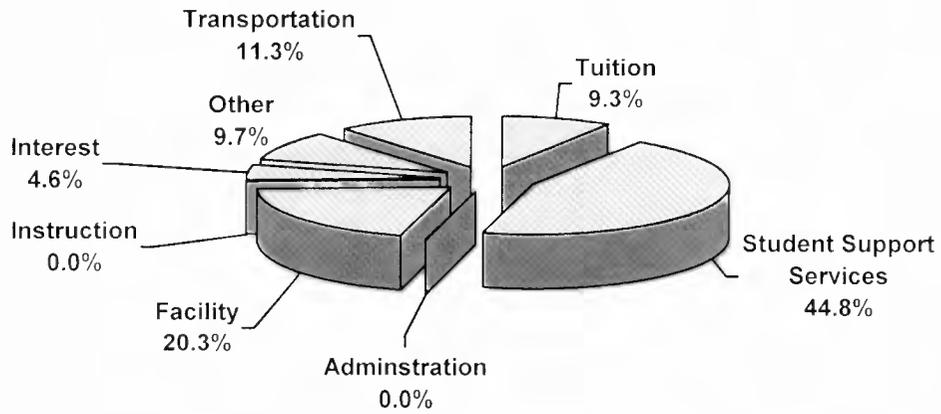
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED



Sources of Revenues for Fiscal Year 2012

Instruction comprised 56.6% of district expenses.



Expenses for Fiscal Year 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

UNAUDITED

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 75.0% of revenues for governmental activities for the Clinton-Glen Gardner School District for fiscal year 2012.

Instruction comprises 57.5% of district expenses. Support services expenses make up 41.0% and interest on long-term debt equals 1.5% of district expenses.

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

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the district's taxpayers by each of these functions.

**Table 3
Cost and Net Cost of Services**

	Total		Net	
	6/30/12	6/30/11	6/30/12	6/30/11
Instruction	4,895,115.00	4,697,059.00	4,810,248.00	4,520,885.00
Support services:				
Tuition	258,451.00	181,942.00	166,803.00	95,361.00
Student & Instructional Services	1,250,154.00	1,346,673.00	1,194,756.00	1,269,683.00
General & Business Admin	595,851.00	553,444.00	595,851.00	553,444.00
School Administration	244,835.00	268,637.00	244,835.00	268,637.00
Maintenance	567,423.00	536,418.00	557,073.00	535,378.00
Pupil Transportation	314,598.00	294,709.00	314,598.00	294,709.00
Food Service	124,732.00	127,014.00	3,321.00	(3,605.00)
Child Care Service	139,130.00	142,781.00	(39,532.00)	(38,672.00)
Interest on Long-Term Debt	128,355.00	142,942.00	128,355.00	142,942.00
Total expenses	<u>8,518,653.00</u>	<u>8,291,619.00</u>	<u>7,977,208.00</u>	<u>7,638,762.00</u>

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

Pupils and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

The dependence upon tax revenue is apparent. For all activities general revenue support is 93.3%. The communities, as a whole, are the primary support for the Clinton-Glen Gardner School District.

The School District's Funds

Information about the school district's funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$8,773,917 and expenditures of \$8,426,964. The net positive change in all fund balances for the year was most significant in the General Fund, a increase of \$346,953.

General Fund Budgeting Highlights

The school district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

The school district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2012, the school district amended its General Fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the General Fund, budget revenue and other financing sources was \$7,409,081, \$192,022 over original budgeted estimates of \$7,217,059. This difference was due primarily to additional state revenues.

The General fund expenditures and other financing uses were exceeded by revenues and other financing sources of the School district by approximately \$366,023.

Capital Assets

At the end of the fiscal year 2012, the school district had \$7,061,516 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

Table 4
Capital Assets (Net of Depreciation) at June 30, 2012

	6/30/12	6/30/11	Variance	
			Dollars	%
Land and Improvements	320,100.00	320,100.00	-	-
Construction in Progress				
Land Improvements	20,769.00	23,198.00	(2,429.00)	(10.47)
Building and Improvements	6,562,432.00	6,606,592.00	(44,160.00)	(0.67)
Furniture and Equipment	158,215.00	207,170.00	(48,955.00)	(23.63)
Total	<u>7,061,516.00</u>	<u>7,157,060.00</u>	<u>(95,544.00)</u>	<u>(1.33)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

UNAUDITED

Overall capital assets decreased \$95,544 from fiscal year 2011 to fiscal year 2012. Increases in capital assets of \$153,845 were offset by depreciation expenses of \$249,389 for the year. A complete fixed asset inventory report was completed for the entire district in 2012.

Debt Administration

At June 30, 2012, the school district had \$2,561,159 as outstanding debt. Of this amount \$50,325 is for compensated absences, \$200,834 for a lease, and the balance of \$2,310,000 for bonds for school construction.

At June 30, 2012, the school district's overall legal debt margin was \$17,658,225 and the unvoted debt margin was \$15,348,225. See footnote 5 for a more detailed discussion of the district's debt. Following is a listing of all bond issues for which the district is currently paying debt service.

**Table 5
 Outstanding Bonded Debt at June 30, 2012**

Issue:	6/30/12	6/30/11	Variance	
			Dollars	%
Refunding Bonds of 2002	1,015,000.00	1,320,000.00	(305,000.00)	(23.11)
Refunding Bonds of 2009	1,295,000.00	1,405,000.00	(110,000.00)	(7.83)
Total	<u>2,310,000.00</u>	<u>2,725,000.00</u>	<u>(415,000.00)</u>	<u>(15.23)</u>

For the Future

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

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or need additional information, please contact Lisa Craft, School Business Administrator at the Clinton-Glen Gardner Board of Education, 10 School Street, Clinton, NJ 08809 or email at lcraft@cpsnj.org.

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-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Govern- mental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 387,231	\$ 172,960	\$ 560,191
Receivables, Net	138,772	484	139,256
Interfund Receivable	5,551		5,551
Internal Balances	(75)	75	
Inventory		3,704	3,704
Bond Issuance Costs, Net	82,386		82,386
Restricted Assets:			
Capital Reserve Account-Cash	57,599		57,599
Maintenance Reserve Account-Cash	65,000		65,000
Emergency Reserve Account-Cash	74,948		74,948
Capital Assets (Note 4):			
Land	320,100		320,100
Other Capital Assets, Net of Depreciation	6,728,199	13,217	6,741,416
Total Assets	<u>7,859,711</u>	<u>190,440</u>	<u>8,050,151</u>
LIABILITIES			
Accrued Interest	40,079		40,079
Deferred Revenue	18,416	2,900	21,316
Long-Term Liabilities (Note 5):			
Due Within One Year	518,861		518,861
Due Beyond One Year	1,991,973		1,991,973
Compensated Absences Payable	50,325		50,325
Total Liabilities	<u>2,619,654</u>	<u>2,900</u>	<u>2,622,554</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	4,537,465	13,217	4,550,682
Restricted For:			
Capital Reserve	57,599		57,599
Maintenance Reserve	65,000		65,000
Emergency Reserve	74,948		74,948
Unrestricted	505,045	174,323	679,368
TOTAL NET ASSETS	<u>\$ 5,240,057</u>	<u>\$ 187,540</u>	<u>\$ 5,427,597</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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-Types Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 2,302,273	\$ 980,479	\$ 46,150	\$ 5,812		\$ (3,230,790)		\$ (3,230,790)
Special Education	813,785	415,177	18,300	110		(1,210,552)		(1,210,552)
Other Special Education	207,263	101,071		14,495		(293,839)		(293,839)
Other Instruction	71,386	3,681				(75,067)		(75,067)
Support Services:								
Tuition	258,451			91,648		(166,803)		(166,803)
Students & Instruction Related Services	875,871	374,283		55,398		(1,194,756)		(1,194,756)
General & Business Administrative Services	431,263	164,588				(595,851)		(595,851)
School Administrative Services	151,469	93,366				(244,835)		(244,835)
Plant Operations & Maintenance	566,606	817	9,450			(557,973)		(557,973)
Pupil Transportation	314,598					(314,598)		(314,598)
Interest on Long-Term Debt	128,355					(128,355)		(128,355)
Total Government Activities	<u>6,121,320</u>	<u>2,133,462</u>	<u>73,900</u>	<u>167,463</u>	<u>\$ -</u>	<u>(8,013,419)</u>	<u>\$ -</u>	<u>(8,013,419)</u>
Business-Type Activities:								
Food Service	124,732		95,156	26,255			(3,321)	(3,321)
Other-Child Care	139,139		178,671				39,532	39,532
Total Business-Type Activities	<u>263,871</u>		<u>273,827</u>	<u>26,255</u>	<u>-</u>	<u>-</u>	<u>36,211</u>	<u>36,211</u>
Total Primary Government	<u>\$ 6,385,191</u>	<u>\$ 2,133,462</u>	<u>\$ 347,727</u>	<u>\$ 193,718</u>	<u>\$ -</u>	<u>(8,013,419)</u>	<u>36,211</u>	<u>(7,977,208)</u>
			General Revenues					
						6,055,296		6,055,296
						526,121		526,121
						1,883,405		1,883,405
						64,576		64,576
						3,073	141	3,214
						83		83
						<u>8,532,554</u>	<u>141</u>	<u>8,532,695</u>
						519,135	36,352	555,487
						<u>4,720,922</u>	<u>151,188</u>	<u>4,872,110</u>
						<u>\$ 5,240,057</u>	<u>\$ 187,540</u>	<u>\$ 5,427,597</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
ASSETS					
Cash & Cash Equivalents	\$ 387,231				\$ 387,231
Receivables from Other Governments:					
State	62,019				62,019
Federal	27,944	\$ 45,114			73,058
Other	573				573
Other Receivables	3,122				3,122
Due from Other Funds	32,574				32,574
Restricted Cash & Equivalents	197,547				197,547
TOTAL ASSETS	\$ 711,010	\$ 45,114	\$ -	\$ -	\$ 756,124
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ 75	\$ 27,023			\$ 27,098
Deferred Revenue	325	18,091			18,416
Total Liabilities	400	45,114	\$ -	\$ -	45,514

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 57,599				\$ 57,599
Maintenance Reserve Account	65,000				65,000
Emergency Reserve Account	74,948				74,948
Excess Surplus-Designated for Subsequent Year's Expenditures	2,862				2,862
Committed Fund Balance:					
Year-End Encumbrances	135,081				135,081
Assigned Fund Balance-Designated for Subsequent Year's Expenditures	181,251				181,251
Unassigned Fund Balance	193,869				193,869
Total Fund Balances	<u>710,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>710,610</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 711,010</u></u>	<u><u>\$ 45,114</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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

\$ 11,235,688
4,187,389

7,048,299

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

(2,561,159)

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

(40,079)

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

153,912
71,526

82,386

Total Net Assets of Governmental Activities

\$ 5,240,057

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 6,055,296			\$ 526,121	\$ 6,581,417
Tuition Charges:					
Other LEA's	18,300				18,300
Individuals	46,150				46,150
Interest on Investments	3,073				3,073
Miscellaneous	9,533	\$ 9,212			18,745
Total	<u>6,132,352</u>	<u>9,212</u>	<u>\$ -</u>	<u>526,121</u>	<u>6,667,685</u>
State Sources	1,859,585		64,576	967	1,925,128
Federal Sources	22,853	158,251			181,104
Total Revenues	<u>8,014,790</u>	<u>167,463</u>	<u>64,576</u>	<u>527,088</u>	<u>8,773,917</u>
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	2,140,059	5,812			2,145,871
Special Education Instruction	813,675	110			813,785
Other Special Instruction	192,768	14,495			207,263
Other Instruction	71,386				71,386
Support Service & Undistributed Costs:					
Tuition	166,803	91,648			258,451
Student & Instruction Related Services	820,473	55,398			875,871
General & Business Administrative Services	431,263				431,263
School Administrative Services	151,469				151,469
Plant Operations & Maintenance	566,606				566,606
Pupil Transportation	314,598				314,598
Unallocated Benefits	1,899,163				1,899,163

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 240,000		\$ 153,845		\$ 393,845
Debt Services:					
Principal				\$ 415,000	415,000
Interest & Other Charges	10,305			112,088	122,393
Total Expenditures	<u>7,818,568</u>	<u>\$ 167,463</u>	<u>153,845</u>	<u>527,088</u>	<u>8,666,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>196,222</u>	<u>-</u>	<u>(89,269)</u>	<u>-</u>	<u>106,953</u>
Other Financing Sources (Uses):					
Capital Leases	240,000				240,000
Operating Transfers In-Capital Reserve Fund			89,269		89,269
Operating Transfers Out-Capital Reserve Fund	(89,269)				(89,269)
Total Other Financing Sources (Uses)	<u>150,731</u>	<u>-</u>	<u>89,269</u>	<u>-</u>	<u>240,000</u>
Net Change in Fund Balance	346,953	-	-	-	346,953
Fund Balances, July 1	<u>363,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,657</u>
Fund Balances, June 30	<u>\$ 710,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710,610</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ 346,953
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 expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital Outlays	\$ 153,845	
Depreciation Expense	<u>(243,036)</u>	(89,191)
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 statement of activities:		
Bond Principal Payments	415,000	
Capital Lease Payments	<u>80,371</u>	495,371
Proceeds from debt issues are a financing sources in the governmental funds. They are not revenue in the statement of activities. The issuance of debt increase long-term liabilities in the statement of net assets:		
Proceeds of Capital Leases		(240,000)
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:		
Amortization of Bond Issuance Costs		(8,239)
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		
		5,504
In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>8,737</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 519,135</u></u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 COMBINING STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2012

	Food Services	Child Care Program	Total
Current Assets:			
Cash & Cash Equivalents	\$ 49,002	\$ 123,958	\$ 172,960
Accounts Receivable:			
Intergovernmental-Federal	451		451
Intergovernmental-State	33		33
Interfund	75		75
Inventories	3,704		3,704
Total Current Assets	<u>53,265</u>	<u>123,958</u>	<u>177,223</u>
Fixed Assets:			
Capital Assets	92,549		92,549
Accumulated Depreciation	79,332		79,332
Total Fixed Assets	<u>13,217</u>	<u>-</u>	<u>13,217</u>
Total Assets	<u>66,482</u>	<u>123,958</u>	<u>190,440</u>
LIABILITIES			
Current Liabilities:			
Deferred Revenue	2,325	575	2,900
Total Current Liabilities	<u>2,325</u>	<u>575</u>	<u>2,900</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	13,217		13,217
Unrestricted	<u>50,940</u>	<u>123,383</u>	<u>174,323</u>
TOTAL NET ASSETS	<u>\$ 64,157</u>	<u>\$ 123,383</u>	<u>\$ 187,540</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Services	Child Care Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 65,979		\$ 65,979
Daily Sales-Nonreimbursable Programs	29,177		29,177
Child Care Revenues		\$ 178,671	178,671
Total Operating Revenues	<u>95,156</u>	<u>178,671</u>	<u>273,827</u>
Operating Expenses:			
Costs of Sales	58,956		58,956
Salaries	33,350	83,015	116,365
Employee Benefits	5,021	31,286	36,307
Repairs & Maintenance	2,113		2,113
Insurance	3,360		3,360
Management Fees	7,337		7,337
Other Purchased Services	3,977	20,001	23,978
General Supplies	4,265	4,837	9,102
Depreciation	6,353		6,353
Total Operating Expenses	<u>124,732</u>	<u>139,139</u>	<u>263,871</u>
Operating Income (Loss)	<u>(29,576)</u>	<u>39,532</u>	<u>9,956</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,247		1,247
Federal Sources:			
National School Lunch Program	17,409		17,409
Food Distribution Program	7,599		7,599
Interest Earned on Investments	141		141
Total Nonoperating Revenues (Expenses)	<u>26,396</u>	<u>-</u>	<u>26,396</u>
Change in Net Assets	(3,180)	39,532	36,352
Total Net Assets, Beginning	<u>67,337</u>	<u>83,851</u>	<u>151,188</u>
Total Net Assets, Ending	<u>\$ 64,157</u>	<u>\$ 123,383</u>	<u>\$ 187,540</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Services	Child Care Program	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 95,156	\$ 177,846	\$ 273,002
Payments to Employees		(83,015)	(83,015)
Payments for Employee Benefits		(31,286)	(31,286)
Payments to Food Services Management Co	(104,393)		(104,393)
Payments to Vendors	(4,436)	(24,838)	(29,274)
Net Cash Provided by (Used For) Operating Activities	<u>(13,673)</u>	<u>38,707</u>	<u>25,034</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	1,381		1,381
Federal Sources	18,125		18,125
Interfund Activity	4,072		4,072
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>23,578</u>	<u>-</u>	<u>23,578</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	<u>141</u>	<u>-</u>	<u>141</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,046	38,707	48,753
Cash and Cash Equivalents, July 1, 2011	<u>38,956</u>	<u>85,251</u>	<u>124,207</u>
Cash and Cash Equivalents, June 30, 2012	<u>\$ 49,002</u>	<u>\$ 123,958</u>	<u>\$ 172,960</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (29,576)	\$ 39,532	\$ 9,956
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	6,353		6,353
Federal Food Distribution Program	7,599		7,599
(Increase) Decrease in Inventory	2,006		2,006
Increase (Decrease) in Accounts Payable	(237)		(237)
Increase (Decrease) in Deferred Revenue	182	(825)	(643)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (13,673)</u>	<u>\$ 38,707</u>	<u>\$ 25,034</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash & Cash Equivalents	\$ 68,222	\$ 46,507	\$ 5,943
TOTAL ASSETS	<u>68,222</u>	<u>\$ 46,507</u>	<u>\$ 5,943</u>
LIABILITIES			
Accounts Payable	297		
Due to Other Funds			\$ 5,551
Due to Student Groups		\$ 46,507	
Payroll Deductions & Withholdings			<u>392</u>
TOTAL LIABILITIES	<u>297</u>	<u>\$ 46,507</u>	<u>\$ 5,943</u>
NET ASSETS	<u>\$ 67,925</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 6,539
Investment Earnings-Interest	208
Total Additions	<u>6,747</u>
DEDUCTIONS	
Unemployment Claims	<u>22,934</u>
Total Deductions	<u>22,934</u>
Change in Net Assets	(16,187)
Net Assets, Beginning of the Year	<u>84,112</u>
Net Assets, End of the Year	<u><u>\$ 67,925</u></u>

NOTES TO FINANCIAL STATEMENTS

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Clinton-Glen Gardner 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 five members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District serves the communities of the Town of Clinton and the Borough of Glen Gardner. The District had an approximate enrollment at June 30, 2012 of 496 students.

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

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 has been removed from these statements.

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

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

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

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

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

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

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.

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 sub fund.

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

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

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Child Care 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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(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

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 government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

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

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

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

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, 2012 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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as 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 2011-2012 and 2010-2011 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, 2012.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (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
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 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 employer's share of social security and medicare taxes are included.

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

L. Deferred Revenue

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

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, 2012, consists entirely of the following.

Capital Reserve	\$ 57,599
Maintenance Reserve	65,000
Emergency Reserve	<u>74,948</u>
	<u>\$ 197,547</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(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-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (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, 2012 appear in the financial statements as summarized below:

Cash		<u>\$ 878,410</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 584,778
Enterprise Fund, Statement of Net Assets	B-4	172,960
Fiduciary Funds, Statement of Net Assets	B-7	<u>120,672</u>
Total Cash		<u>\$ 878,410</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2012 is \$878,410 and the bank balance is \$1,138,251. Of the bank balance, \$250,000 is covered by federal depository insurance and \$888,251 is insured by GUDPA.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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.
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.
4. 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.
5. 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, 2012, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 320,100			\$ 320,100
Total	<u>320,100</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>320,100</u>
Capital Assets, Being Depreciated:				
Land Improvements	128,535			128,535
Building & Improvements	9,924,314	153,845		10,078,159
Furniture & Equipment	708,894			708,894
Total	<u>10,761,743</u>	<u>153,845</u>	<u>-0-</u>	<u>10,915,588</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	\$ 105,337	\$ 2,429		\$ 107,766
Building & Improvements	3,317,722	198,005		3,515,727
Furniture & Equipment	521,294	42,602		563,896
Total	<u>3,944,353</u>	<u>243,036</u>	<u>\$ -0-</u>	<u>4,187,389</u>
Total Capital Assets, Being Depreciated, Net	<u>6,817,390</u>	<u>(89,191)</u>	<u>-0-</u>	<u>6,728,199</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,137,490</u>	<u>\$ (89,191)</u>	<u>\$ -0-</u>	<u>\$ 7,048,299</u>
Business-Type Activities:				
Furniture & Equipment	\$ 92,549			\$ 92,549
Less: Accum Depreciation	<u>72,979</u>	<u>\$ 6,353</u>		<u>79,332</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,570</u>	<u>\$ (6,353)</u>	<u>\$ -0-</u>	<u>\$ 13,217</u>

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

Instruction:	
Regular	\$ 110,662
Special Education	41,967
Other Special Instruction	10,689
Co-Curricular Activities	3,681
Support Services:	
Student & Instruction	45,169
General & Business Admin	22,240
School Administration	7,811
Plant & Maintenance	<u>817</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 243,036</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2012 is as Follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 2,725,000		\$ 415,000	\$ 2,310,000	\$ 440,000
Lease Obligations Payable	41,205	\$ 240,000	80,371	200,834	78,861
Compensated Absences Payable	59,062	15,975	24,712	50,325	
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,825,267</u>	<u>\$ 255,975</u>	<u>\$ 520,083</u>	<u>\$ 2,561,159</u>	<u>\$ 518,861</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2012 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 440,000	\$ 93,537	\$ 533,537
2014	465,000	73,662	538,662
2015	450,000	52,712	502,712
2016	120,000	31,837	151,837
2017	130,000	27,487	157,487
2018	140,000	22,737	162,737
2019	145,000	17,581	162,581
2020	140,000	12,775	152,775
2021	140,000	7,787	147,787
2022	140,000	2,625	142,625
Total	<u>\$ 2,310,000</u>	<u>\$ 342,740</u>	<u>\$ 2,652,740</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

General Obligation Bonds – General obligation school building bonds payable at June 30, 2012, with their outstanding balances are comprised of the following individual issues:

\$1,505,000 - 2009 refunding school bonds, due in annual installments of \$100,000 to \$140,000, beginning Aug 15, 2010, through Aug 15, 2021, interest at 3.00% to 4.00%	\$ 1,015,000
\$3,335,000 - 2002 refunding school bonds, due in annual installments of \$285,000 to \$335,000, beginning Feb 1, 2005 through Feb 1, 2015, interest from 2.90% to 5.00%	<u>1,295,000</u>
	<u>\$ 2,310,000</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, 2012 is \$17,658,225. General obligation debt at June 30, 2012 is \$2,310,000, resulting in a legal debt margin of \$15,348,225.

Capital Leases Payable

The District is leasing technology equipment totaling \$240,000 under a capital lease. The following is a schedule of the future minimum lease payments under the lease and the net minimum lease payments at June 30, 2012:

<u>Year Ending June</u>	<u>General Fund</u>
2013	\$ 83,328
2014	83,328
2015	<u>41,664</u>
	208,320
Amount Representing Interest	<u>7,486</u>
	<u>\$ 200,834</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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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 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).

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/njdcprp.

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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 2002, 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 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. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual 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, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/12	\$ 365,111	100%
06/30/11	267,459	100%
06/30/10	256,009	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/12	\$ 65,728	100%
06/30/11	56,659	100%
06/30/10	45,882	100%

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (cont'd)

During the year ended June 30, 2012, the State of New Jersey contributed \$243,822 to the TPAF for post-retirement medical benefits, \$11,755 for the non-contributory insurance premiums and \$109,534 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$259,668 during the year ended June 30, 2012 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 accumulating 25 years of credited service or on 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, 2011, there were 93,323 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 2011, the State paid \$144 million toward Ch 126 benefits for 15,079 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.

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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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 States 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-july2011.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:

The Equitable VALIC Benefits	Lincoln National Life Syracusa Benefits
Lincoln Financial Group	

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances at June 30, 2012 are as follows:

	Receivable	Payable
General Fund	\$ 32,574	\$ 75
Special Revenue Fund		27,023
Food Service Fund	75	
Payroll Agency Fund		5,551
	\$ 32,649	\$ 32,649

The interfund owed to the Food Service Fund represents other state aid received for the Food Service Fund not transferred as of June 30th. The interfund owed by the Special Revenue Fund represents a loan due to the delay in receipt of grant funds. The balance due by the Payroll Agency Fund represents employee benefit withholdings not transferred by the end of the year.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2012 consisted of the following:

Food	\$	3,186
Supplies		518
		\$ 3,704

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.

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. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Board Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ -0-	\$ 208	\$ 6,539	\$ 22,934	\$ 67,925
2010-2011	25,000	99	7,441	33,681	84,112
2009-2010	105,355	130	7,278	41,976	85,253

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$100 on October 6, 2001 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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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.

Beginning in fiscal year 2008, 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 \$39,266 to their Capital Reserve account, and \$38,401 to their Emergency Reserve account and \$45,000 to the Maintenance Reserve account by board resolution in June 2012 as summarized in the following schedule.

The following is a summarization of the Legal Reserve Accounts for the Current year.

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With-drawal	With-drawal	Ending Balance
Capital	\$ 110,670	\$ 36,080	\$ 118		\$ 89,269	\$ 57,599
Maintenance	20,000	45,000				65,000
Emergency	36,547	38,401				74,948
Totals	\$ 167,217	\$ 119,481	\$ 118	\$ -0-	\$ 89,269	\$ 197,547

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2012 and 2011 is as follows:

	2012	2011
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets		\$ 2,862
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	\$ 2,862	
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	57,599	110,670
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	65,000	20,000

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

	2012	2011
Restricted: (cont'd)		
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	\$ 74,948	\$ 36,547
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,	135,081	4,311
Assigned:		
Designated Surplus-Designated for Subsequent Year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements	181,251	
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	312,021	288,349
Total Fund Balance	\$ 828,762	\$ 462,739

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, 2012 is \$-0-.

NOTE 16. CONSOLIDATION

Pursuant to PL 2007, Ch 63 and A-4141. on June 30, 2009 non operating school districts were eliminated. Effective July 1, 2009 the New Jersey Department of Education merged the Glen Gardner School District with the Town of Clinton School District to operate as one entity.

As such, the Town of Clinton, School District assumed all contractual obligations of the Glen Gardner School District and provided for the liquidation of the assets of the Glen Gardner School District. Upon completion of the liquidation any cash balances, including reserve balances, were distributed to the Borough of Glen Gardner.

For the school year 2009-2011 and subsequent years the following will occur:

1. For 2009-2011 the two district budgets will be merged into one and taxes collected by Glen Gardner have been forwarded to the Clinton-Glen Gardner School district.
2. For subsequent school years taxes will be apportioned though a five year phase in to 100% equalized valuation
3. A representative of Glen Gardner was appointed as a voting member of the Clinton Board of Education for a one year period. In subsequent years members of the Board of Education will be elected "at-large."
4. All existing debt and applicable debt service requirements of the Town of Clinton will remain the responsibility of the Town of Clinton. All future debt authorizations will be the responsibility of the merged district.
5. State school aid for the merged district will be calculated as if the two districts were still operating as separate school districts.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 6,055,296		\$ 6,055,296	\$ 6,055,296	
Tuition-Other LEAS				18,300	\$ 18,300
Tuition-Individuals	34,000		34,000	46,150	12,150
Interest on Investments				2,955	2,955
Interest on Capital Reserve Funds	50		50	118	68
Miscellaneous-Unrestricted	12,200		12,200	9,533	(2,667)
Total	6,101,546	\$ -	6,101,546	6,132,352	30,806
State Sources:					
Categorical Special Education Aid	161,256		161,256	223,042	61,786
Equalization Aid	634,110		634,110	634,110	
Categorical Security Aid	14,442		14,442	22,412	7,970
Adjustment Aid	285,796		285,796	312,291	26,495
Extraordinary Aid				59,892	59,892
Non-public Transportation Aid				2,129	2,129
On-Behalf TPAF Payments				365,111	365,111
Reimbursed TPAF Social Security Contrib				259,668	259,668
Total	1,095,604	-	1,095,604	1,878,655	783,051
Federal Sources:					
Education Jobs Fund	19,909	2,944	22,853	22,853	
Total	19,909	2,944	22,853	22,853	-
TOTAL REVENUES	\$ 7,217,059	\$ 2,944	\$ 7,220,003	\$ 8,033,860	\$ 813,857
EXPENDITURES					
Current:					
Instruction-Regular Program:					
Salaries for Teachers:					
Kindergarten	\$ 85,897	\$ (1,734)	\$ 84,163	\$ 84,163	
Grades 1-5	1,105,000	46,582	1,151,582	1,086,209	\$ 65,373
Grades 6-8	787,324	(65,799)	721,525	721,525	
Home Instruction:					
Salaries for Teachers	1,000	(824)	176	176	
Regular Programs-Undistributed Instruction:					
Other Purchased Services	84,288	2,159	86,447	86,447	
General Supplies	130,182	(3,881)	126,301	114,309	11,992
Textbooks	47,000	5,123	52,123	46,990	5,133
Other Objects	500		500	240	260
Total	2,241,191	(18,374)	2,222,817	2,140,059	82,758
Special Education:					
Resource Room/Center:					
Salaries of Teachers	394,531	(7,959)	386,572	386,572	
Other Salaries for Instruction	164,321	67,237	231,558	231,558	
General Supplies	5,400	(498)	4,902	4,902	
Total	564,252	58,780	623,032	623,032	-

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Special Education: (cont'd)					
Autism:					
Salaries of Teachers	\$ 69,090	\$ (6,620)	\$ 62,470	\$ 62,470	
Other Salaries for Instruction	73,635	(60,549)	13,086	13,086	
General Supplies	2,000	103	2,103	2,067	\$ 36
Total	144,725	(67,066)	77,659	77,623	36
Preschool Disabilities-Part Time:					
Salaries of Teachers	91,098	(2,634)	88,464	88,464	
Other Salaries for Instruction	22,931	351	23,282	23,282	
General Supplies	1,500		1,500	1,274	226
Total	115,529	(2,283)	113,246	113,020	226
Total Special Education	824,506	(10,569)	813,937	813,675	262
Basic Skills/Remedial:					
Salaries of Teachers	154,555	7,736	162,291	161,956	335
General Supplies	2,000		2,000	212	1,788
Total	156,555	7,736	164,291	162,168	2,123
Bilingual Education:					
Salaries of Teachers	30,770	(603)	30,167	30,167	
General Supplies		1,007	1,007	433	574
Total	30,770	404	31,174	30,600	574
School Sponsored Co/Extra-Curr Activities:					
Salaries	42,725	3,967	46,692	41,724	4,968
Supplies and Materials	150		150		150
Total	42,875	3,967	46,842	41,724	5,118
School Sponsored Athletics:					
Salaries	23,103	(651)	22,452	22,452	
Purchased Services	6,000		6,000	6,000	
Supplies and Materials	2,500		2,500	1,210	1,290
Total	31,603	(651)	30,952	29,662	1,290
Total Instruction Regular	\$ 3,327,500	\$ (17,487)	\$ 3,310,013	\$ 3,217,888	\$ 92,125
Undistributed Expenditures:					
Instruction Tuition:					
Other LEA'S Within the State-Special	\$ 25,000	\$ 7,637	\$ 32,637	\$ 29,693	\$ 2,944
Private Schools for the Disabled W/I State	65,500	71,610	137,110	137,110	
Total	90,500	79,247	169,747	166,803	2,944
Health Services:					
Salaries	74,612	(933)	73,679	73,068	611
Purch Professional and Technical Services	1,750		1,750	1,750	
Other Purchased Services	250		250	85	165
Supplies and Materials	3,125		3,125	2,694	431
Total	79,737	(933)	78,804	77,597	1,207

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Speech, OT, PT & Related Services:					
Salaries	\$ 172,338		\$ 172,338	\$ 168,959	\$ 3,379
Purchased Professional Educational Services	55,724	\$ (10,412)	45,312	37,208	8,104
Supplies and Materials	1,000		1,000	942	58
Total	229,062	(10,412)	218,650	207,109	11,541
Other Support Services-Students-Extra Serv:					
Salaries		1,275	1,275	1,275	
Other Salaries for Instruction		398	398	398	
Purchased Professional-Educational Services	4,327	(4,327)			
Total	4,327	(2,654)	1,673	1,673	-
Guidance:					
Salaries of Other Professional Staff	87,329		87,329	85,617	1,712
Supplies and Materials	700		700	427	273
Total	88,029	-	88,029	86,044	1,985
Child Study Team:					
Salaries of Other Professional Staff	227,054	(37,871)	189,183	174,454	14,729
Salaries of Secretarial and Clerical Assistants	45,667	(423)	45,244	45,244	
Purchased Professional Educational Services	2,500	9,961	12,461	10,993	1,468
Supplies and Materials	7,500	2,373	9,873	9,607	266
Total	282,721	(25,960)	256,761	240,298	16,463
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	13,260	580	13,840	13,840	
Salaries of Other Professional Staff	7,500	1,546	9,046	9,046	
Salaries of Facilitators, Math & Literacy Coaches	36,270		36,270	35,559	711
Total	57,030	2,126	59,156	58,445	711
Educational Media Service/School Library:					
Salaries	82,520	61,853	144,373	141,142	3,231
Salaries of Technology Coordinators	60,271	(60,271)			
Supplies and Materials	8,500		8,500	8,165	335
Total	151,291	1,582	152,873	149,307	3,566
Support Services General Administration:					
Salaries	143,164	(211)	142,953	142,953	
Legal Services	15,000	5,307	20,307	11,714	8,593
Audit Fees	14,500	(500)	14,000	14,000	
Architect/Engineer Services		7,675	7,675	1,250	6,425
Other Purchased Professional Services	4,000		4,000	3,990	10
Communications/Telephone	19,500	5,149	24,649	19,369	5,280
BOE Other Purchased Services	1,000	343	1,343	1,343	
Miscellaneous Purchased Services	12,600	(1,466)	11,134	7,970	3,164
General Supplies	8,000	10	8,010	7,640	370
Miscellaneous Expenditures	3,000	2,410	5,410	5,410	
BOE Membership Dues and Fees	4,300		4,300	4,300	
Total	225,064	18,717	243,781	219,939	23,842

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Support Services School Administration:					
Salaries of Principals/Asst Principals/Prog Dir	\$ 133,201	\$ (178)	\$ 133,023	\$ 133,023	
Salaries of Secretarial and Clerical Assistants	48,253	(155)	48,098	48,098	
Other Purchased Services	500		500	340	\$ 160
Supplies and Materials	1,000	149	1,149	1,149	
Other Objects	1,500		1,500	800	700
Total	184,454	(184)	184,270	183,410	860
Central Services:					
Salaries	147,059		147,059	147,059	
Miscellaneous Purchased Services	500	50	550	550	
Supplies and Materials	500	548	1,048	1,048	
Miscellaneous Expenditures	1,640	1,172	2,812	2,812	
Total	149,699	1,770	151,469	151,469	-
Administrative Information Technology:					
Salaries	6,697		6,697	6,697	
Purchased Technical Services	22,750	1,589	24,339	21,217	3,122
Total	29,447	1,589	31,036	27,914	3,122
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	52,500	126,080	178,580	135,825	42,755
General Supplies	12,180	(3,480)	8,700	8,700	
Total	64,680	122,600	187,280	144,525	42,755
Custodial Services:					
Purchased Professional and Technical Services	232,964	(4,650)	228,314	225,364	2,950
Cleaning, Repair and Maintenance Services	9,200	688	9,888	9,696	192
Other Purchased Property Services	6,500	2,125	8,625	8,625	
Insurance	40,051	(4,617)	35,434	35,434	
General Supplies	8,290	(3,642)	4,648	4,648	
Energy (Natural Gas)	48,000	(18,566)	29,434	29,434	
Energy (Electricity)	112,800	-	112,800	106,393	6,407
Total	457,805	(28,662)	429,143	419,594	9,549
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services		2,765	2,765	395	2,370
General Supplies	3,500	(1,500)	2,000	1,638	362
Total	3,500	1,265	4,765	2,033	2,732
Security:					
Purchased Professional and Technical Services	240	48	288	288	
Cleaning, Repair and Maintenance Services	500	(48)	452	166	286
Total	740	-	740	454	286
Student Transportation Services:					
Management Fee-ESC & CTSA Transportation Program	5,000		5,000	5,000	
Contracted Services-Aid in Lieu Pymnts-NonPub Sch	15,500	(196)	15,304	13,808	1,496
Choice Students		4,243	4,243	4,243	
Contracted Services (Othr than Btwn Home & Sch)-Vendors	18,500	43	18,543	15,176	3,367
Contracted Services (Between Home & Sch)-Joint Agrmnts	25,000	2,565	27,565	27,565	
Contracted Services (Regular Students)-ESCs & CTSA	156,900	(1,629)	155,271	155,271	
Contracted Services (Spl. Ed. Students)-ESCs & CTSA	97,500	711	98,211	93,535	4,676
Total	318,400	5,737	324,137	314,598	9,539
Unallocated Benefits:					
Social Security Contribution:	64,300		64,300	57,413	6,887
Other Retirement Contributions-PERS	50,000	14,000	64,000	59,728	4,272
Other Retirement Contributions-DCRP		2,949	2,949	2,949	
Unemployment Compensatio	25,000	(20,964)	4,036		4,036
Workmen's Compensatio	32,500	(1,258)	31,242	29,769	1,473
Health Benefits	1,226,968	(125,970)	1,100,998	1,100,998	
Tuition Reimbursemen	34,000	(19,843)	14,157	13,527	630
Other Employee Benefit:		10,000	10,000	10,000	
Total	1,432,768	(141,086)	1,291,682	1,274,384	17,298

CLINTON-GLEN GARDNER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
On-Behalf TPAF Payments				\$ 365,111	\$ (365,111)
Reimburse TPAF Social Security Contributions				259,668	(259,668)
Total	\$ -	\$ -	\$ -	624,779	(624,779)
Total Undistributed Expenditures	3,849,254	24,742	3,873,996	4,350,375	(476,379)
TOTAL EXPENDITURES	<u>\$ 7,176,754</u>	<u>\$ 7,255</u>	<u>\$ 7,184,009</u>	<u>\$ 7,568,263</u>	<u>\$ (384,254)</u>
CAPITAL OUTLAY					
Assets Acquired Under Capital Leases:					
Computer Equipment & Supplies				\$ 240,000	\$ (240,000)
Facilities Acquisition & Construction					
Services:					
Construction Services	\$ 78,136		\$ 78,136		78,136
Assessment for Debt Service on SDA Funding	10,305		10,305	10,305	
TOTAL CAPITAL OUTLAY	88,441	\$ -	88,441	250,305	(161,864)
GENERAL FUND TOTAL EXPENDITURES	<u>\$ 7,265,195</u>	<u>\$ 7,255</u>	<u>\$ 7,272,450</u>	<u>\$ 7,818,568</u>	<u>\$ (546,118)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (48,136)	\$ (4,311)	\$ (52,447)	\$ 215,292	\$ 267,739
Other Financing Sources (Uses):					
Capital Leases (Non-Budgeted)				240,000	240,000
Capital Reserve-Transfer to Capital Projects				(89,269)	(89,269)
Total Other Financing Sources (Uses)	-	-	-	150,731	150,731
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(48,136)	(4,311)	(52,447)	366,023	418,470
Fund Balances, July 1	462,739		462,739	462,739	
Fund Balances, June 30	<u>\$ 414,603</u>	<u>\$ (4,311)</u>	<u>\$ 410,292</u>	<u>\$ 828,762</u>	<u>\$ 267,739</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (4,311)	\$ (4,311)	\$ (4,311)	
Increase in Capital Reserve	\$ (3,136)	39,266	36,130	(53,071)	\$ (89,201)
Increase in Maintenance Reserve		45,000	45,000	45,000	
Increase in Emergency Reserve		38,401	38,401	38,401	
Budgeted Fund Balance	(45,000)	(122,667)	(167,667)	340,004	507,671
TOTAL	<u>\$ (48,136)</u>	<u>\$ (4,311)</u>	<u>\$ (52,447)</u>	<u>\$ 366,023</u>	<u>\$ 418,470</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Continued)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:			
Capital Reserve	\$	57,599	
Maintenance Reserve		65,000	
Emergency Reserve		74,948	
Excess Surplus:			
Prior Year-Designated for 2012-2013 Budget		<u>2,862</u>	
			\$ 200,409
Committed Fund Balance:			
Year-End Encumbrances			135,081
Assigned Fund Balance-Designated for Subsequent Years Expenditures			181,251
Unassigned Fund Balance			<u>312,021</u>
			828,762
Reconciliation to Governmental Statements (GAAP):			
Last State Aid Payments not Recognized on GAAP Basis			<u>(118,152)</u>
Fund Balance Per Governmental Funds (GAAP)	\$		<u>710,610</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
Education Jobs Fund	\$ 19,909	\$ 2,944	\$ 22,853	\$ 22,853	
TOTAL REVENUES	<u>\$ 19,909</u>	<u>\$ 2,944</u>	<u>\$ 22,853</u>	<u>\$ 22,853</u>	<u>\$ -</u>
EXPENDITURES					
Fund 18 Education Jobs Fund:					
Instruction Tuition:					
Other LEA'S Within the State-Special	\$ 19,909	\$ 2,944	\$ 22,853	\$ 22,853	
Total	<u>19,909</u>	<u>2,944</u>	<u>22,853</u>	<u>22,853</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 19,909</u>	<u>\$ 2,944</u>	<u>\$ 22,853</u>	<u>\$ 22,853</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 9,424	\$ 12,283	\$ 21,707	\$ 9,212	\$ (12,495)
Federal Sources	154,661	9,076	163,737	158,141	(5,596)
TOTAL REVENUES	\$ 164,085	\$ 21,359	\$ 185,444	\$ 167,353	\$ (18,091)
EXPENDITURES					
Instruction:					
Salaries for Teachers	\$ 11,714	\$ 755	\$ 12,469	\$ 12,469	
General Supplies	6,024	12,283	18,307	5,812	\$ 12,495
Totals	17,738	13,038	30,776	18,281	12,495
Support Services:					
Personnel Services Employee Benefits	2,015	2,026	4,041	2,026	2,015
Purchase Professional Educational Services	40,558		40,558	40,558	
Tuition	88,153	3,795	91,948	91,648	300
General Supplies	6,400	2,002	8,402	6,535	1,867
Other Purchased Services	9,221	498	9,719	8,305	1,414
Total	146,347	8,321	154,668	149,072	5,596
TOTAL EXPENDITURES	\$ 164,085	\$ 21,359	\$ 185,444	\$ 167,353	\$ 18,091

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY 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	\$ 8,033,860	\$ 167,353
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Prior Year		110
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	99,082	
State Aid Receivable Current Year	(118,152)	
Total Revenues (GAAP Basis)	\$ 8,014,790	\$ 167,463
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,818,568	\$ 167,353
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		110
Total Expenditures (GAAP Basis)	\$ 7,818,568	\$ 167,463

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-GLEN GARDNER SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ARRA NCLB Title I	ARRA IDEA Basic	NCLB Title IA	NCLB Title II A	IDEA Basic	IDEA Pre-school	Local Grants	Total 2012
REVENUES								
Local Sources							\$ 9,212	\$ 9,212
Federal Sources	\$ 261	\$ 66	\$ 15,253	\$ 10,355	\$ 126,648	\$ 5,558		158,141
TOTAL REVENUES	\$ 261	\$ 66	\$ 15,253	\$ 10,355	\$ 126,648	\$ 5,558	\$ 9,212	\$ 167,353
EXPENDITURES								
Instruction:								
Salaries for Teachers			\$ 12,469					\$ 12,469
General Supplies							\$ 5,812	5,812
Total	\$ -	\$ -	12,469	\$ -	\$ -	\$ -	5,812	18,281
Support Services:								
Personnel Services Employee Benefits			2,026					2,026
Other Purchased Professional Services					35,000	5,558		40,558
Tuition					91,648			91,648
General Supplies				3,135			3,400	6,535
Other Purchased Services	261	66	758	7,220				8,305
Total	261	66	2,784	10,355	126,648	5,558	3,400	149,072
TOTAL EXPENDITURES	\$ 261	\$ 66	\$ 15,253	\$ 10,355	\$ 126,648	\$ 5,558	\$ 9,212	\$ 167,353

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
State Sources-NJSDA Grant	\$ 64,576
Local Sources:	
Operating Transfer In	<u>89,269</u>
Total Revenues	<u>153,845</u>
Expenditures and Other Financing Uses:	
Construction Services	<u>153,845</u>
Total Expenditures	<u>153,845</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	-
Fund Balance-Beginning	<u>-</u>
Fund Balance-Ending	<u><u>\$ -</u></u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS-ROOF REPLACEMENT PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-NJSDA Grant		\$ 64,576	\$ 64,576	\$ 64,576
Local Sources:				
Operating Transfer In (Out)		89,269	89,269	89,269
Total Revenues	\$ -	153,845	153,845	153,845
Expenditures and Other Financing Uses:				
Construction		153,845	153,845	153,845
Total Expenditures	-	153,845	153,845	153,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	\$ -	\$ -

Additional Project Information:

Project Number	0910-030-09-1001
Authorization Date	04/14/11
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 161,440
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 153,845
Percentage Complete	100.00%

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-GLEN GARDNER SCHOOL DISTRICT
 COMBINING STATEMENT OF FUND NET ASSETS
 ENTERPRISE FUND
 JUNE 30, 2012

	Food Service Fund	Child Care Program	Total
Current Assets:			
Cash & Cash Equivalents	\$ 49,002	\$ 123,958	\$ 172,960
Accounts Receivable:			
Intergovernmental-Federal	451		451
Intergovernmental-State	33		33
Interfund	75		75
Inventories	3,704		3,704
Total Current Assets	<u>53,265</u>	<u>123,958</u>	<u>177,223</u>
Fixed Assets:			
Capital Assets	92,549		92,549
Accumulated Depreciation	79,332		79,332
Total Fixed Assets	<u>13,217</u>	<u>-</u>	<u>13,217</u>
Total Assets	<u>66,482</u>	<u>123,958</u>	<u>190,440</u>
LIABILITIES			
Current Liabilities:			
Deferred Revenue	2,325	575	2,900
Total Current Liabilities	<u>2,325</u>	<u>575</u>	<u>2,900</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	13,217		13,217
Unrestricted	50,940	123,383	174,323
TOTAL NET ASSETS	<u>\$ 64,157</u>	<u>\$ 123,383</u>	<u>\$ 187,540</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Services	Child Care Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 65,979		\$ 65,979
Daily Sales-Nonreimbursable Programs	29,177		29,177
Child Care Revenues		\$ 178,671	178,671
Total Operating Revenues	<u>95,156</u>	<u>178,671</u>	<u>273,827</u>
Operating Expenses:			
Costs of Sales	58,956		58,956
Salaries	33,350	83,015	116,365
Employee Benefits	5,021	31,286	36,307
Repairs & Maintenance	2,113		2,113
Insurance	3,360		3,360
Management Fees	7,337		7,337
Other Purchased Services	3,977	20,001	23,978
General Supplies	4,265	4,837	9,102
Depreciation	6,353		6,353
Total Operating Expenses	<u>124,732</u>	<u>139,139</u>	<u>263,871</u>
Operating Income (Loss)	<u>(29,576)</u>	<u>39,532</u>	<u>9,956</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,247		1,247
Federal Sources:			
National School Lunch Program	17,409		17,409
Food Distribution Program	7,599		7,599
Interest Earned on Investments	141		141
Total Nonoperating Revenues (Expenses)	<u>26,396</u>	<u>-</u>	<u>26,396</u>
Change in Net Assets	(3,180)	39,532	36,352
Total Net Assets, Beginning	<u>67,337</u>	<u>83,851</u>	<u>151,188</u>
Total Net Assets, Ending	<u>\$ 64,157</u>	<u>\$ 123,383</u>	<u>\$ 187,540</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Food Services</u>	<u>Child Care Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 95,156	\$ 177,846	\$ 273,002
Payments to Employees		(83,015)	(83,015)
Payments for Employee Benefits		(31,286)	(31,286)
Payments to Food Services Management Co	(104,393)		(104,393)
Payments to Vendors	(4,436)	(24,838)	(29,274)
Net Cash Provided by (Used For) Operating Activities	<u>(13,673)</u>	<u>38,707</u>	<u>25,034</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	1,381		1,381
Federal Sources	18,125		18,125
Interfund Activity	4,072		4,072
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>23,578</u>	<u>-</u>	<u>23,578</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	141	-	141
Net Increase (Decrease) in Cash and Cash Equivalents	10,046	38,707	48,753
Cash and Cash Equivalents, July 1, 2011	<u>38,956</u>	<u>85,251</u>	<u>124,207</u>
Cash and Cash Equivalents, June 30, 2012	<u>\$ 49,002</u>	<u>\$ 123,958</u>	<u>\$ 172,960</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (29,576)	\$ 39,532	\$ 9,956
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	6,353		6,353
Federal Food Distribution Program	7,599		7,599
(Increase) Decrease in Inventory	2,006		2,006
Increase (Decrease) in Accounts Payable	(237)		(237)
Increase (Decrease) in Deferred Revenue	182	(825)	(643)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (13,673)</u>	<u>\$ 38,707</u>	<u>\$ 25,034</u>

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-GLEN GARDNER SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 68,222	\$ 46,507	\$ 5,943	\$ 120,672
TOTAL ASSETS	68,222	46,507	5,943	120,672
LIABILITIES				
Accounts Payable	297			297
Due to Other Funds			5,551	5,551
Due to Student Groups		46,507		46,507
Payroll Deductions & Withholdings			392	392
TOTAL LIABILITIES	297	46,507	5,943	52,747
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	\$ 67,925	\$ -	\$ -	\$ 67,925

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 6,539
Investment Earnings-Interest	208
Total Additions	<u>6,747</u>
DEDUCTIONS	
Unemployment Claims	<u>22,934</u>
Total Deductions	<u>22,934</u>
Change in Net Assets	(16,187)
Net Assets, Beginning of the Year	<u>84,112</u>
Net Assets, End of the Year	<u><u>\$ 67,925</u></u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance 07/01/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/12</u>
ASSETS				
Cash and Cash Equivalents	<u>\$ 40,545</u>	<u>\$ 75,098</u>	<u>\$ 69,136</u>	<u>\$ 46,507</u>
TOTAL ASSETS	<u><u>\$ 40,545</u></u>	<u><u>\$ 75,098</u></u>	<u><u>\$ 69,136</u></u>	<u><u>\$ 46,507</u></u>
LIABILITIES				
Due to Student Groups	<u>\$ 40,545</u>	<u>\$ 75,098</u>	<u>\$ 69,136</u>	<u>\$ 46,507</u>
TOTAL LIABILITIES	<u><u>\$ 40,545</u></u>	<u><u>\$ 75,098</u></u>	<u><u>\$ 69,136</u></u>	<u><u>\$ 46,507</u></u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> 07/01/11	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 06/30/12
ASSETS				
Cash and Cash Equivalents	\$ 570	\$ 7,628,910	\$ 7,623,537	\$ 5,943
TOTAL ASSETS	<u>\$ 570</u>	<u>\$ 7,628,910</u>	<u>\$ 7,623,537</u>	<u>\$ 5,943</u>
LIABILITIES AND RESERVES				
Due to Other Funds		\$ 5,551		\$ 5,551
Payroll Deductions & Withholdings	\$ 563	4,686,134	\$ 4,686,308	389
Net Payroll	<u>7</u>	<u>2,937,225</u>	<u>2,937,229</u>	<u>3</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 570</u>	<u>\$ 7,628,910</u>	<u>\$ 7,623,537</u>	<u>\$ 5,943</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-GLEN GARDNER SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30,2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/11	Issued	Retired	Balance 06/30/12
			Date	Amount					
Refunding School Bonds of 2002	02/01/02	\$ 3,335,000	02/01/13	\$ 330,000	5.000%				
			02/01/14	350,000	5.000%				
			02/01/15	335,000	5.000%	\$ 1,320,000		\$ 305,000	\$ 1,015,000
Refunding School Bonds of 2009	08/15/09	1,505,000	08/15/12	110,000	3.000%				
			08/15/13	115,000	3.000%				
			08/15/14	115,000	3.000%				
			08/15/15	120,000	4.000%				
			08/15/16	130,000	3.000%				
			08/15/17	140,000	4.000%				
			08/15/18	145,000	3.250%				
			08/15/19	140,000	3.500%				
			08/15/20	140,000	3.625%				
			08/15/21	140,000	3.750%			1,405,000	
						<u>\$ 2,725,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 2,310,000</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 JUNE 30,2012

	Interest Rate Payable	Amount of Original Issue	Balance 07/01/11	Issued	Retired	Balance 06/30/12
Technology Equipment	3.54%	\$ 225,000	\$ 41,205		\$ 41,205	
Technology Equipment	2.48%	240,000		\$ 240,000	39,166	\$ 200,834
			<u>\$ 41,205</u>	<u>\$ 240,000</u>	<u>\$ 80,371</u>	<u>\$ 200,834</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 526,121		\$ 526,121	\$ 526,121	
State Sources:					
Debt Service Aid Type II	967		967	967	
Total Revenues	<u>527,088</u>	<u>\$ -</u>	<u>527,088</u>	<u>527,088</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	415,000		415,000	415,000	
Interest on Bonds	112,088		112,088	112,088	
Total Expenditures	<u>527,088</u>	<u>-</u>	<u>527,088</u>	<u>527,088</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

CLINTON-GLEN GARDNER SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-6
REVENUE CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-7 to J-15
DEBT CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-16 to J-20
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-21 to J-22
OPERATING INFORMATION	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-23 to J-27

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, 2004; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 2,735,194	\$ 3,252,681	\$ 3,541,002	\$ 3,683,929	\$ 3,839,597	\$ 3,982,503	\$ 4,128,574	\$ 4,371,285	\$ 4,537,465
Restricted	48,500	41,122	139	139	139	40,140	102,774	167,217	197,547
Unrestricted	398,192	90,115	(45,517)	139,065	71,661	61,887	21,637	182,420	505,045
TOTAL GOVERNMENTAL ACTIVITIES NET ASSET:	\$ 3,181,886	\$ 3,383,918	\$ 3,495,624	\$ 3,823,133	\$ 3,911,397	\$ 4,084,530	\$ 4,252,985	\$ 4,720,922	\$ 5,240,057
BUSINESS-TYPE ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 56,938	\$ 50,638	\$ 44,338	\$ 40,534	\$ 39,422	\$ 32,523	\$ 25,920	\$ 19,570	\$ 13,217
Unrestricted	40,214	54,822	81,453	100,750	103,787	25,184	82,823	131,618	174,323
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 97,152	\$ 105,460	\$ 125,791	\$ 141,284	\$ 143,209	\$ 57,707	\$ 108,743	\$ 151,188	\$ 187,540
DISTRICT-WIDE									
Invested in Capital Assets, Net of Related Debt	\$ 2,792,132	\$ 3,303,319	\$ 3,585,340	\$ 3,724,463	\$ 3,879,019	\$ 4,015,026	\$ 4,154,494	\$ 4,390,855	\$ 4,550,682
Restricted	48,500	41,122	139	139	139	40,140	102,774	167,217	197,547
Unrestricted	438,406	144,937	35,936	239,815	175,448	87,071	104,460	314,038	679,368
TOTAL DISTRICT-WIDE	\$ 3,279,038	\$ 3,489,378	\$ 3,621,415	\$ 3,964,417	\$ 4,054,606	\$ 4,142,237	\$ 4,361,728	\$ 4,872,110	\$ 5,427,597

Note-Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES									
Governmental Activities:									
Instruction:									
Regular	\$ 2,825,003	\$ 2,984,802	\$ 3,264,590	\$ 3,442,154	\$ 3,569,937	\$ 3,564,328	\$ 3,424,234	\$ 3,064,929	\$ 3,282,752
Special Education	1,142,545	1,203,671	1,167,694	1,230,670	1,374,904	1,187,652	1,397,612	1,557,303	1,537,296
Other Instruction	48,596	48,296	60,738	77,265	91,294	80,667	98,492	74,827	75,067
Support Services:									
Tuition	68,134	87,523	130,806	117,067	120,312	176,784	242,911	181,942	258,451
Student & Instruction Related Services	848,136	957,084	941,943	943,654	1,085,543	1,280,294	1,442,001	1,346,673	1,250,154
General & Business Administrative Services	472,325	474,719	554,549	512,815	588,641	583,662	568,098	553,444	595,851
School Administrative Services	173,678	178,708	191,823	214,526	242,139	236,339	269,045	268,637	244,835
Plant Operations & Maintenance	450,956	445,671	471,873	550,439	559,551	587,830	582,103	536,418	567,423
Pupil Transportation	70,495	47,956	114,654	97,408	85,674	104,463	310,020	294,709	314,598
Interest on Long-Term Debt	245,618	230,835	218,045	203,497	189,502	179,431	128,690	142,942	128,355
Total Governmental Activities Expenses	<u>6,345,486</u>	<u>6,659,265</u>	<u>7,116,715</u>	<u>7,389,495</u>	<u>7,907,497</u>	<u>7,981,450</u>	<u>8,463,206</u>	<u>8,021,824</u>	<u>8,254,782</u>
Business-Type Activities:									
Food Services	113,738	114,028	120,293	119,300	132,969	135,927	125,742	127,014	124,732
Child Care	77,517	113,651	114,826	118,049	121,767	145,249	133,131	142,781	139,139
Total Business-Type Activities	<u>191,255</u>	<u>227,679</u>	<u>235,119</u>	<u>237,349</u>	<u>254,736</u>	<u>281,176</u>	<u>258,873</u>	<u>269,795</u>	<u>263,871</u>
TOTAL DISTRICT EXPENSES	<u>\$ 6,536,741</u>	<u>\$ 6,886,944</u>	<u>\$ 7,351,834</u>	<u>\$ 7,626,844</u>	<u>\$ 8,162,233</u>	<u>\$ 8,262,626</u>	<u>\$ 8,722,079</u>	<u>\$ 8,291,619</u>	<u>\$ 8,518,653</u>

Note-Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services:									
Operating Grants & Contributions	\$ 2,312,691	\$ 2,383,327	\$ 2,203,781	\$ 2,296,557	\$ 2,307,758	\$ 2,438,090	\$ 172,761	\$ 143,409	\$ 73,900
Capital Grants & Contributions	192,271	236,263	214,215	201,794	225,534	217,793	261,008	197,376	167,463
Total Governmental Activities Program Revenues	307,577		55,020						64,576
	<u>2,812,539</u>	<u>2,619,590</u>	<u>2,473,016</u>	<u>2,498,351</u>	<u>2,533,292</u>	<u>2,655,883</u>	<u>433,769</u>	<u>340,785</u>	<u>305,939</u>
Business-Type Activities:									
Charges for Services:									
Food Service	87,556	91,981	98,572	97,512	105,742	98,162	104,785	101,467	95,156
Child Care	112,724	124,113	132,247	130,280	122,783	109,159	178,063	181,453	178,671
Operating Grants & Contributions	21,285	19,873	24,631	24,770	27,790	28,258	26,969	29,152	26,255
Total Business-Type Activities Program Revenues	<u>221,565</u>	<u>235,967</u>	<u>255,450</u>	<u>252,562</u>	<u>256,315</u>	<u>235,579</u>	<u>309,817</u>	<u>312,072</u>	<u>300,082</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 3,034,104</u>	<u>\$ 2,855,557</u>	<u>\$ 2,728,466</u>	<u>\$ 2,750,913</u>	<u>\$ 2,789,607</u>	<u>\$ 2,891,462</u>	<u>\$ 743,586</u>	<u>\$ 652,857</u>	<u>\$ 606,021</u>
NET (EXPENSE) REVENUES									
Governmental Activities	\$ (3,532,947)	\$ (4,039,675)	\$ (4,643,699)	\$ (4,891,144)	\$ (5,374,205)	\$ (5,325,567)	\$ (8,029,437)	\$ (7,681,039)	\$ (7,948,843)
Business-Type Activities	30,310	8,288	20,331	15,213	1,579	(45,597)	50,944	42,277	36,211
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (3,502,637)</u>	<u>\$ (4,031,387)</u>	<u>\$ (4,623,368)</u>	<u>\$ (4,875,931)</u>	<u>\$ (5,372,626)</u>	<u>\$ (5,371,164)</u>	<u>\$ (7,978,493)</u>	<u>\$ (7,638,762)</u>	<u>\$ (7,912,632)</u>
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 2,859,178	\$ 3,010,117	\$ 3,488,226	\$ 3,714,408	\$ 3,910,915	\$ 4,086,329	\$ 5,790,375	\$ 5,979,490	\$ 6,055,296
Taxes Levied for Debt Service	522,169	584,087	565,336	551,123	568,356	553,625	538,505	509,311	526,121
Unrestricted Grants & Contributions	609,451	638,776	689,659	941,125	972,218	813,646	1,865,231	1,651,392	1,883,405
Investment Earnings	1,034	2,891	4,038	11,997	10,386	1,686	1,931	3,590	3,073
Miscellaneous Income	950	5,836	8,146		594	3,414	1,850	5,193	83
Operating Transfer						40,000			
Total Governmental Activities	<u>3,992,782</u>	<u>4,241,707</u>	<u>4,755,405</u>	<u>5,218,653</u>	<u>5,462,469</u>	<u>5,498,700</u>	<u>8,197,892</u>	<u>8,148,976</u>	<u>8,467,978</u>

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

	Fiscal Year Ending June 30.								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)									
Business-Type Activities:									
Investment Earnings	\$ 16	\$ 20		\$ 280	\$ 346	\$ 95	\$ 92	\$ 168	\$ 141
Operating Transfer						(40,000)			
Total Business-Type Activities	16	20	\$ -	280	346	(39,905)	92	168	141
TOTAL DISTRICT-WIDE	<u>\$ 3,992,798</u>	<u>\$ 4,241,727</u>	<u>\$ 4,755,405</u>	<u>\$ 5,218,933</u>	<u>\$ 5,462,815</u>	<u>\$ 5,458,795</u>	<u>\$ 8,197,984</u>	<u>\$ 8,149,144</u>	<u>\$ 8,468,119</u>
CHANGE IN NET ASSETS									
Governmental Activities	\$ 459,835	\$ 202,032	\$ 111,706	\$ 327,509	\$ 88,264	\$ 173,133	\$ 168,455	\$ 467,937	\$ 519,135
Business-Type Activities	30,326	8,308	20,331	15,493	1,925	(85,502)	51,036	42,445	36,352
TOTAL DISTRICT	<u>\$ 490,161</u>	<u>\$ 210,340</u>	<u>\$ 132,037</u>	<u>\$ 343,002</u>	<u>\$ 90,189</u>	<u>\$ 87,631</u>	<u>\$ 219,491</u>	<u>\$ 510,382</u>	<u>\$ 555,487</u>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:									
Reserved	\$ 83,065	\$ 147,225	\$ 37,811	\$ 44,222	\$ 3,715	\$ 40,140	\$ 70,276	\$ 167,217	\$ 197,547
Unreserved	127,046	100,994	100,882	168,249	148,114	140,435	25,594	196,440	513,063
Total General Fund	<u>\$ 210,111</u>	<u>\$ 248,219</u>	<u>\$ 138,693</u>	<u>\$ 212,471</u>	<u>\$ 151,829</u>	<u>\$ 180,575</u>	<u>\$ 95,870</u>	<u>\$ 363,657</u>	<u>\$ 710,610</u>
All Other Governmental Funds:									
Unreserved, Reported In:									
Capital Projects Fund	\$ (599)	\$ (16,114)							
Debt Service Fund	(1,310)	(1,036)	\$ 290				\$ 32,498		
Total All Other Governmental Funds	<u>\$ (1,909)</u>	<u>\$ (17,150)</u>	<u>\$ 290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,498</u>	<u>\$ -</u>	<u>\$ -</u>

Note-Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tax Levy	\$ 3,287,324	\$ 3,381,347	\$ 3,594,204	\$ 4,053,562	\$ 4,265,531	\$ 4,479,271	\$ 4,639,954	\$ 6,328,880	\$ 6,488,801	\$ 6,581,417
Tuition Charges	2,219,737	2,312,691	2,383,327	2,203,781	2,296,557	2,307,758	2,438,090	167,641	142,369	64,450
Interest Earnings	1,043	1,034	2,891	4,038	11,997	10,386	1,686	1,931	3,590	3,073
Miscellaneous	8,118	950	25,836	8,146	2,500	594	3,414	6,970	15,597	18,745
State Sources	568,654	615,284	644,085	698,277	942,613	972,218	813,646	1,744,283	1,626,274	1,860,552
State Sources-Capital Projects		307,577		55,020						64,576
Federal Sources	178,631	186,438	210,954	205,597	197,806	225,534	217,793	381,956	213,130	181,104
Total Revenues	6,263,507	6,805,321	6,861,297	7,228,421	7,717,004	7,995,761	8,114,583	8,631,661	8,489,761	8,773,917
Expenditures:										
Instruction:										
Regular Instruction	2,170,663	2,036,728	2,130,709	2,253,707	2,259,424	2,398,807	2,505,608	2,350,284	2,167,949	2,140,059
Special Education Instruction	353,628	546,470	541,423	532,463	579,784	632,853	634,331	860,755	861,954	813,675
Other Special Instruction	137,906	138,418	144,228	157,326	180,375	200,480	112,272	148,018	182,015	192,768
Other Instruction	47,030	58,396	64,895	57,749	72,779	87,107	76,656	93,907	71,266	71,386
Support Services:										
Tuition	29,823	58,134	87,523	130,806	117,067	120,312	176,784	96,486	95,361	166,803
Student & Inst Related Services	594,366	616,453	646,171	645,459	684,543	733,736	854,322	964,733	872,713	820,473
General Administration	235,122	246,701	246,281	267,917	273,163	281,301	265,808	231,371	221,784	219,939
School Administration Services	123,111	129,021	133,789	140,062	145,882	163,362	166,327	194,046	177,960	183,410
Central Services / Business	135,129	185,073	145,827	152,329	158,005	143,074	159,785	157,272	147,860	151,469
Administrative Information Technology			6,462	27,903		6,784	6,166	13,582	24,364	27,914
Plant Operations & Maintenance	418,698	449,089	443,804	470,006	548,746	558,031	579,231	572,610	535,505	566,606
Pupil Transportation	76,159	70,495	47,956	114,654	97,408	85,674	104,463	310,020	294,709	314,598
Employee Benefits	720,859	843,168	935,680	1,006,020	1,097,901	1,143,407	1,172,060	1,378,060	1,288,745	1,274,384
On-Behalf TPAF Pension & Soc Sec Contributions	324,242	364,814	390,523	449,451	669,706	703,327	539,398	544,550	547,095	624,779
Capital Outlay	63,063	134,740	37,568	14,994	4,300	3,000	225,000			240,000
Capital Projects	43,565		15,515	122,035						153,845
Special Revenue Funds	205,936	190,438	234,954	212,946	201,794	225,534	217,793	261,008	197,376	167,463
Debt Service:										
Principal	295,000	295,000	355,000	350,000	350,000	380,000	380,000	380,000	405,000	415,000
Interest & Other Charges	296,775	248,767	230,122	214,680	202,639	189,614	174,833	127,166	137,816	122,393
Total Expenditures	6,271,075	6,611,905	6,838,430	7,320,507	7,643,516	8,056,403	8,350,837	8,683,868	8,229,472	8,666,964
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(7,568)	193,416	22,867	(92,086)	73,488	(60,642)	(236,254)	(52,207)	260,289	106,953
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)		53,460					225,000			240,000
Proceeds from Bond Issue								1,445,000		
Payments to Refunding Bond Escrow Agent								(1,445,000)		
Transfers In (Out)	58,298						40,000		(25,000)	
Total Other Financing Sources (Uses)	58,298	53,460	-	-	-	-	265,000	1,445,000	(25,000)	240,000
Net Change in Fund Balances	\$ 50,730	\$ 246,876	\$ 22,867	\$ (92,086)	\$ 73,488	\$ (60,642)	\$ 28,746	\$ 1,392,793	\$ 235,289	\$ 346,953
Debt Service as a Percentage of Non-Capital Expenditures	10.62%	9.16%	9.44%	8.53%	7.80%	7.61%	7.33%	6.20%	7.06%	6.95%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects 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.

NOTE: Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged
 to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton
 on a tuition basis. As such, some financial data may not be comparable.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
LOCAL TAX LEVY BY CONSTITUENT DISTRICT
LAST THREE FISCAL YEARS

Fiscal Year Ended June 30	Total	Town of Clinton		Borough of Glen Gardner
		General	Debt Service	
2010	\$ 6,328,880	\$ 4,274,142	\$ 538,505	\$ 1,516,233
2011	6,488,801	4,418,753	509,311	1,560,737
2012	6,581,417	4,415,494	526,121	1,639,802

Source: District Records

Note-Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

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

Description	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Interest Income	\$ 1,033	\$ 1,029	\$ 2,891	\$ 4,038	\$ 11,997	\$ 10,386	\$ 1,686	\$ 1,931	\$ 3,590	\$ 3,156
Tuition	2,219,737	2,312,691	2,383,327	2,203,781	2,296,557	2,307,758	2,438,090	167,641	142,369	64,450
Insurance Recovery									3,542	
Prior Year Refunds	1,435	703						1,800	1,651	
Miscellaneous Refunds	343									
Miscellaneous	551	247				82		50		
Child Care & Summer Program Transfer	33,298									
Building Use Fees	2,364					512		5,120	1,040	9,450
Outstanding Checks Canceled	3,425		5,836	8,146			3,414			
Annual Totals	\$ 2,262,186	\$ 2,314,670	\$ 2,392,054	\$ 2,215,965	\$ 2,308,554	\$ 2,318,738	\$ 2,443,190	\$ 176,542	\$ 152,192	\$ 77,056

Source: District Records

Note-Effective for the school year 2009-2010 the school districts of the Town of Clinton and Borough of Glen Gardner were merged to operate as one entity. Prior to the merger the Borough of Glen Gardner was a sending district to the Town of Clinton on a tuition basis. As such, some financial data may not be comparable.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 ALL CONSTITUENT DISTRICTS COMBINED
 LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 5,336,403	\$ 5,086,103	\$ 5,232,803	\$ 5,376,003	\$ 5,567,604	\$ 6,342,904	\$ 6,327,863	\$ 6,521,263	\$ 6,521,263	\$ 6,223,363
Residential	361,407,900	362,319,400	404,612,600	437,863,900	450,355,800	447,988,700	448,191,300	447,685,200	446,949,000	443,077,600
Farm Regular	2,473,300	2,473,300	2,109,700	2,125,000	2,645,000	2,642,100	2,642,100	2,642,100	2,430,300	2,430,300
Qualified Farm	123,787	123,787	123,487	124,737	124,737	110,237	110,237	110,237	88,887	88,887
Commercial	78,135,900	71,901,600	76,816,100	85,988,300	89,357,300	94,565,400	95,029,050	94,853,850	94,238,800	86,116,000
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	6,967,100	6,967,100	7,638,200	8,251,200	9,034,300	12,196,000	12,196,000	12,196,000	10,843,800	10,843,800
Total Assessed Value	455,012,990	449,439,890	497,101,490	540,297,740	557,653,341	564,413,941	565,065,150	564,577,250	561,640,650	549,348,550
Public Utilities (a)	1,586,407	1,713,347	1,656,039	1,542,889	1,299,116	1,135,630	1,004,639	1,308,038	1,439,503	1,496,855
Net Valuation Taxable	\$ 456,599,397	\$ 451,153,237	\$ 498,757,529	\$ 541,840,629	\$ 558,952,457	\$ 565,549,571	\$ 566,069,789	\$ 565,885,288	\$ 563,080,153	\$ 550,845,405
Estimated Actual County Equalized Value	\$ 489,376,654	\$ 491,433,994	\$ 529,293,172	\$ 576,021,554	\$ 659,726,428	\$ 647,526,471	\$ 619,587,923	\$ 608,258,225	\$ 583,151,701	\$ 562,668,493
Percentage of Net Valuation to Estimated Actual County Equalized Value	93.30%	91.80%	94.23%	94.07%	84.72%	87.34%	91.36%	93.03%	96.56%	97.90%

Source: Municipal Tax Assessors

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 BY CONSTITUENT DISTRICT-TOWN OF CLINTON
 LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 3,482,100	\$ 3,572,500	\$ 3,893,900	\$ 4,048,000	\$ 4,204,500	\$ 4,979,800	\$ 4,964,760	\$ 5,158,160	\$ 5,158,160	\$ 4,891,560
Residential	232,428,700	233,099,000	275,107,400	308,688,000	321,691,200	318,996,900	319,427,500	318,510,000	318,264,300	314,374,900
Farm Regular	173,000	173,000	201,500	210,300	214,700	211,800	211,800	211,800	211,800	
Qualified Farm	74,100	74,100	73,800	73,800	73,800	59,300	59,300	59,300	38,200	38,200
Commercial	73,112,200	67,088,300	71,988,300	81,165,500	84,436,500	89,817,400	90,159,550	89,984,350	89,369,300	81,246,500
Industrial										
Apartment	6,087,100	6,087,100	6,758,200	7,371,200	7,829,100	10,990,800	10,990,800	10,990,800	9,638,600	9,638,600
Total Assessed Value	315,357,200	310,094,000	358,023,100	401,556,800	418,449,800	425,056,000	425,813,710	424,914,410	422,468,560	410,189,760
Public Utilities (a)	1,188,330	1,194,892	1,182,636	1,069,486	1,012,182	884,156	753,165	1,056,564	1,150,337	1,207,689
Net Valuation Taxable	\$ 316,545,530	\$ 311,288,892	\$ 359,205,736	\$ 402,626,286	\$ 419,461,982	\$ 425,940,156	\$ 426,566,875	\$ 425,970,974	\$ 423,618,897	\$ 411,397,449
Estimated Actual County Equalized Value	\$ 335,892,964	\$ 337,230,869	\$ 363,127,513	\$ 394,059,112	\$ 452,680,802	\$ 442,351,393	\$ 420,954,544	\$ 419,286,974	\$ 401,632,430	\$ 390,744,000
Percentage of Net Valuation to Estimated Actual County Equalized Value	94.24%	92.31%	98.92%	102.17%	92.66%	96.29%	101.33%	101.59%	105.47%	105.29%

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 BY CONSTITUENT DISTRICT-BOROUGH OF GLEN GARDNER
 LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 1,854,303	\$ 1,513,603	\$ 1,338,903	\$ 1,328,003	\$ 1,363,104	\$ 1,363,104	\$ 1,363,103	\$ 1,363,103	\$ 1,363,103	\$ 1,331,803
Residential	128,979,200	129,220,400	129,505,200	129,175,900	128,664,600	128,991,800	128,763,800	129,175,200	128,684,700	128,702,700
Farm Regular	2,300,300	2,300,300	1,908,200	1,914,700	2,430,300	2,430,300	2,430,300	2,430,300	2,430,300	2,430,300
Qualified Farm	49,687	49,687	49,687	50,937	50,937	50,937	50,937	50,937	50,687	50,687
Commercial	5,023,700	4,813,300	4,827,800	4,822,800	4,920,800	4,748,000	4,869,500	4,869,500	4,869,500	4,869,500
Industrial	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600	568,600
Apartment	880,000	880,000	880,000	880,000	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200	1,205,200
Total Assessed Value	139,655,790	139,345,890	139,078,390	138,740,940	139,203,541	139,357,941	139,251,440	139,662,840	139,172,090	139,158,790
Public Utilities (a)	398,077	518,455	473,403	473,403	286,934	251,474	251,474	251,474	289,166	289,166
Net Valuation Taxable	\$ 140,053,867	\$ 139,864,345	\$ 139,551,793	\$ 139,214,343	\$ 139,490,475	\$ 139,609,415	\$ 139,502,914	\$ 139,914,314	\$ 139,461,256	\$ 139,447,956
Estimated Actual County Equalized Value	\$ 153,483,690	\$ 154,203,125	\$ 166,165,659	\$ 181,962,442	\$ 207,045,626	\$ 205,175,078	\$ 198,633,379	\$ 188,971,251	\$ 181,519,271	\$ 171,924,493
Percentage of Net Valuation to Estimated Actual County Equalized Value	91.25%	90.70%	83.98%	76.51%	67.37%	68.04%	70.23%	74.04%	76.83%	81.11%

*

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

* Revalued/Reassessed

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 BY CONSTITUENT DISTRICT-TOWN OF CLINTON
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate				Regional School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County	Fire District	
			Total Direct School Tax Rate						
2003	\$ 0.89	\$ 0.16	\$ 1.05	\$ 0.52	\$ 0.54	\$ 0.46		\$ 2.57	
2004	0.94	0.18	1.12	0.56	0.57	0.44		2.69	
2005	0.91	0.15	1.06	0.51	0.49	0.38		2.44	
2006	0.90	0.13	1.03	0.48	0.44	0.35		2.30	
2007	0.90	0.14	1.04	0.47	0.42	0.36		2.29	
2008	0.94	0.13	1.07	0.47	0.44	0.35		2.33	
2009	0.98	0.13	1.11	0.50	0.44	0.34		2.39	
2010	1.03	0.12	1.15	0.51	0.46	0.34		2.46	
2011	1.04	0.12	1.16	0.52	0.46	0.32		2.46	
2012	1.08	0.12	1.20	0.53	0.48	0.33		2.54	

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 prebudget 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.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 BY CONSTITUENT DISTRICT-BOROUGH OF GLEN GARDNER
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate				Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Tax Rate	Municipality	County	Fire District	
2003	* \$ 1.12		\$ 1.12	\$ 0.45	\$ 0.40	\$ 0.44		\$ 2.41
2004	1.06		1.06	0.50	0.42	0.45		2.43
2005	0.97		0.97	0.63	0.42	0.45		2.47
2006	1.04		1.04	0.73	0.44	0.42		2.63
2007	1.06		1.06	0.68	0.45	0.49		2.68
2008	1.10		1.10	0.75	0.45	0.49		2.79
2009	1.09		1.09	0.79	0.46	0.49		2.83
2010	1.11		1.12	0.76	0.48	0.46		2.82
2011	1.18		1.18	0.74	0.49	0.45		2.86
2012	1.19		1.19	0.69	0.50	0.44		2.82

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 prebudget 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-GLEN GARDNER SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 BY CONSTITUENT DISTRICT-TOWN OF CLINTON
 CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Clinton Garden Associates	\$ 3,938,500	1	0.96%	\$ 2,166,200	4	0.68%
Goldstar Property LLC	3,396,800	2	0.83%			
Hunterdon Realty LLC	3,226,800	3	0.78%			
Great Atlantic & Pacific Tea Co	2,887,000	4	0.70%	2,146,800	5	0.68%
RowlandHouse LLC & Clinton II LLC	2,800,000	5	0.68%			
Clinton Unity Group LLC	2,752,000	6	0.67%	3,109,200	2	0.98%
SNG Properties LLC	2,750,000	7	0.67%			
Chrisellan Investors	2,164,200	8	0.53%	1,550,000	8	0.49%
FMCD Realty	2,079,600	9	0.51%	1,784,800	7	0.56%
Z & F LLC	1,926,300	10	0.47%	1,185,800	9	0.37%
Clinton Hotel Assoc				7,500,000	1	2.37%
Century Development				2,629,900	3	0.83%
Clinton Manor Associates				1,843,900	6	0.58%
Clinton Management Group				1,184,900	10	0.37%
	<u>\$ 27,921,200</u>		<u>6.79%</u>	<u>\$ 25,101,500</u>		<u>7.93%</u>

Source: Municipal Tax Assessor

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 BY CONSTITUENT DISTRICT-BOROUGH OF GLEN GARDNER
 CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 1,216,700	1	0.87%	\$ 433,200	2	0.31%
Individual Property Owner #2	966,200	2	0.69%	325,900	10	0.23%
Eastern Concrete Materials Inc	794,500	3	0.57%	554,000	1	0.40%
Individual Property Owner #3	703,300	4	0.50%			
Individual Property Owner #4	623,000	5	0.45%			
Glen Gardner Partnership	585,500	6	0.42%	430,500	3	0.31%
Heartland Inc	584,000	7	0.42%	364,200	5	0.26%
Individual Property Owner #5	572,100	8	0.41%			
Individual Property Owner #6	535,400	9	0.38%			
Individual Property Owner #7	531,600	10	0.38%			
RTRK Investment Inc				381,800	4	0.27%
Readee Developers Inc				363,900	6	0.26%
Hudson United Bank				350,000	7	0.25%
Farley & Tatariw Inc				350,000	8	0.25%
M & M Associates				333,200	9	0.24%
	<u>\$ 7,112,300</u>		<u>5.10%</u>	<u>\$ 3,886,700</u>		<u>2.78%</u>

Source: Municipal Tax Assessor

CLINTON-GLEN GARDNER SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-TOWN OF CLINTON
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2002	\$ 7,681,441	\$ 7,518,234	97.88%
2003	8,144,401	7,882,585	96.79%
2004	8,379,680	8,281,860	98.83%
2005	8,793,690	8,657,175	98.45%
2006	9,275,600	9,045,726	97.52%
2007	9,598,684	9,401,251	97.94%
2008	9,917,195	9,686,129	97.67%
2009	10,209,913	9,926,875	97.23%
2010	10,456,542	10,188,834	97.44%
2011	10,638,767	10,040,857	94.38%

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-BOROUGH OF GLEN GARDNER
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2002	\$ 3,177,311	\$ 3,086,900	97.15%
2003	3,384,757	3,272,719	96.69%
2004	3,401,029	3,330,169	97.92%
2005	3,447,499	3,384,229	98.16%
2006	3,748,187	3,627,812	96.79%
2007	3,743,444	3,664,547	97.89%
2008	3,898,996	3,847,017	98.67%
2009	3,952,336	3,861,141	97.69%
2010	3,943,892	3,865,672	98.02%
2011	3,983,013	3,912,840	98.24%

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

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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ 5,560,000		\$ 111,751	\$ 309,000		\$ 5,980,751	3.97%	\$ 2,271
2004	5,265,000		98,335	309,000		5,672,335	3.66%	2,154
2005	4,910,000		64,020			4,974,020	3.17%	1,907
2006	4,560,000		28,021			4,588,021	2.96%	1,772
2007	4,210,000					4,210,000	2.52%	1,633
2008	3,830,000					3,830,000	2.18%	1,488
2009	3,450,000		198,983			3,648,983	1.16%	1,423
2010	3,130,000		121,478			3,251,478	1.09%	718
2011	2,725,000		41,205			2,766,205	0.93%	591
2012	2,310,000		200,834			2,510,834	N/A	569

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

- (a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (b) Includes Early Retirement Incentive Plan (ERIP) refunding.

Note Effective for the school year 2009-2010 the school districts of the Town of Clinton and the Borough of Glen Gardner were merged to operated as one entity. Information prior to the school year 2009-2010 is based only on the Town of Clinton.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		% of Actual Taxable Value (a) of Property	Per Capita (a)	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
	2003	\$ 5,560,000			
2004	5,265,000		5,265,000	1.69%	2,019
2005	4,910,000		4,910,000	1.37%	1,896
2006	4,560,000		4,560,000	1.13%	1,769
2007	4,210,000		4,210,000	1.00%	1,636
2008	3,830,000		3,830,000	0.90%	1,494
2009	3,450,000		3,450,000	0.81%	1,344
2010	3,130,000		3,130,000	0.55%	708
2011	2,725,000		2,725,000	0.48%	618
2012	2,310,000		2,310,000	0.42%	524

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

- (a) See Exhibit J-7 for property tax data.
- (b) Population data can be found in Exhibit J-21.

Note Effective for the school year 2009-2010 the school districts of the Town of Clinton and the Borough of Glen Gardner were merged to operated as one entity. Information prior to the school year 2009-2010 is based only on the Town of Clinton

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 BY CONSTITUENT DISTRICT-TOWN OF CLINTON
 AS OF DECEMBER 31, 2011

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	\$ 2,637,126	100.00	\$ 2,637,126
Regional High School	4,040,000	4.59	185,326
County General Obligation Debt	83,215,385	1.70	<u>1,414,662</u>
Subtotal, Overlapping Debt			4,237,114
School District Direct Debt			<u>2,615,000</u>
Total Direct and Overlapping Debt			<u>\$ 6,852,114</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
 Provided by the County Board of Taxation. Debt Outstanding Data
 Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. This Process Recognizes that, when Considering the District's Ability to Issue and Repay Long-Term Debt, the Entire Debt Burden Borne by the Residents and Businesses Should be Taken into Account. However this Does Not Imply that Every Taxpayer is a resident, and Therefore Responsible for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is Within the District's Boundaries and Dividing it by Each Unit's Total Taxable Value.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 BY CONSTITUENT DISTRICT-BOROUGH OF GLEN GARDNER
 AS OF DECEMBER 31, 2011

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 2,376,015	100.00	\$ 2,376,015
Regional High School	4,040,000	2.03	81,975
County General Obligation Debt	83,215,385	0.75	624,115
Subtotal, Overlapping Debt			3,082,105
School District Direct Debt			-
Total Direct and Overlapping Debt			\$ 3,082,105

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-GLEN GARDNER SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis	
		2011 \$ 588,608,494
		2010 584,676,080
		2009 <u>608,093,448</u>
		<u>\$ 1,781,378,022</u>
	Average Equalized Valuation of Taxable Property	<u>\$ 593,792,674</u>
	Debt Limit (3.0% of Average Equalization Value)	\$ 17,813,780 (a)
	Total Net Debt Applicable to Limit	<u>2,310,000</u>
	Legal Debt Margin	<u>\$ 15,503,780</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 7,749,534	\$ 8,634,093	\$ 9,429,178	\$ 10,329,999	\$ 11,327,610	\$ 12,290,248	\$ 12,832,722	\$ 18,724,350	\$ 18,243,612	\$ 17,813,780
Total Net Debt Applicable	<u>5,868,191</u>	<u>5,265,615</u>	<u>4,910,614</u>	<u>4,560,000</u>	<u>4,210,000</u>	<u>3,830,000</u>	<u>3,450,000</u>	<u>3,130,000</u>	<u>2,725,000</u>	<u>2,310,000</u>
Legal Debt Margin	<u>\$ 1,881,343</u>	<u>\$ 3,368,478</u>	<u>\$ 4,518,564</u>	<u>\$ 5,769,999</u>	<u>\$ 7,117,610</u>	<u>\$ 8,460,248</u>	<u>\$ 9,382,722</u>	<u>\$ 15,594,350</u>	<u>\$ 15,518,612</u>	<u>\$ 15,503,780</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	75.72%	60.99%	52.08%	44.14%	37.17%	31.16%	26.88%	16.72%	14.94%	12.97%

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

Note Effective for the school year 2009-2010 the school districts of the Town of Clinton and the Borough of Glen Gardner were merged to operated as one entity. Information prior to the school year 2009-2010 is based only on the Town of Clinton

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

CONSTITUENT DISTRICT	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>SCHOOL DISTRICT POPULATION (a)</u>										
Town of Clinton	2,634	2,608	2,589	2,578	2,574	2,564	2,567	2,719	2,711	N/A
Borough of Glen Gardner	1,977	1,974	1,974	1,970	1,964	1,958	1,961	1,705	1,700	N/A
	<u>4,611</u>	<u>4,582</u>	<u>4,563</u>	<u>4,548</u>	<u>4,538</u>	<u>4,522</u>	<u>4,528</u>	<u>4,424</u>	<u>4,411</u>	<u>-</u>
<u>PERSONAL INCOME (b)</u>										
Town of Clinton	\$ 154,974,024	\$ 156,894,672	\$ 155,029,320	\$ 166,760,508	\$ 176,030,712	\$ 178,882,588	\$ 168,818,755	\$ 182,317,107	N/A	N/A
Borough of Glen Gardner	116,318,772	118,753,866	118,203,120	127,431,420	134,314,032	136,603,786	128,965,165	114,325,365	N/A	N/A
	<u>\$ 271,292,796</u>	<u>\$ 275,648,538</u>	<u>\$ 273,232,440</u>	<u>\$ 294,191,928</u>	<u>\$ 310,344,744</u>	<u>\$ 315,486,374</u>	<u>\$ 297,783,920</u>	<u>\$ 296,642,472</u>	<u>\$ -</u>	<u>\$ -</u>
<u>PER CAPITA PERSONAL INCOME</u>										
County of Hunterdon	<u>\$ 58,836</u>	<u>\$ 60,159</u>	<u>\$ 59,880</u>	<u>\$ 64,686</u>	<u>\$ 68,388</u>	<u>\$ 69,767</u>	<u>\$ 65,765</u>	<u>\$ 67,053</u>	<u>N/A</u>	<u>N/A</u>
<u>UNEMPLOYMENT RATE (c)</u>										
Town of Clinton	3.6%	3.0%	2.4%	2.6%	2.3%	3.0%	5.5%	5.6%	5.5%	N/A
Borough of Glen Gardner	5.7%	4.7%	2.2%	2.5%	2.2%	2.8%	5.2%	5.3%	5.2%	N/A

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon Municipal Population and Per Capita Income Presented for the County of Hunterdon
- © Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2012			2003		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
Regular	58.4	60.0	55.6	54.3	50.2	45.7	39.3	35.2	33.2	29.8
Special Education		4.0	4.0	4.0	8.5	12.0	22.0	19.0	19.0	18.0
Support Services:										
Student and Instruction Related Services	9.0	9.0	8.8	8.8	8.6	10.0	11.2	12.4	12.9	12.9
General Administration	2.0	3.0	2.2	2.2	2.2	2.2	2.2	1.5	1.5	1.5
School Administration Services	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.3	2.3	2.3
Central Services	2.5	3.0	2.3	2.3	2.3	2.3	1.8	1.9	1.9	1.9
Plant Operations and Maintenance								0.9		
Total	73.9	81.0	74.9	73.6	73.8	74.2	79.0	74.2	70.8	66.4

Sources: District Personnel Records

N/A: Information not available

CLINTON-GLEN GARDNER 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
2003	565	\$ 5,572,672	\$ 9,863	12.38%	60.0	1 to 9.42	564.5	536.6	-5.36%	95.06%
2004	571	5,933,398	10,391	5.35%	60.0	1 to 9.52	570.4	545.1	1.05%	95.56%
2005	573	6,200,225	10,821	4.13%	57.0	1 to 10.05	572.6	547.5	0.39%	95.62%
2006	548	6,616,798	12,074	11.59%	57.0	1 to 9.61	547.4	523.1	-4.40%	95.56%
2007	555	7,086,577	12,769	5.75%	47.0	1 to 11.81	555.8	532.3	1.53%	95.77%
2008	542	7,483,789	13,808	8.14%	46.7	1 to 11.61	542.2	518.6	-2.45%	95.65%
2009	532	7,571,004	14,231	3.07%	49.2	1 to 10.80	533.6	511.0	-1.59%	95.76%
2010	517	8,176,702	15,816	11.13%	44.2	1 to 11.80	521.4	498.6	-2.29%	95.63%
2011	507	7,686,656	15,161	-4.14%	42.2	1 to 12.06	508.9	484.2	-2.40%	95.15%
2012	496	7,735,726	15,596	2.87%	42	1 to 11.75	492.1	472.7	-3.30%	96.06%

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-GLEN GARDNER SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Elementary (1923)</u>										
Square Feet	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668	75,668
Capacity (Students)	605	605	605	605	605	605	605	605	605	605
Enrollment	570	569	566	541	555	542	532	517	507	496

Number of Schools at June 30, 2012:

Elementary	1
Middle School	0
High School	0
Other	0

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-GLEN GARDNER SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities

	<u>Amount</u>	<u>Total</u>
2003	\$ 15,625	\$ 15,625
2004	50,849	50,849
2005	38,779	38,779
2006	42,521	42,521
2007	87,825	87,825
2008	61,246	61,246
2009	66,116	66,116
2010	75,229	75,229
2011	45,886	45,886
2012	<u>144,525</u>	<u>144,525</u>
Total School Facilities	<u>\$ 628,601</u>	<u>\$ 628,601</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

CLINTON-GLEN GARDNER SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Fund Limit)	\$ 18,838,488	\$ 5,000
Comprehensive General Liability	16,000,000	1,000
Excess Liability	10,000,000	
Workmen's Compensation	2,000,000	
School Board Legal Liability	16,000,000	
Crime/Dishonesty	1,000,000	
Student Accident-Market Insurance Co:		
Student Accident Policy	1,000,000	
Catastrophe-Fireman's Fund	50,000,000	
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer	180,000	
School Board Secretary	175,000	

Source: District Records

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

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

November 21, 2012

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

We have audited the financial statements of the Board of Education of the Clinton-Glen Gardner School District in the County of Hunterdon as of and for the year ended June 30, 2012, and have issued our report thereon dated November 21, 2012. 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 Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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 or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education, federal and state awarding agencies, pass through entities, and the New Jersey Department of Education 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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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

November 21, 2012

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

Compliance

We have audited the compliance of the Board of Education of the Clinton-Glen Gardner 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 the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. 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 Office of School 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

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 program in order to determine our audit procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the New Jersey Department of Education, federal 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

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011		Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2012		
					(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA-091011	\$ 47,971	08/10/10-09/30/12	\$ (15,000)		\$ 9,909	\$ 22,853			\$ (27,944)		
Total General Fund					(15,000)	\$ -	9,909	22,853	\$ -	\$ -	(27,944)	-	\$ -
Special Revenue Fund:													
NCLB Title I	84.010A	NCLB-091011	16,706	09/01/10-08/31/11	(696)		3,480	2,784					
NCLB Title I	84.010A	NCLB-091012	14,484	09/01/11-08/31/12			5,689	12,469			(8,795)	2,015	
NCLB Title II A	84.367A	NCLB-091010	12,081	09/01/09-08/31/10	(4,029)		4,029						
NCLB Title II A	84.367A	NCLB-091011	10,699	09/01/10-08/31/11	(4,509)		6,422	1,913			(258)	258	
NCLB Title II A	84.367A	NCLB-091012	11,466	09/01/11-08/31/12			3,414	8,442			(8,052)	3,024	
ARRA IDEA Basic	84.391	ARRA-091010	110,644	09/01/09-08/31/11	(1,106)		1,172	66					
ARRA IDEA Pre School	84.392	ARRA-091010	4,000	09/01/09-08/31/11	(102)		102						
ARRA Title I	84.389	ARRA-091010	7,417	09/01/09-08/31/11	261			261					
IDEA Basic	84.027	IDEA-091012	123,153	09/01/11-08/31/12			100,702	123,153			(22,451)		
IDEA Basic	84.027	IDEA-091011	130,002	09/01/10-08/31/11	3,795			3,495				300	
IDEA Pre School	84.173	IDEA-091012	5,558	09/01/11-08/31/12				5,558			(5,558)		
Total Special Revenue Fund					(6,386)	-	125,010	158,141	-	-	(45,114)	5,597	-
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	7,781	07/01/11-06/30/12			7,781	5,456				2,325	
Food Distribution Program	10.550	N/A	9,417	07/01/10-06/30/11	2,143			2,143					
National School Lunch Program	10.555	N/A	17,409	07/01/11-06/30/12			16,958	17,409			(451)		
National School Lunch Program	10.555	N/A	17,461	07/01/10-06/30/11	(1,168)		1,168						
Total Enterprise Fund					975	-	25,907	25,008	-	-	(451)	2,325	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (20,411)	\$ -	\$ 160,826	\$ 206,002	\$ -	\$ -	\$ (73,509)	\$ 7,922	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON-GLEN GARDNER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 06/30/11 (Acct Rec) Def Revenue	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2012			MEMO	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education												
General Fund:												
Special Education Aid	11-495-034	\$ 91,501	07/01/10-									
	-5120-089		06/30/11	\$ (9,072)	\$ 9,072							
Special Education Aid	12-495-034	223,042	07/01/2011-									
	-5120-089		6/30/2012		200,931	\$ 223,042		\$ (22,111)			\$ (22,111)	\$ 223,042
Equalization Aid	11-495-034	634,110	07/01/10-									
	-5120-078		06/30/11	(62,869)	62,869							
Equalization Aid	12-495-034	634,110	07/01/2011-									
	-5120-078		6/30/2012		571,249	634,110		(62,861)			(62,861)	634,110
Security Aid	11-495-034	14,442	07/01/10-									
	-5120-084		06/30/11	(1,432)	1,432							
Security Aid	12-495-034	22,412	07/01/2011-									
	-5120-084		6/30/2012		20,190	22,412		(2,222)			(2,222)	22,412
Adjustment Aid	11-495-034	259,301	07/01/10-									
	-5120-085		06/30/11	(25,709)	25,709							
Adjustment Aid	12-495-034	312,291	07/01/2011-									
	-5120-085		6/30/2012		281,333	312,291		(30,958)			(30,958)	312,291
Non-Public Transportation Aid	11-495-034	1,802	07/01/10-									
	-5120-014		06/30/11	(1,802)	1,802							
Non-Public Transportation Aid	12-495-034	2,129	07/01/2011-									
	-5120-014		6/30/2012			2,129		(2,129)			(2,129)	2,129
Extraordinary Special Education Cost Aid	12-100-034	59,892	07/01/2011-									
	-5120-473		6/30/2012			59,892		(59,892)			(59,892)	59,892
Extraordinary Special Education Cost Aid	11-100-034	36,547	07/01/10-									
	-5120-473		06/30/11	(36,547)	36,547							
Reimbursement TPAF Social Security Contribution	12-495-034	259,668	07/01/2011-									
	-5095-002		6/30/2012		259,668	259,668						259,668
On-Behalf TPAF Pension Contribution- Teachers' Pension and Annuity Fund	12-495-034	109,534	07/01/2011-									
	-5095-006		6/30/2012		109,534	109,534						109,534
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	12-495-034	11,755	07/01/2011-									
	-5095-007		6/30/2012		11,755	11,755						11,755
On-Behalf TPAF Pension Contribution- Post Retirement Medical	12-495-034	243,822	07/01/2011-									
	-5095-001		6/30/2012		243,822	243,822						243,822
Total General Fund				(137,431)	1,835,913	1,878,655	\$ -	(180,173)	\$ -	\$ -	(180,173)	1,878,655

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON-GLEN GARDNER SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2011 (Acct Rec) Def Revenue	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2012			MEMO	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education												
Debt Service Fund:												
Debt Service Aid-State Support	12-495-034 -5120-017	\$ 967	07/01/11- 06/30/12		\$ 967	\$ 967						\$ 967
Total Debt Service Fund				\$ -	967	967	\$ -	\$ -	\$ -	\$ -	\$ -	967
Capital Projects Fund:												
NJSDA Grant-Roof Replacement Project	0910-030-09-101	64,576			64,576	64,576						64,576
Total Capital Projects Fund				-	64,576	64,576	-	-	-	-	-	64,576
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	11-100-010 -3350-023	1,332	07/01/10- 06/30/11	(91)	91							
State School Lunch Program	12-100-010 -3350-023	1,247	07/01/11- 06/30/12		1,214	1,247		(33)				1,247
Other State Aid	11-100-010 -3350-023	75	07/01/10- 06/30/11	(75)	75							
Total Enterprise Fund				(166)	1,380	1,247	-	(33)	-	-	-	1,247
TOTAL STATE FINANCIAL ASSISTANCE				\$ (137,597)	\$ 1,902,836	\$ 1,945,445	\$ -	\$ (180,206)	\$ -	\$ -	\$ (180,173)	\$ 1,945,445

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2012

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-Glen Gardner 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 with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

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 (\$19,070) for the general fund and \$110 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

	Federal	State	Total
General Fund	\$ 22,853	\$ 1,859,585	\$ 1,882,438
Special Revenue Fund	158,251		158,251
Debt Service Fund		967	967
Food Service Fund	25,008	1,247	26,255
Capital Projects Fund		64,576	64,576
	<u>\$ 206,112</u>	<u>\$ 1,926,375</u>	<u>\$ 2,132,487</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee 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>
12-495-034-5120-078	\$ 634,110	Equalization Aid
12-495-034-5120-085	312,291	Adjustment Aid
12-495-034-5120-089	223,042	Special Education Aid

CLINTON-GLEN GARDNER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2012.

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, 2012.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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There were no prior year findings or questioned costs.