

CLINTON TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**CLINTON TOWNSHIP BOARD OF EDUCATION
CLINTON TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Prepared by

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

Clinton Township Board of Education

Dr. Drucilla Clark
Superintendent of Schools

Heather A. Spitzer
School Business Administrator/Board Secretary



December 5, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Clinton Township School District for the fiscal year ended June 30, 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 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 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Preschool through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 1,566 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	1565.5	(6.68%)
2010-11	1677.6	(2.4%)
2009-10	1718.6	(1.83%)
2008-09	1750.6	(0.002%)
2007-08	1753.7	(0.01%)
2006-07	1766.8	(2.0%)
2005-06	1803.8	2.2%
2004-05	1765.0	(0.4%)
2003-04	1773.0	(1.02%)
2002-03	1795.8	.9%

2.) **ECONOMIC CONDITION AND OUTLOOK:** Nationwide the economy continues to struggle and so Clinton Township is not alone. We do have some financially, struggling families and birth rates continue to decline. Although the School Choice Program has served to support our budget and helped to maintain a relatively, consistent enrollment this is not expected to continue at the same rate. A school closure may be something to consider for the future.

3.) **MAJOR INITIATIVES:** The 2011-2012 school year focused on the district's progress towards the educational needs of the 21st Century Learner through professional development of the staff and the alignment of curriculum across all grade levels. Cross-curricular lessons and integration of technology were planned and implemented in order to accomplish this goal.

Student achievement was framed by the creation of professional learning communities with a focus on how we assess student progress and the introduction of benchmark testing with the MAP program. Rubicon Atlas was utilized to update the district curriculum in line with the revised New Jersey Core Curriculum Content Standards. A new website was planned to coordinate communication between parents and the schools, with easy access to the Common Core Standards. Parents are rallying to increase the half- day Kindergarten program to full-time, but budgetary constraints have not allowed implementation at this time.

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

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

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

regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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

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

8.) **OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., was selected by the Board of Education. In addition to meeting the requirements of the Single Audit Act of 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.

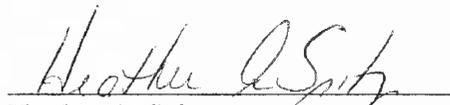
9.) **ACKNOWLEDGMENTS:**

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

Respectfully submitted,



Dr. Drucilla Clark
Superintendent of Schools



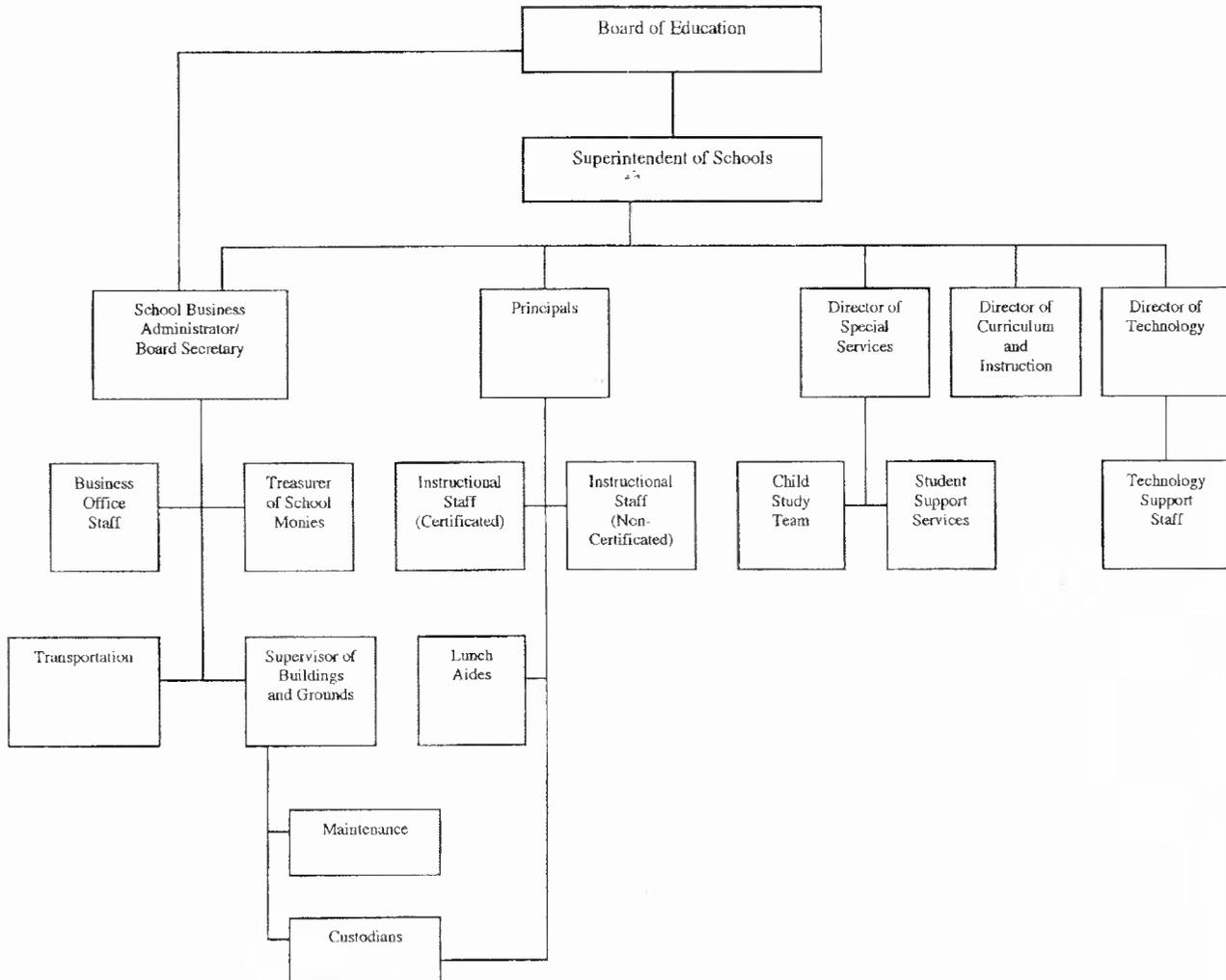
Heather A. Spitzer
Board Secretary/Business Administrator

POLICY

CLINTON TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 26 July 2010



CLINTON TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2012

	Term Expires
Frank "Jim" Dincuff, President	2013
Michelle Cresti, Vice President	2013
Marc Freda	2014
Maria Grant	2014
Kevin Maloy	2013
Rachel McLaughlin	2013
Dan McTiernan	2013
Kevin Sturges	2013
Michelle Sullivan	2014

Other Officials:

Mr. Kevin J. Carroll, Superintendent of Schools

Mr. Anthony Del Sordi, Interim Business Administrator/Board Secretary

Kathleen Colognato, Treasurer of School Monies

Porzio, Bromberg and Newman, Board Attorney

CLINTON TOWNSHIP BOARD OF EDUCATION**CONSULTANTS AND ADVISORS****June 30, 2012**

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

Architect: Kevin Settembrino, AIA, Leeds AP
Settembrino Architects, LLC
25 Bridge Avenue, Suite 201
Red Bank, NJ 07701

Attorney: Porzio, Bromberg, Newman, PC
100 Southgate Parkway
PO Box 1997
Morristown, NJ 07960-1997

Official
Depository: Investors Savings Bank
55 Old Highway 22 #4
Clinton, NJ 08809

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

December 5, 2012

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Clinton Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 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 Township Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

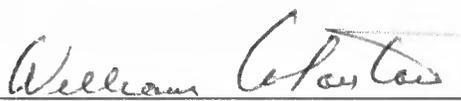
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Clinton Township Board of Education 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 December 5, 2012 on our consideration of the Clinton Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

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

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets decreased \$161,065, which represents a .6 percent decrease from fiscal year 2011.
- General revenues accounted for \$28,729,684 in revenue or 93.5 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,001,722 or 6.5 percent to total revenues of \$30,731,406.
- Total assets of governmental activities decreased by \$1,081,864 as cash and cash equivalents increased by \$343,199, receivables decreased by \$38,021, capital assets decreased by \$1,311,800 and other assets decreased by \$75,242.
- The School District had \$30,588,480 in expenses; only \$2,001,722 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$28,729,684 were adequate to provide for these programs.
- Among major funds, the General Fund had \$26,951,656 in revenues and \$26,583,764 in expenditures. After considering net other financing uses of \$75,000 the General Fund's balance increased \$292,892 over fiscal year 2011. This increase was anticipated by the Board of Education. It is a result of effective cost-cutting measures implemented by the District.

CLINTON TOWNSHIP SCHOOL DISTRICT**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED****Using this Generally Accepted Accounting Principals Report (GAAP)**

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

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

REPORTING THE SCHOOL DISTRICT AS A WHOLE**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all the current year's revenues and expenses regardless of when cash is received or paid.

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

CLINTON TOWNSHIP SCHOOL DISTRICT

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The School District as a Whole

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

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 1 provides a summary of the District's net assets at 6/30/12 with comparisons to 6/30/11.

Table 1
Net Assets

	6/30/12	6/30/11	Variance	
			Dollars	%
Assets:				
Current & Other Assets	4,359,906	4,117,104	242,802	5.90
Capital Assets	54,906,653	56,212,669	(1,306,016)	(2.32)
Total Assets	<u>59,266,559</u>	<u>60,329,773</u>	<u>(1,063,214)</u>	<u>(1.76)</u>
Liabilities:				
Long-Term Liabilities	32,792,421	33,867,079	(1,074,658)	(3.17)
Other Liabilities	1,530,253	1,357,744	172,509	12.71
Total Liabilities	<u>34,322,674</u>	<u>35,224,823</u>	<u>(902,149)</u>	<u>(2.56)</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	24,106,683	24,737,524	(630,841)	(2.55)
Restricted	687,759	725,276	(37,517)	(5.17)
Unrestricted	149,443	(357,850)	507,293	141.76
Total Net Assets	<u><u>24,943,885</u></u>	<u><u>25,104,950</u></u>	<u><u>(161,065)</u></u>	<u><u>(0.64)</u></u>

Total net assets decreased \$161,065. 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 \$507,293.

The large increase in unrestricted net assets can mostly be attributed to an unamortized bond discount and unamortized bond issuance costs for a refunding bond issue dated December 22, 2011 of \$312,092. Bond discounts and issuance costs are recorded at the time of issuance for fund reporting purposes but are deferred and amortized over the life of the bonds for government-wide reporting purposes.

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 2 provides a summary of the District's changes in net assets in fiscal year ending 6/30/12 with comparisons to 6/30/11.

Table 2
Changes in Net Assets

	Fiscal Year Ending		Variance	
	6/30/12	6/30/11	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	1,159,525	1,253,588	(94,063)	(7.50)
Operating Grants	842,197	1,094,972	(252,775)	(23.09)
General Revenues:				
Property Taxes	24,552,697	24,878,124	(325,427)	(1.31)
Unrestricted Grants	3,856,577	2,416,664	1,439,913	59.58
Other	320,410	447,940	(127,530)	(28.47)
Total Revenues	<u>30,731,406</u>	<u>30,091,288</u>	<u>640,118</u>	2.13
Program Expenses				
Instruction:				
Regular	11,059,953	10,295,742	764,211	7.42
Special	4,125,625	3,299,597	826,028	25.03
Other	485,099	482,522	2,577	0.53
Support Services:				
Tuition	687,219	644,832	42,387	6.57
Student & Instructional Staff	5,117,953	4,866,959	250,994	5.16
General & Business Administration	1,682,380	1,572,965	109,415	6.96
School Administration	1,330,348	1,340,834	(10,486)	(0.78)
Maintenance	2,524,664	2,579,451	(54,787)	(2.12)
Transportation	1,814,468	1,887,008	(72,540)	(3.84)
Food Service	481,361	485,150	(3,789)	(0.78)
Special Schools	85,566	89,858	(4,292)	(4.78)
Interest on Long-Term Debt	1,193,844	1,266,814	(72,970)	(5.76)
Total Expenses	<u>30,588,480</u>	<u>28,811,732</u>	<u>1,776,748</u>	6.17
Increases (Decreases) Before Special Items	<u>142,926</u>	<u>1,279,556</u>	<u>(1,136,630)</u>	(88.83)
Transfers & Special Items:				
Transfers	(75,000)	(100,000)	25,000	(25.00)
Payment to Refunding Bond Agent	(228,991)	(519,110)	290,119	(55.89)
Total Transfers & Special Items	<u>(303,991)</u>	<u>(619,110)</u>	<u>315,119</u>	(50.90)
Increase (Decrease) in Net Assets	<u>(161,065)</u>	<u>660,446</u>	<u>(821,511)</u>	(124.39)

* = Undefined

Governmental Activities

Property taxes made up 81.2 percent of revenues for governmental activities for the Clinton Township School District for fiscal year 2012.

Instruction comprised 51.2 percent of district expenses. Support services expenses made up 44.6 percent of the expenses and other expenses comprised 4.2 percent of total expenses.

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

Business-Type Activities

The business-type activity of the District is the Food Service Fund. The following is a summary of the fiscal year 2012 results of operations:

- Food Service revenues and other financing sources were less than expenses and other financing uses by \$1,466. The majority of this decrease was the result of a decline in sales revenue of approximately \$28,000 from fiscal year 2011.
- Charges for services from amounts paid for daily food services were \$401,043 and total operating expenses were \$481,361.
- Federal and state reimbursements for meals, including payments for free and reduced lunches served and donated government commodities were \$78,106.

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 6/30/12 with comparisons to 6/30/11.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/12	6/30/11	6/30/12	6/30/11
Instruction	15,670,677	14,077,861	14,413,646	12,695,153
Support Services:				
Tuition	687,219	644,832	680,719	556,493
Student & Instructional Staff	5,117,953	4,866,959	4,988,244	4,597,400
General & Business Administration	1,682,380	1,572,965	1,641,563	1,533,087
School Administration	1,330,348	1,340,834	1,330,348	1,340,834
Plant Operations & Maintenance	2,524,664	2,579,451	2,465,720	2,520,794
Pupil Transportation	1,814,468	1,887,008	1,784,899	1,867,224
Food Service	481,361	485,150	2,209	(4,485)
Special Schools	85,566	89,858	85,566	89,858
Interest on Long-Term Debt	<u>1,193,844</u>	<u>1,266,814</u>	<u>1,193,844</u>	<u>1,266,814</u>
 Total Expenses	 <u>30,588,480</u>	 <u>28,811,732</u>	 <u>28,586,758</u>	 <u>26,463,172</u>

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

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

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

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

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

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

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 79.9 percent. The community, as a whole, is the primary support of the Clinton Township School District.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,957,431 and expenditures of \$29,681,665. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$292,892. The Clinton Township School District continues to be challenged by budgetary restrictions, economic forecasts and unfunded mandates in the State of New Jersey. The school district has been successful maintaining a stable tax levy due in large part to increased funding, extraordinary aid and the implementation of the School Choice Program. Although the School Choice Program has served to support our budget and helped to maintain a relatively, consistent enrollment this is not expected to continue at the same rate.

General Fund Budgeting Highlights

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

During the course of fiscal year 2012, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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For the General Fund, budget basis revenue and other financing sources (excluding on-behalf TPAF Pension and Social Security) was \$25,198,652, \$801,478 above final budgeted estimates of \$24,397,174. This difference was due primarily to state aid realized in excess of budget amount of \$727,206.

General fund revenues and other financing sources exceeded expenditures and other financing uses by \$416,915 and reflect the previously mentioned cost-cutting measures and increased state aid.

Capital Assets

At the end of the fiscal year 2012, the School District had \$54,906,653 invested in land, construction in progress, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/12 with comparisons to 6/30/11.

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

	6/30/12	6/30/11	Variance	
			Dollars	%
Land	4,996,634	4,996,634	-	0.00
Land Improvements	365,900	418,769	(52,869)	(12.62)
Buildings & Improvements	48,949,402	50,188,090	(1,238,688)	(2.47)
Machinery & Equipment	421,934	448,108	(26,174)	(5.84)
Vehicles	46,582	58,617	(12,035)	(20.53)
Construction in Progress	126,201	102,451	23,750	23.18
Total	<u>54,906,653</u>	<u>56,212,669</u>	<u>(1,306,016)</u>	<u>(2.32)</u>

* = Undefined

Overall capital assets decreased \$1,306,016 from fiscal year 2011 to fiscal year 2012. The District expended \$38,574 for a wireless network system and \$13,725 for a floor scrubber.

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Debt Administration

At June 30, 2012, the School District had \$32,792,421 in long-term liabilities.

The District issued refunding bonds on 6/30/12 for the 2003 series general improvement bonds of \$10,630,000, which generated a net economic gain of \$513,700 for the District.

At June 30, 2012, the School District's overall debt limit was \$73,531,161 and the legal debt margin was \$41,515,282.

Table 5 provides a summary of the School District's outstanding debt at 6/30/12 with comparisons to 6/30/11.

Table 5
Long-Term Liabilities at Year-end

	6/30/12	6/30/11	Variance	
			Dollars	%
2012 Refunding Bonds for '03 Issue	10,445,000	-	10,445,000	*
2011 Refunding Bonds for '03 Issue	11,905,000	12,100,000	(195,000)	(1.61)
2006 Refunding Bonds for '03 Issue	8,765,000	8,785,000	(20,000)	(0.23)
2003 General Obligation Bonds	-	10,905,000	(10,905,000)	(100.00)
Unamortized Bond Premiums	974,590	1,374,442	(399,852)	(29.09)
Capital Leases Payable	-	5,789	(5,789)	(100.00)
Compensated Absences Payable	702,831	696,848	5,983	0.86
	<u>32,792,421</u>	<u>33,867,079</u>	<u>(1,074,658)</u>	<u>(3.17)</u>

* = Undefined

CLINTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

For the Future

The Clinton Township School District continues to be challenged by budgetary restrictions, economic forecasts and unfunded mandates in the State of New Jersey. However, included in the 2012-13 budget the school district has been successful in improving instruction, reinstating critical programs, and completing a variety of important capital projects due in large part to increased funding, extraordinary aid and the implementation of the School Choice Program. New State initiatives such as teacher and principal evaluation systems will strain budgets and resources even further as we move forward.

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

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash & Cash Equivalents	\$ 1,513,685		\$ 1,513,685
Receivables, Net	1,790,140	\$ 7,715	1,797,855
Internal Balances	(13,871)	13,871	
Inventory		5,038	5,038
Bond Issuance Costs, Net	401,418		401,418
Restricted Assets:			
Cash & Cash Equivalents	641,910		641,910
Capital Assets (Note 4):			
Land and Construction in Progress	5,122,835		5,122,835
Other Capital Assets, net of depreciation	49,763,945	19,873	49,783,818
Total Assets	<u>59,220,062</u>	<u>46,497</u>	<u>59,266,559</u>
LIABILITIES			
Cash Deficit		6,461	6,461
Accounts Payable	106,404	9,129	115,533
Accrued Interest	599,771		599,771
Payables to Other Governments	76,556		76,556
Deferred Revenues	185,293	6,140	191,433
Temporary Notes Payable	540,000		540,000
Other Current Liabilities	499		499
Long-Term Liabilities (Note 5):			
Due Within One Year	990,066		990,066
Due Beyond One Year	31,802,355		31,802,355
Total Liabilities	<u>34,300,944</u>	<u>21,730</u>	<u>34,322,674</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	24,086,810	19,873	24,106,683
Restricted for:			
Debt Service	61,857		61,857
Capital Projects	103,531		103,531
Legal Reserves	522,371		522,371
Unrestricted	<u>144,549</u>	<u>4,894</u>	<u>149,443</u>
TOTAL NET ASSETS	<u>\$ 24,919,118</u>	<u>\$ 24,767</u>	<u>\$ 24,943,885</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP 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-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 7,523,988	\$ 3,535,965	\$ 426,078	\$ 162,083		\$ (10,471,792)		\$ (10,471,792)
Special Education	2,849,639	1,275,986	156,779	492,006		(3,476,840)		(3,476,840)
Other Special Education	304,527	149,979		20,085		(434,421)		(434,421)
Other Instruction	19,729	10,864				(30,593)		(30,593)
Support Services:								
Tuition	687,219			6,500		(680,719)		(680,719)
Student & Instruction Related Services	3,458,550	1,659,403	46,292	83,417		(4,988,244)		(4,988,244)
General & Business Administration Services	1,321,198	361,182	40,817			(1,641,563)		(1,641,563)
School Administration Services	853,486	476,862				(1,330,348)		(1,330,348)
Plant Operations & Maintenance	2,049,037	475,627	58,944			(2,465,720)		(2,465,720)
Pupil Transportation	1,804,023	10,445	29,569			(1,784,899)		(1,784,899)
Special Schools	56,029	29,537				(85,566)		(85,566)
Interest on Long-Term Debt	1,193,844					(1,193,844)		(1,193,844)
Total Governmental Activities	22,121,269	7,985,850	758,479	764,091	\$ -	(28,584,549)	\$ -	(28,584,549)
Business-Type Activities:								
Food Service	481,361		401,046	78,106			(2,209)	(2,209)
Total Business-Type Activities	481,361	-	401,046	78,106	-	-	(2,209)	(2,209)
Total Primary Government	\$ 22,602,630	\$ 7,985,850	\$ 1,159,525	\$ 842,197	\$ -	(28,584,549)	(2,209)	(28,586,758)
General Revenues, Special Items and Transfers								
Property Taxes Levied for General Purposes						22,311,013		22,311,013
Property Taxes Levied for Debt Service						2,241,684		2,241,684
Federal & State Aid Not Restricted						3,856,577		3,856,577
Investment Earnings						44,481	435	44,916
Miscellaneous Income						275,186	308	275,494
Transfers						(75,000)		(75,000)
Special Item-Payment to Refunding Bond Agent						(228,991)		(228,991)
Total General Revenues, Special Items and Transfers						28,424,950	743	28,425,693
Change in Net Assets						(159,599)	(1,466)	(161,065)
Net Assets-Beginning						25,078,717	26,233	25,104,950
Net Assets-Ending						\$ 24,919,118	\$ 24,767	\$ 24,943,885

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 1,502,163	\$ 11,522			\$ 1,513,685
Due from Other Funds	10,000				10,000
Receivables from Other Governments:					
State	578,426	668	\$ 900,879		1,479,973
Federal	4,341	241,428			245,769
Local	52,819	748			53,567
Other Receivables	4,740				4,740
Restricted Cash & Cash Equivalents	522,371		57,682	\$ 61,857	641,910
TOTAL ASSETS	\$ 2,674,860	\$ 254,366	\$ 958,561	\$ 61,857	\$ 3,949,644
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 105,586	\$ 818			\$ 106,404
Due to Other Funds	17,780				17,780
Payables to Other Governments:					
State		76,556			76,556
Federal					-
Deferred Revenue	8,800	176,493			185,293
Temporary Notes Payable			\$ 540,000		540,000
Other Current Liabilities		499			499
Total Liabilities	132,166	254,366	540,000	\$ -	926,532

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 472,371				\$ 472,371
Maintenance Reserve Account	50,000				50,000
Excess Surplus	81,237				81,237
Excess Surplus-Designated for Subsequent Year's Expenditures	3,502				3,502
Committed Fund Balance:					
Year End Encumbrances	569,816				569,816
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	646,498		\$ 418,561	\$ 86	1,065,145
Unassigned Fund Balance	719,270			61,771	781,041
Total Fund Balances	<u>2,542,694</u>	<u>\$ -</u>	<u>418,561</u>	<u>61,857</u>	<u>3,023,112</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,674,860</u>	<u>\$ 254,366</u>	<u>\$ 958,561</u>	<u>\$ 61,857</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

\$ 70,007,039
15,120,259

54,886,780

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

(32,792,421)

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

(599,771)

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

723,573
322,155

401,418

Total Net Assets of Governmental Activities

\$ 24,919,118

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 22,311,013			\$ 2,241,684	\$ 24,552,697
Tuition Charges	582,857				582,857
Transportation Charges	26,317				26,317
Interest on Investments	41,690				41,690
Interest Earned on Capital Reserve Funds	2,791				2,791
Miscellaneous	130,411	\$ 26,585			156,996
Total	23,095,079	26,585	\$ -	2,241,684	25,363,348
State Sources	3,802,872	181,500			3,984,372
Federal Sources	53,705	556,006			609,711
Total Revenues	26,951,656	764,091	-	2,241,684	29,957,431
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	7,361,905	162,083			7,523,988
Special Education Instruction	2,357,196	492,006			2,849,202
Other Special Instruction	284,442	20,085			304,527
Other Instruction	19,729				19,729
Support Service & Undistributed Costs:					
Tuition	680,719	6,500			687,219
Student & Instruction Related Services	3,359,037	83,417			3,442,454
General & Business Administrative Services	1,061,095		146,204		1,207,299
School Administrative Services	853,486				853,486
Plant Operations & Maintenance	2,024,338				2,024,338
Pupil Transportation	1,798,780				1,798,780
Unallocated Benefits	6,594,009				6,594,009

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 91,430		\$ 6,878		\$ 98,308
Special Schools	56,029				56,029
Debt Service:					
Principal				\$ 1,225,000	1,225,000
Interest on Bonds				955,728	955,728
Interest on SDA Obligations	41,569				41,569
Total Expenditures	<u>26,583,764</u>	<u>\$ 764,091</u>	<u>153,082</u>	<u>2,180,728</u>	<u>29,681,665</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>367,892</u>	<u>-</u>	<u>(153,082)</u>	<u>60,956</u>	<u>275,766</u>
Other Financing Sources (Uses):					
Transfers Out	(75,000)				(75,000)
Proceeds from Refunding Bond Issue			10,630,000		10,630,000
Payment to Refunding Bond Escrow Agent			(10,308,991)		(10,308,991)
Discount on Bond Issue			(174,805)		(174,805)
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>-</u>	<u>146,204</u>	<u>-</u>	<u>71,204</u>
Net Change in Fund Balance	292,892	-	(6,878)	60,956	346,970
Fund Balances, July 1	<u>2,249,802</u>	<u>-</u>	<u>425,439</u>	<u>901</u>	<u>2,676,142</u>
Fund Balances, June 30	<u>\$ 2,542,694</u>	<u>\$ -</u>	<u>\$ 418,561</u>	<u>\$ 61,857</u>	<u>\$ 3,023,112</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ 346,970
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital Outlays	\$ 98,308	
Depreciation Expense	<u>(1,410,108)</u>	(1,311,800)
Government funds report bond proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements		(10,630,000)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statements of activities:		
Bond Principal Payments	1,225,000	
Defeasance of Refunded Bonds	10,080,000	
Capital Lease Principal Payments	<u>5,789</u>	11,310,789
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:		
Bond Discount	174,805	
Bond Issuance Costs	146,204	
Amortization of Bond Premium/Discount	225,047	
Amortization of Bond Issuance Costs	<u>(221,446)</u>	324,610
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.		(194,185)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		<u>(5,983)</u>
Change in Net Assets of Governmental Activities		<u>\$ (159,599)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Due from Other Funds	\$ 13,871
Receivables from Other Governments:	
State	639
Federal	6,590
Accounts Receivable-Other	486
Inventory	5,038
Total Current Assets	<u>26,624</u>
Non-current Assets:	
Capital Assets	165,955
Less: Accumulated Depreciation	146,082
Total Noncurrent Assets	<u>19,873</u>
Total Assets	<u>46,497</u>
LIABILITIES	
Current Liabilities:	
Cash Deficit	6,461
Accounts Payable	9,129
Deferred Revenues	6,140
Total Liabilities	<u>21,730</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	19,873
Unrestricted	<u>4,894</u>
TOTAL NET ASSETS	<u>\$ 24,767</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 289,583
Daily Sales-Unreimbursable Programs	111,463
Total Operating Revenues	401,046
Other Expenses:	
Salaries	170,618
Employee Benefits	44,693
Insurance	2,608
Management Fee	15,300
Other Purchased Services	4,012
Supplies and Materials	22,892
Depreciation	6,717
Costs of Sales	213,402
Miscellaneous	1,119
Total Operating Expenses	481,361
Operating Income (Loss)	(80,315)
Non-operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,477
Federal Sources:	
National School Lunch Program	46,190
Food Donation Program	27,439
Miscellaneous	308
Interest Earned on Investments	435
Total Non-operating Revenues (Expenses)	78,849
Change in Net Assets	(1,466)
Net Assets, Beginning	26,233
Net Assets, Ending	\$ 24,767

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 404,001
Payments to Food Service Management Company	(436,245)
Payments to Vendors (Net)	(2,167)
Net Cash Provided by (Used For) Operating Activities	<u>(34,411)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	4,465
Federal Sources	43,212
General Fund Interfund Activity	(15,282)
Miscellaneous	308
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>32,703</u>
Cash Flows from Capital & Related Financing Activities:	
Purchase of Capital Assets	<u>(12,501)</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	<u>435</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,774)
Cash and Cash Equivalents, July 1	<u>7,313</u>
Cash and Cash Equivalents (Deficit), June 30	<u>\$ (6,461)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (80,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	6,717
Federal Food Distribution Program	27,439
(Increase) Decrease in Accounts Receivable	(311)
(Increase) Decrease in Inventory	(1,596)
Increase (Decrease) in Account Payable	8,689
Increase (Decrease) in Deferred Revenue	4,966
Net Cash Provided by (Used For) Operating Activities	<u>\$ (34,411)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents Due from Other Funds	\$ 105,035	\$ 107,297 3,909	\$ 56,533
TOTAL ASSETS	<u>105,035</u>	<u>\$ 111,206</u>	<u>\$ 56,533</u>
LIABILITIES			
Due to Other Funds			\$ 10,000
Accounts Payable	4,505		
Accumulated Interest			171
Due to Student Groups		\$ 111,206	
Payroll Deductions & Withholdings			46,362
TOTAL LIABILITIES	<u>4,505</u>	<u>\$ 111,206</u>	<u>\$ 56,533</u>
NET ASSETS			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 100,530</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP 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	\$ 26,521
Investment Earnings:	
Interest	605
Total Additions	<u>27,126</u>
DEDUCTIONS	
Unemployment Claims	<u>62,675</u>
Total Deductions	<u>62,675</u>
Other Financing Sources (Uses):	
Transfers In from the General Fund	<u>75,000</u>
Total Other Financing Sources (Uses)	<u>75,000</u>
Change in Net Assets	39,451
Net Assets, Beginning of the Year	<u>61,079</u>
Net Assets, End of the Year	<u>\$ 100,530</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2012 of 1,566 students.

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

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

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

B. Government-Wide and Fund Financial Statements

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

CLINTON TOWNSHIP 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 (Cont'd)

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

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

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

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

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

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

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

Proprietary Fund Types (Cont'd)

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

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

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

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

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

Fiduciary Fund Types

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 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 (Cont'd)

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

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 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.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 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 TOWNSHIP 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
Food Service Equipment	15
Athletic Equipment	15
Audio Visual Equipment	10
Buses	08
Vehicles	08
Computer Equipment	05 to 10
Office Equipment	05 to 10

K. Compensated Absences

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

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

L. Deferred Revenue

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

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

M. Long-Term Obligations

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

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

N. Fund Equity

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

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2012 consists of the following:

Legal Reserves:	
Capital Reserve	\$ 472,371
Maintenance Reserve	50,000
Unexpended Voter-Approved Capital Project	
Balance, Net of Related Debt	103,531
Debt Service Fund Balance	61,857
Total Restricted Net Assets	<u>\$ 687,759</u>

CLINTON TOWNSHIP 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 TOWNSHIP 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 & Cash Equivalents		<u>\$ 2,417,999</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 2,155,595
Enterprise Fund Statement of Net Assets (Deficit)	B-4	(6,461)
Fiduciary Funds, Statement of Net Assets	B-7	<u>268,865</u>
Total Cash		<u>\$ 2,417,999</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2012 is \$2,417,999 and the bank balance is \$2,994,532. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,744,532 is insured by GUDPA.

Deposit and Investment Risk

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

Deposit and Investment Risk (Cont'd)

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

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

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

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2012, the district has no investments.

NOTE 4. CAPITAL ASSETS

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

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 4,996,634			\$ 4,996,634
Construction in Progress	102,451	\$ 29,371	\$ 5,621	126,201
Total	<u>5,099,085</u>	<u>29,371</u>	<u>5,621</u>	<u>5,122,835</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,064,181			1,064,181
Building & Improvements	62,581,397			62,581,397
Furniture & Equipment	1,060,887	74,558	2,900	1,132,545
Vehicles	106,081			106,081
Total	<u>64,812,546</u>	<u>74,558</u>	<u>2,900</u>	<u>64,884,204</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Accumulated Depreciation:				
Land Improvements	\$ 645,412	\$ 52,869		\$ 698,281
Building & Improvements	12,393,307	1,238,688		13,631,995
Furniture & Equipment	626,868	106,516	\$ 2,900	730,484
Vehicles	47,464	12,035		59,499
Total	<u>13,713,051</u>	<u>1,410,108</u>	<u>2,900</u>	<u>15,120,259</u>
Total Capital Assets, Being Depreciated, Net	<u>51,099,495</u>	<u>(1,335,550)</u>	<u>-0-</u>	<u>49,763,945</u>
Transfers	<u>-0-</u>	<u>(5,621)</u>	<u>(5,621)</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,198,580</u>	<u>\$ (1,311,800)</u>	<u>\$ -0-</u>	<u>\$ 54,886,780</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets:				
Machinery & Equipment	\$ 153,454	\$ 12,501		\$ 165,955
Less: Accum Depreciation	<u>139,365</u>	<u>6,717</u>		<u>146,082</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,089</u>	<u>\$ 5,784</u>	<u>\$ -0-</u>	<u>\$ 19,873</u>

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

Instruction:	
Regular	\$ 644,087
Special Education	244,342
Other Special Instruction	26,069
Co-curricular Activities	1,689
Support Services:	
Student & Instruction	294,689
General & Business Admin	103,350
School Administration	73,062
Plant & Maintenance	16,033
Pupil Transportation	1,991
Special School	<u>4,796</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,410,108</u>

CLINTON TOWNSHIP 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:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 10,905,000		\$ 10,905,000		
Refunding Bonds Payable	20,885,000	\$10,630,000	400,000	\$ 31,115,000	\$ 860,000
Unamortized Bond Premiums	1,374,442	(174,805)	225,047	974,590	87,006
Capital Leases Payable	5,789		5,789		
Compensated Absences Payable	696,848	49,357	43,374	702,831	43,060
Total Governmental Activities Long-Term Liabilities	<u>\$ 33,867,079</u>	<u>\$10,504,552</u>	<u>\$ 11,579,210</u>	<u>\$ 32,792,421</u>	<u>\$ 990,066</u>

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 860,000	\$ 1,300,968	\$ 2,160,968
2014	880,000	1,274,967	2,154,967
2015	905,000	1,248,368	2,153,368
2016	940,000	1,221,017	2,161,017
2017	975,000	1,183,698	2,158,698
2018-2022	5,650,000	5,199,587	11,849,587
2023-2027	7,360,000	3,731,775	11,091,775
2028-2032	9,245,000	2,148,260	11,393,260
2033-2034	4,300,000	282,315	4,582,315
Totals	<u>\$ 31,115,000</u>	<u>\$ 17,590,955</u>	<u>\$ 48,705,955</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

\$8,830,000 – 2006 general obligation refunding bonds, due in annual installments of \$15,000 to \$2,190,000 beginning Jan 15, 2011, through Jan 15, 2034 interest from 3.50% to 4.35%	\$ 8,785,000
\$12,100,000 – 2011 general obligation refunding bonds, due in Annual installments of \$195,000 to \$1,255,000 beginning Jan 15, 2012, through January 15, 2024 interest from 3.00% to 5.00%	11,905,000
\$10,630,000 – 2012 general obligation refunding bonds, due in annual installments of \$25,000 to \$1,790,000 beginning January 15, 2012, through January 15, 2030 interest from 2.00% to 4.125%	<u>12,100,000</u>
	<u>\$ 31,115,000</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 \$73,531,161. General obligation debt at June 30, 2012 is \$32,015,879, resulting in a legal debt margin of \$41,515,282.

Advance Refunding of School Bond Series 2003

Defeasance of Debt - On December 22, 2011, the District issued \$10,630,000 in general obligation bonds with an average interest rate of 3.82% to advance refund \$10,080,000 of outstanding 2003 series bonds with an average interest rate of 4.55%. The net proceeds of \$10,308,991 (issue amount of \$10,630,000 less the bond discount of \$174,805 and less \$146,204 in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2003 series bonds. As a result, the portion of the 2003 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. The advance refunding of outstanding callable 2003 series bonds generated \$707,978 in gross debt service savings and an economic gain (difference between the present values of the old and new debt service payments plus refunding funds on hand) of \$513,700.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS

Description of Systems

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

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (cont'd)

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

Significant Legislation

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

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

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

Contribution Requirements

The contribution policy is set by 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.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (Cont'd)

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

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/12	\$ 1,023,920	100%
06/30/11	742,959	100%
06/30/10	699,334	100%

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/12	\$ 319,481	100%
06/30/11	316,175	100%
06/30/10	253,592	100%

During the year ended June 30, 2012, the State of New Jersey contributed \$683,777 to the TPAF for post-retirement medical benefits and \$32,964 for the non-contributory insurance premiums, and \$307,179 for normal costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$853,107 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 reaching age 60 and accumulating 25 years of credited service or an a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 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 15,709 eligible retired members.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

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

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

Lincoln Financial
AXA The Equitable
Variable Annuity Life Ins Co

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances as of June 30, 2012 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 10,000	\$ 17,780
Food Service Enterprise Fund	13,871	
Student Activity Fund	3,909	
Payroll Flex Spending Fund		10,000
	<u>\$ 27,780</u>	<u>\$ 27,780</u>

The balance due from the Payroll Flex Spending Fund to the General Fund of \$10,000 represents an imprest loan to the Flex Spending account for cash-flow reasons. The balance due to the Food Service Fund from the General Fund of \$13,871 represents expenditures purchased in the Food Service Fund allocable to the General Fund not yet reimbursed. The balance due from the General Fund to the Student Activity Agency Fund of \$3,909 represents a board contribution for the cost of sports officials disbursed in the Activity Fund.

All interfund balances are to be liquidated within one year, except the amount due to the General Fund from the Payroll Flex Spending Fund which will be an on-going imprest loan for cash-flow reasons in the Agency Fund.

The transfer of \$75,000 from the General Fund to the State Unemployment Fund represents a board contribution.

NOTE 10. INVENTORY

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

Food	\$ 3,974
Supplies	<u>1,064</u>
	<u>\$ 5,038</u>

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

NOTE 11. CONTINGENT LIABILITIES

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

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 12. RISK MANAGEMENT

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

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

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

Fiscal Year	Other	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2011-2012	\$ -0-	\$ 75,000	\$ 605	\$ 26,521	\$ 62,675	\$ 100,530
2010-2011	-0-	100,000	98	23,758	137,463	61,079
2009-2010	-0-	145,939	54	24,848	100,417	74,686

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 on June 27, 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$400,000 to their Capital Reserve account by board resolution in June 2012 as summarized in the following schedule.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
Capital	\$ 569,580	\$ 400,000	\$ 2,791	\$ 500,000	\$ 472,371
Maintenance	50,000				50,000
Totals	<u>\$ 619,580</u>	<u>\$ 400,000</u>	<u>\$ 2,791</u>	<u>\$ 500,000</u>	<u>\$ 522,371</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. The following is an analysis of the General Fund Balance on the "budgetary basis" as of June 30, 2012 and 2011. The total differs from the Governmental Funds Balance Sheet, which is stated on the "GAAP" basis, by \$139,791.

	<u>2012</u>	<u>2011</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage In accordance with state statute NJSA 18A: 7 F-7 the excess surplus is designated for utilization in succeeding years budgets	\$ 81,237	\$ 3,502
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount in excess of allowable percentage appropriated in the succeeding year's budget to reduce tax requirements	3,502	
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	472,371	569,580
Maintenance Reserve Account-Represents funds restricted for required maintenance of school facilities	50,000	50,000
Assigned:		
Designated for Subsequent Year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements	646,498	635,351
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,	569,816	130,975
Unassigned:		
Undesignated-represents fund balance which has not been restricted or designated	<u>859,061</u>	<u>876,162</u>
Total Fund Balance	<u>\$ 2,682,485</u>	<u>\$ 2,265,570</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$81,237.

NOTE 16. TEMPORARY NOTES ISSUED

The District has temporary notes outstanding of \$540,000 on June 30, 2012 as summarized on Schedule F-3. The notes were issued as authorized in the 2003 school addition referendum project. The reason for the note issue is cash flow shortages due to the delayed receipt of state aid approved for this project. As of June 30, 2012, the District has state aid receivable for this project of \$900,879. The difference between the aid receivable and the notes outstanding of \$360,879 equals debt authorized but not issued for the District as of June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

CLINTON TOWNSHIP 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	\$ 22,311,013		\$ 22,311,013	\$ 22,311,013	
Tuition-Individuals	80,000		80,000	75,000	\$ (5,000)
Tuition from Other LEAs Within the State-Regular	351,078		351,078	351,078	
Tuition from Other LEAs Within the State-Special	161,598		161,598	156,779	(4,819)
Transportation Fees from Individuals				442	442
Transportation Fees from Other LEAs Within/State	16,297		16,297	25,875	9,578
Interest on Investments	100		100	41,690	41,590
Interest Earned on Capital Reserve Funds	10		10	2,791	2,781
Building Use Rental Income	28,961		28,961	33,800	4,839
Shared Services Revenue	46,250		46,250	46,446	196
E-Rate Revenues	25,500		25,500	42,694	17,194
Miscellaneous				7,471	7,471
Total	<u>23,020,807</u>	<u>\$ -</u>	<u>23,020,807</u>	<u>23,095,079</u>	<u>74,272</u>
State Sources:					
Categorical Special Education Aid	583,547		583,547	756,016	172,469
Extraordinary Special Education Costs Aid	215,000		215,000	564,479	349,479
Categorical Security Aid				74,841	74,841
School Choice Aid		524,115	524,115	640,585	116,470
Nonpublic Transportation Aid				13,947	13,947
On-Behalf TPAF Pension Contribution				1,023,920	1,023,920
Reimbursed TPAF Social Security Contribution				853,107	853,107
Total	<u>798,547</u>	<u>524,115</u>	<u>1,322,662</u>	<u>3,926,895</u>	<u>2,604,233</u>
Federal Sources:					
Education Jobs Fund	52,074	1,631	53,705	53,705	-
TOTAL REVENUES	<u>\$ 23,871,428</u>	<u>\$ 525,746</u>	<u>\$ 24,397,174</u>	<u>\$ 27,075,679</u>	<u>\$ 2,678,505</u>
EXPENDITURES					
Current:					
Regular Program-Instruction:					
Salaries of Teachers:					
Preschool	\$ 161,870	\$ 10,799	\$ 172,669	\$ 172,669	
Kindergarten	225,117	39,424	264,541	264,541	
Grades 1-5	3,514,077	171,650	3,685,727	3,685,727	
Grades 6-8	2,312,550	187,306	2,499,856	2,499,856	
Home Instruction:					
Salaries of Teachers	5,000	18,123	23,123	23,123	
Purchased Professional-Educational Services		240	240	240	
Regular Programs-Undistributed Instruction:					
Purchased Technical Services	13,360	(5,500)	7,860	7,860	
Other Purchased Services	337,096	(136,362)	200,734	200,734	
General Supplies	282,647	224,175	506,822	499,235	7,587
Textbooks	12,800	(8,040)	4,760	4,760	
Other Objects	2,619	541	3,160	3,160	
Total	<u>6,867,136</u>	<u>502,356</u>	<u>7,369,492</u>	<u>7,361,905</u>	<u>7,587</u>
Special Education:					
Auditory Impairments					
Salaries of Teachers	48,440		48,440	48,368	72
General Supplies	225	(10)	215	215	
Total	<u>48,665</u>	<u>(10)</u>	<u>48,655</u>	<u>48,583</u>	<u>72</u>

CLINTON TOWNSHIP 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)					
Resource Room/Center:					
Salaries of Teachers	\$ 1,602,232	\$ 435,643	\$ 2,037,875	\$ 2,037,790	\$ 85
Other Salaries for Instruction	260,844	(221,587)	39,257	31,571	7,686
General Supplies	6,792	(2,086)	4,706	4,386	320
Total	1,869,868	211,970	2,081,838	2,073,747	8,091
Autism:					
Salaries of Teachers	160,128	74,075	234,203	232,204	1,999
General Supplies	2,000	662	2,662	2,662	
Total	162,128	74,737	236,865	234,866	1,999
Total Special Education	2,080,661	286,697	2,367,358	2,357,196	10,162
Basic Skills/Remedial:					
Salaries of Teachers	275,804	7,154	282,958	280,856	2,102
General Supplies	4,010		4,010	3,586	424
Total	279,814	7,154	286,968	284,442	2,526
School Sponsored Co/Extra Curricular Activities:					
Salaries	6,653	(604)	6,049	6,049	
Other Objects		2,038	2,038	1,879	159
Total	6,653	1,434	8,087	7,928	159
School-Sponsored Athletics:					
Salaries	8,000	6,000	14,000	11,801	2,199
Other Objects	2,500		2,500		2,500
Total	10,500	6,000	16,500	11,801	4,699
Total Instruction Regular	\$ 9,244,764	\$ 803,641	\$ 10,048,405	\$ 10,023,272	\$ 25,133
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State-Special	\$ 464,200	\$ (72,676)	\$ 391,524	\$ 376,938	\$ 14,586
Tuition to Private Schools for the Disabled					
Within the State	256,105	47,676	303,781	303,781	
Tuition-State Facilities	11,200	(9,500)	1,700		1,700
Total	731,505	(34,500)	697,005	680,719	16,286
Health Services:					
Salaries	241,135	6,349	247,484	246,057	1,427
Purchased Professional & Technical Services	3,800	(450)	3,350	3,300	50
Supplies & Materials	9,616	200	9,816	8,174	1,642
Total	254,551	6,099	260,650	257,531	3,119
Speech, OT, PT and Related Services:					
Salaries	543,741	4,582	548,323	547,509	814
Purchased Professional Educational Services	121,400	27,973	149,373	146,096	3,277
Supplies & Materials	4,409		4,409	3,706	703
Total	669,550	32,555	702,105	697,311	4,794
Other Support Services-Students-Extraordinary:					
Salaries	437,369	17,128	454,497	454,496	1
Total	437,369	17,128	454,497	454,496	1
Guidance:					
Salaries of Other Professional Staff	402,464	(9,000)	393,464	392,612	852
Other Purchased Services	1,250		1,250	999	251
Supplies & Materials	18,200	(102)	18,098	873	17,225
Total	421,914	(9,102)	412,812	394,484	18,328

CLINTON TOWNSHIP 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)					
Child Study Team:					
Salaries of Other Professional Staff	\$ 718,561	\$ 55,236	\$ 773,797	\$ 772,711	\$ 1,086
Salaries of Secretarial & Clerical Assistants	63,886	(1,865)	62,021	62,019	2
Purchased Professional Educational Services	63,440	(28,517)	34,923	28,828	6,095
Miscellaneous Purchased Services	23,000	12,522	35,522	24,323	11,199
Supplies & Materials	16,200	(2,074)	14,126	7,385	6,741
Other Objects	14,024	(10,272)	3,752	2,642	1,110
Total	<u>899,111</u>	<u>25,030</u>	<u>924,141</u>	<u>897,908</u>	<u>26,233</u>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	59,056		59,056	59,056	
Salaries of Other Professional Staff	8,984	8,400	17,384	15,186	2,198
Salaries of Secretarial & Clerical Assistants	21,216	416	21,632	21,631	1
Other Purchased Services	3,500	(2,000)	1,500	736	764
Supplies & Materials	1,282	(13)	1,269	1,269	
Other Objects	1,575	(194)	1,381	1,381	
Total	<u>95,613</u>	<u>6,609</u>	<u>102,222</u>	<u>99,259</u>	<u>2,963</u>
Educational Media Service/School Library:					
Salaries	376,266	(13,681)	362,585	359,381	3,204
Other Purchased Services	2,520		2,520	2,313	207
Supplies & Materials	24,815	(1,000)	23,815	21,047	2,768
Total	<u>403,601</u>	<u>(14,681)</u>	<u>388,920</u>	<u>382,741</u>	<u>6,179</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	59,056		59,056	59,056	
Salaries of Other Professional Staff	14,376		14,376	13,554	822
Salaries of Secretarial & Clerical Assistants	21,216	417	21,633	21,633	
Purchased Professional Educational Services	3,995	69,520	73,515	73,515	
Other Purchased Services	13,000	(5,095)	7,905	7,549	356
Supplies & Materials	186	(186)			
Total	<u>111,829</u>	<u>64,656</u>	<u>176,485</u>	<u>175,307</u>	<u>1,178</u>
Support Services-General Administration:					
Salaries	232,052	1,848	233,900	233,737	163
Legal Services	40,000	44,722	84,722	75,774	8,948
Audit Fees	32,000	(3,000)	29,000	29,000	
Architectural/Engineering Services	15,000	26,381	41,381	41,235	146
Other Purchased Professional Services	3,990	37,002	40,992	40,992	
Communications & Telephone	25,380	35,007	60,387	60,387	
Board of Education Other Purchased Services	3,250	(1,620)	1,630	1,374	256
Miscellaneous Purchased Services	66,743	(5,930)	60,813	60,280	533
General Supplies	3,400	(2,195)	1,205	1,189	16
Board of Education In House Training/ Meeting Supplies	200		200	156	44
Judgments Against the School District	2,000	21,250	23,250		23,250
Miscellaneous Expenditures	2,525	200	2,725	2,711	14
Board of Education Membership Dues & Fees	12,900	(730)	12,170	12,155	15
Total	<u>439,440</u>	<u>152,935</u>	<u>592,375</u>	<u>558,990</u>	<u>33,385</u>
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	537,855	3	537,858	537,855	3
Salaries of Secretarial & Clerical Assistants	275,734	5,868	281,602	281,442	160
Other Purchased Services	10,000	53,550	63,550	15,049	48,501
Supplies & Materials	26,069	(11,642)	14,427	13,224	1,203
Other Objects	8,795		8,795	5,916	2,879
Total	<u>858,453</u>	<u>47,779</u>	<u>906,232</u>	<u>853,486</u>	<u>52,746</u>

CLINTON TOWNSHIP 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)					
Support Services-Central Services:					
Salaries	\$ 347,830	\$ (4,380)	\$ 343,450	\$ 316,972	\$ 26,478
Purchased Professional Services	18,000		18,000	17,294	706
Purchased Technical Services	5,100	22,000	27,100	4,955	22,145
Miscellaneous Purchased Services	23,009	(9,569)	13,440	6,106	7,334
Supplies & Materials	9,100	(2,112)	6,988	6,514	474
Interest on Current Loans	10,000	5,380	15,380	15,192	188
Miscellaneous Expenditures	1,550	650	2,200	2,190	10
Total	414,589	11,969	426,558	369,223	57,335
Support Services-Administrative Information Technology:					
Salaries	83,200	10,400	93,600	93,600	
Purchased Technical Services	4,640	133	4,773	4,773	
Other Purchased Services	9,100	16,299	25,399	25,395	4
Supplies & Materials	2,020	6,294	8,314	8,314	
Other Objects	212	800	1,012	800	212
Total	99,172	33,926	133,098	132,882	216
Required Maintenance for School Facilities:					
Salaries	228,279	(9,500)	218,779	209,898	8,881
Cleaning, Repair & Maintenance Services	105,325	96,086	201,411	154,635	46,776
General Supplies	89,800	1,145	90,945	35,069	55,876
Total	423,404	87,731	511,135	399,602	111,533
Custodial Services:					
Salaries	737,436	(31,960)	705,476	705,476	
Purchased Professional & Technical Services	63,100	52,957	116,057	82,603	33,454
Cleaning Repair & Maintenance Services	27,500	25,896	53,396	53,396	
Other Purchased Property Services	69,268	(35,881)	33,387	33,387	
Insurance	121,723	(16,198)	105,525	105,525	
Miscellaneous Purchased Services	1,500	4,658	6,158	6,082	76
General Supplies	125,000	(54,511)	70,489	51,771	18,718
Energy (Natural Gas)	260,000	(35,000)	225,000	120,136	104,864
Energy (Electricity)	624,960	(71,300)	553,660	446,580	107,080
Energy (Oil)	12,000		12,000	5,995	6,005
Other Objects		545	545	395	150
Total	2,042,487	(160,794)	1,881,693	1,611,346	270,347
Care and Upkeep of Grounds:					
General Supplies	750	12,700	13,450	13,390	60
Student Transportation Services:					
Salaries of Noninstructional Aides	15,000		15,000	7,384	7,616
Salaries for Pupil Transportation (Between Home & School)-Regular	6,468		6,468	6,468	
Salaries for Pupil Transportation (Between Home & School)-Special Education	6,468		6,468	6,468	
Management Fee-ESC Transportation Program	30,600	16,993	47,593	47,593	
Contracted Services-Aid In Lieu of Payments-Nonpublic	30,000	3,950	33,950	32,081	1,869
Contracted Services (Between Home & School)-Vendors	1,800	5,653	7,453		7,453
Contracted Services (Other Than Between Home & School)-Vendors	3,500	14,000	17,500	4,598	12,902
Contracted Services (Between Home & School)-Joint Agreements		1,768	1,768	1,768	
Contracted Services (Regular Students)-ESCs	1,500,133	(144,711)	1,355,422	1,336,699	18,723
Contracted Services (Special Education Students)-ESCs	156,222	215,000	371,222	352,971	18,251
Miscellaneous Purchased Services	3,050		3,050	2,750	300
General Supplies	100		100		100
Other Objects	150		150		150
Total	1,753,491	112,653	1,866,144	1,798,780	67,364

CLINTON TOWNSHIP 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)					
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	\$ 326,000	\$ (13,200)	\$ 312,800	\$ 294,052	\$ 18,748
Other Retirement Contributions-PERS	348,119	(25,706)	322,413	319,481	2,932
Other Retirement Contributions-Regular		4,256	4,256	4,256	
Workmen's Compensation	129,948	(7,629)	122,319	120,335	1,984
Health Benefits	3,832,213	25,519	3,857,732	3,798,322	59,410
Tuition Reimbursement	75,000	(5,500)	69,500	64,034	5,466
Other Employee Benefits	140,800	(4,682)	136,118	116,502	19,616
Total	<u>4,852,080</u>	<u>(26,942)</u>	<u>4,825,138</u>	<u>4,716,982</u>	<u>108,156</u>
On-Behalf TPAF Pension Contribution				1,023,920	(1,023,920)
Reimbursed TPAF Social Security Contribution				853,107	(853,107)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,877,027</u>	<u>(1,877,027)</u>
Total Undistributed Expenditures	<u>\$ 14,908,909</u>	<u>\$ 365,751</u>	<u>\$ 15,274,660</u>	<u>\$ 16,371,464</u>	<u>\$ (1,096,804)</u>
TOTAL CURRENT	<u>\$ 24,153,673</u>	<u>\$ 1,169,392</u>	<u>\$ 25,323,065</u>	<u>\$ 26,394,736</u>	<u>\$ (1,071,671)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ 120,756	\$ (120,756)			
Administrative Information Technology	14,000	38,062	\$ 52,062	\$ 52,062	
Custodial Services		17,813	17,813	16,875	\$ 938
Total	<u>134,756</u>	<u>(64,881)</u>	<u>69,875</u>	<u>68,937</u>	<u>938</u>
Facilities Acquisitions and Construction Services:					
Architectural/Engineering Services		24,750	24,750	22,493	2,257
Construction Services		480,200	480,200		480,200
Assessment for Debt Service on SDA Funding	41,569		41,569	41,569	
Total	<u>41,569</u>	<u>504,950</u>	<u>546,519</u>	<u>64,062</u>	<u>482,457</u>
TOTAL CAPITAL OUTLAY	<u>\$ 176,325</u>	<u>\$ 440,069</u>	<u>\$ 616,394</u>	<u>\$ 132,999</u>	<u>\$ 483,395</u>
SPECIAL SCHOOLS					
Other Special Schools-Instruction:					
Salaries of Teachers	\$ 64,581	\$ (30,715)	\$ 33,866	\$ 33,866	
Other Salaries for Instruction	23,940	(4,200)	19,740	19,703	\$ 37
Purchased Professional and Technical Services	10,750	(9,796)	954	210	744
General Supplies	2,500		2,500	2,250	250
Total	<u>101,771</u>	<u>(44,711)</u>	<u>57,060</u>	<u>56,029</u>	<u>1,031</u>
TOTAL SPECIAL SCHOOLS	<u>\$ 101,771</u>	<u>\$ (44,711)</u>	<u>\$ 57,060</u>	<u>\$ 56,029</u>	<u>\$ 1,031</u>
TOTAL EXPENDITURES	<u>\$ 24,431,769</u>	<u>\$ 1,564,750</u>	<u>\$ 25,996,519</u>	<u>\$ 26,583,764</u>	<u>\$ (587,245)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (560,341)	\$ (1,039,004)	\$ (1,599,345)	\$ 491,915	\$ 2,091,260
Other Financing Sources (Uses):					
Transfers Out-Unemployment Compensation	<u>(75,000)</u>	<u>(479)</u>	<u>(75,479)</u>	<u>(75,000)</u>	<u>479</u>

CLINTON TOWNSHIP 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
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (635,341)	\$ (1,039,483)	\$ (1,674,824)	\$ 416,915	\$ 2,091,739
Fund Balances, July 1	2,265,570	-	2,265,570	2,265,570	-
Fund Balances, June 30	\$ 1,630,229	\$ (1,039,483)	\$ 590,746	\$ 2,682,485	\$ 2,091,739
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (130,975)	\$ (130,975)	\$ (130,975)	
Increase in Capital Reserve	\$ 10	402,781	402,791	402,791	
Withdrawal from Capital Reserve		(500,000)	(500,000)	(500,000)	
Budgeted Fund Balance	(635,351)	(811,289)	(1,446,640)	645,099	\$ 2,091,739
TOTAL	\$ (635,341)	\$ (1,039,483)	\$ (1,674,824)	\$ 416,915	\$ 2,091,739
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Capital Reserve				\$ 472,371	
Maintenance Reserve				50,000	
Excess Surplus:					
Prior Year-Designated for 2012-2013 Budget				3,502	
Current Year - Designated for 2013-2014 Budget				81,237	
Committed Fund Balance:					
Year-end Encumbrances				569,816	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				646,498	
Unassigned Fund Balance				859,061	
Fund Balance Per Budgetary Basis				2,682,485	
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(139,791)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,542,694	

CLINTON TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(NOT APPLICABLE TO THIS REPORT)

CLINTON TOWNSHIP 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 Program Aid	\$ 52,074	\$ 1,631	\$ 53,705	\$ 53,705	
TOTAL REVENUES	<u>\$ 52,074</u>	<u>\$ 1,631</u>	<u>\$ 53,705</u>	<u>\$ 53,705</u>	<u>\$ -</u>
EXPENDITURES					
Education Jobs Fund Program:					
Support Services-School Administration:					
Salaries of Secretarial & Clerical Assistants	\$ 52,074	\$ 1,631	\$ 53,705	\$ 53,705	
Total	<u>52,074</u>	<u>1,631</u>	<u>53,705</u>	<u>53,705</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 52,074</u>	<u>\$ 1,631</u>	<u>\$ 53,705</u>	<u>\$ 53,705</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 TOWNSHIP 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	\$ 67,678		\$ 67,678	\$ 35,742	\$ (31,936)
State Sources	249,314		249,314	173,426	(75,888)
Federal Sources	691,445		691,445	556,006	(135,439)
TOTAL REVENUES	<u>\$ 1,008,437</u>	<u>\$ -</u>	<u>\$ 1,008,437</u>	<u>\$ 765,174</u>	<u>\$ (243,263)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 424,017	\$ 21,537	\$ 445,554	\$ 435,584	\$ 9,970
Purchased Professional & Technical Services	190,560		190,560	115,420	75,140
Other Purchased Services	8,302		8,302	8,302	
General Supplies	137,319	(5,294)	132,025	99,436	32,589
Textbooks	26,542		26,542	25,794	748
Total	<u>786,740</u>	<u>16,243</u>	<u>802,983</u>	<u>684,536</u>	<u>118,447</u>
Support Services:					
Personal Services-Employee Benefits	3,769	(85)	3,684	1,477	2,207
Purchased Professional & Technical Services	195,337	(32,870)	162,467	70,615	91,852
Other Purchased Services	12,371	11,417	23,788	1,316	22,472
Supplies and Materials	10,220		10,220	1,935	8,285
Total	<u>221,697</u>	<u>(21,538)</u>	<u>200,159</u>	<u>75,343</u>	<u>124,816</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	5,295	5,295	5,295	-
TOTAL EXPENDITURES	<u>\$ 1,008,437</u>	<u>\$ -</u>	<u>\$ 1,008,437</u>	<u>\$ 765,174</u>	<u>\$ 243,263</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 27,075,679	\$ 765,174
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		8,074
Outstanding Encumbrances-Current Year		(9,157)
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	15,768	
State Aid Receivable Current Year	<u>(139,791)</u>	
Total Revenues (GAAP Basis)	<u>\$ 26,951,656</u>	<u>\$ 764,091</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 26,583,764	\$ 765,174
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		8,074
Outstanding Encumbrances-Current Year		(9,157)
Total Expenditures (GAAP Basis)	<u>\$ 26,583,764</u>	<u>\$ 764,091</u>

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

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

	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Preschool	ARRA IDEA Basic	NJ Nonpublic	Local Grants	Totals
REVENUES								
Local Sources							\$ 35,742	\$ 35,742
State Sources						\$ 173,426		173,426
Federal Sources	\$ 21,562	\$ 3,235	\$ 434,927	\$ 13,275	\$ 83,007			556,006
TOTAL REVENUES	\$ 21,562	\$ 3,235	\$ 434,927	\$ 13,275	\$ 83,007	\$ 173,426	\$ 35,742	\$ 765,174
EXPENDITURES								
Instruction:								
Salaries	\$ 20,085		\$ 402,224	\$ 13,275				\$ 435,584
Purchased Professional and Technical Services						\$ 109,720	\$ 5,700	115,420
Other Purchased Services					\$ 6,500		1,802	8,302
General Supplies					76,507		22,929	99,436
Textbooks						25,794		25,794
Totals	20,085	-	402,224	13,275	83,007	135,514	30,431	684,536
Support Services:								
Personal Services Employee Benefits	1,477							1,477
Purchased Professional and Technical Services			32,703			37,912		70,615
Other Purchased Services		1,300					16	1,316
Supplies and Materials		1,935						1,935
Total	1,477	3,235	32,703	-	-	37,912	16	75,343
Facilities Acquisition and Construction Services:								
Instructional Equipment	-	-	-	-	-	-	5,295	5,295
TOTAL EXPENDITURES	\$ 21,562	\$ 3,235	\$ 434,927	\$ 13,275	\$ 83,007	\$ 173,426	\$ 35,742	\$ 765,174

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/12
			Prior Years	Current Year	
Renovations to the Three Existing Elementary Schools and the Acquisition, Construction and Equipping of a New Middle School	04/07/03	\$ 39,522,182	\$ 39,373,591	\$ 6,878	\$ 141,713
Roof Repairs for the Four District Schools	07/18/03	1,309,417	1,032,569		276,848
		<u>\$ 40,831,599</u>	<u>\$ 40,406,160</u>	<u>\$ 6,878</u>	<u>\$ 418,561</u>

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

Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	\$ 6,878
Total Expenditures	6,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,878)
Fund Balance-Beginning	425,439
Fund Balance-Ending	\$ 418,561
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 418,561
Fund Balance-GAAP Basis (Schedule B-1)	\$ 418,561

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
ROOF REPAIRS FOR THE FOUR DISTRICT SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Additional Project Information:

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

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
RENOVATIONS TO THE THREE EXISTING ELEMENTARY SCHOOLS AND THE
ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW MIDDLE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 32,259,000		\$ 32,259,000	\$ 32,259,000
State Sources-SCC Grant	7,262,867		7,262,867	7,262,867
Local Sources	315		315	315
Total Revenues	<u>39,522,182</u>	<u>\$ -</u>	<u>39,522,182</u>	<u>39,522,182</u>
Expenditures and Other Financing Uses:				
Land Purchase	3,224,134		3,224,134	3,224,134
Purchased Professional & Technical Services	3,458,961	6,878	3,465,839	3,485,839
Insurance	28,085		28,085	28,085
Construction Services	31,447,356		31,447,356	31,569,069
Land Improvements-Parking Lot	101,690		101,690	101,690
Utility Service Relocation	44,610		44,610	44,610
Water & Sewer Connection Fees	73,680		73,680	73,680
Real Estate Rollback Taxes	104,593		104,593	104,593
Equipment & Furniture Purchases	683,594		683,594	683,594
Food Service Kitchen Supplies	7,028		7,028	7,028
Other Supplies	1,910		1,910	1,910
Fees & Permits	197,950		197,950	197,950
Total Expenditures	<u>39,373,591</u>	<u>6,878</u>	<u>39,380,469</u>	<u>39,522,182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 148,591</u>	<u>\$ (6,878)</u>	<u>\$ 141,713</u>	<u>\$ -</u>

Additional Project Information:

Project Number	0920-030-03-1109
Project Number	0920-035-03-1110
Project Number	0920-040-03-1111
Project Number	0920-N01-03-1112
Grant Date	04/07/03
Bond Authorized Date	07/01/03
Bonds Authorized	\$ 39,522,182
Bonds Issued	\$ 32,259,000
Original Authorized Cost	\$ 39,522,182
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 39,522,182
Percentage Complete	99.64%

CLINTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF TEMPORARY NOTES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Issue	Original Date of Issue	Original Amount of Issue	Issue Date	Maturity Date	Interest Rate	Balance 07/01/11	Issued	Redeemed	Balance 06/30/12
School Construction and Renovations-2003 Project	08/08/06	\$ 7,194,675	01/27/11	07/27/11	2.45%	\$ 540,000		\$ 540,000	
			07/26/11	01/26/12	3.25%		\$ 540,000	540,000	
			01/25/12	07/25/12	1.50%		540,000		\$ 540,000
							<u>\$ 540,000</u>	<u>\$ 1,080,000</u>	<u>\$ 1,080,000</u>

PROPRIETARY FUND

DETAIL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2012

	Food Service Fund
ASSETS	
Current Assets:	
Due from Other Funds	\$ 13,871
Receivables from Other Governments:	
State	639
Federal	6,590
Accounts Receivable-Other	486
Inventory	5,038
Total Current Assets	26,624
Noncurrent Assets:	
Capital Assets	165,955
Less: Accumulated Depreciation	146,082
Total Noncurrent Assets	19,873
Total Assets	46,497
LIABILITIES	
Current Liabilities:	
Cash Deficit	6,461
Accounts Payable	9,129
Deferred Revenues	6,140
Total Liabilities	21,730
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	19,873
Unrestricted	4,894
TOTAL NET ASSETS	\$ 24,767

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 289,583
Daily Sales-Unreimbursable Programs	111,463
Total Operating Revenues	401,046
Other Expenses:	
Salaries	170,618
Employee Benefits	44,693
Insurance	2,608
Management Fee	15,300
Other Purchased Services	4,012
Supplies and Materials	22,892
Depreciation	6,717
Costs of Sales	213,402
Miscellaneous	1,119
Total Operating Expenses	481,361
Operating Income (Loss)	(80,315)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,477
Federal Sources:	
National School Lunch Program	46,190
Food Donation Program	27,439
Miscellaneous	308
Interest Earned on Investments	435
Total Nonoperating Revenues (Expenses)	78,849
Change in Net Assets	(1,466)
Net Assets, Beginning	26,233
Net Assets, Ending	\$ 24,767

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 404,001
Payments to Food Service Management Company	(436,245)
Payments to Vendors (Net)	(2,167)
Net Cash Provided by (Used For) Operating Activities	(34,411)
Cash Flows from Noncapital Financing Activities:	
State Sources	4,465
Federal Sources	43,212
General Fund Interfund Activity	(15,282)
Miscellaneous	308
Net Cash Provided by (Used For) Noncapital Financing Activities	32,703
Cash Flows from Capital & Related Financing Activities:	
Purchase of Capital Assets	(12,501)
Cash Flows from Investing Activities:	
Interest Earned on Investments	435
Net Increase (Decrease) in Cash and Cash Equivalents	(13,774)
Cash and Cash Equivalents, July 1	7,313
Cash and Cash Equivalents (Deficit), June 30	\$ (6,461)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (80,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	6,717
Federal Food Distribution Program	27,439
(Increase) Decrease in Accounts Receivable	(311)
(Increase) Decrease in Inventory	(1,596)
Increase (Decrease) in Account Payable	8,689
Increase (Decrease) in Deferred Revenue	4,966
Net Cash Provided by (Used For) Operating Activities	\$ (34,411)

FIDUCIARY FUND

DETAIL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 105,035	\$ 107,297	\$ 56,533	\$ 268,865
Due from Other Funds		3,909		3,909
Total Assets	<u>105,035</u>	<u>111,206</u>	<u>56,533</u>	<u>272,774</u>
LIABILITIES				
Due to Other Funds			10,000	10,000
Accounts Payable	4,505			4,505
Accumulated Interest			171	171
Due to Student Groups		111,206		111,206
Payroll Deductions & Withholdings			46,362	46,362
Total Liabilities	<u>4,505</u>	<u>111,206</u>	<u>56,533</u>	<u>172,244</u>
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 100,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,530</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 26,521
Investment Earnings:	
Interest	605
Total Additions	<u>27,126</u>
DEDUCTIONS	
Unemployment Claims	<u>62,675</u>
Total Deductions	<u>62,675</u>
Other Financing Sources (Uses):	
Transfers In from the General Fund	<u>75,000</u>
Total Other Financing Sources (Uses)	<u>75,000</u>
Change in Net Assets	39,451
Net Assets, Beginning of the Year	<u>61,079</u>
Net Assets, End of the Year	<u><u>\$ 100,530</u></u>

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

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
ASSETS				
Cash & Cash Equivalents	\$ 110,722	\$ 256,861	\$ 260,286	\$ 107,297
Due From Other Funds		3,909		3,909
Accounts Receivable-Other	2,400		2,400	
TOTAL ASSETS	\$ 113,122	\$ 260,770	\$ 262,686	\$ 111,206
LIABILITIES				
Due to Student Groups:				
Spruce Run School	\$ 8,744	\$ 6,361	\$ 3,929	\$ 11,176
Patrick McGaheran School	8,649	13,782	13,574	8,857
Round Valley School	15,075	42,097	42,844	14,328
Clinton Twp. Middle School	80,654	198,530	202,339	76,845
TOTAL LIABILITIES	\$ 113,122	\$ 260,770	\$ 262,686	\$ 111,206

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

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
ASSETS				
Cash & Cash Equivalents	\$ 480,954	\$ 17,076,052	\$ 17,500,473	\$ 56,533
Due from Other Funds	756		756	
TOTAL ASSETS	\$ 481,710	\$ 17,076,052	\$ 17,501,229	\$ 56,533
LIABILITIES				
Due to Other Funds				
Accumulated Interest	\$ 90	\$ 36,521	\$ 26,521	\$ 10,000
Payroll Deductions/Withholdings	475,456	7,267,176	7,702,434	40,198
Net Payroll	6,164	9,772,264	9,772,264	6,164
TOTAL LIABILITIES	\$ 481,710	\$ 17,076,052	\$ 17,501,229	\$ 56,533

LONG-TERM DEBT SCHEDULES

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

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/11	Issued	Retired	Balance 06/30/12
			Date	Amount					
Renovations Upgrades to Spruce Run, Patrick McGaheran & Round Valley Schools, Acquisition of Land & Construction & Furnishing of a New Middle School	12/1/2003	\$ 32,259,000				\$ 10,905,000		\$ 10,905,000	
2006 Refunding of 2003 Issue	09/6/2006	8,830,000	01/15/2013- 01/15/2015	\$ 20,000	4.00%				
			01/15/2016- 01/15/2017	20,000	4.10%				
			01/15/2018- 01/15/2022	25,000					
			01/15/2023- 01/15/2026	30,000					
			01/15/2027- 01/15/2030	35,000	4.35%				
			01/15/2031	1,950,000					
			01/15/2032	2,030,000					
			01/15/2033	2,110,000					
			01/15/2034	2,190,000		8,785,000		20,000	\$ 8,765,000

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012
(Continued)

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/11	Issued	Retired	Balance 06/30/12
			Date	Amount					
2011 Refunding of 2003 Issue	06/30/2011	\$ 12,100,000	01/15/2013	\$ 815,000	3.00%				
			01/15/2014	835,000					
			01/15/2015	860,000					
			01/15/2016	890,000	4.00%				
			01/15/2017	925,000					
			01/15/2018	965,000	5.00%				
			01/15/2019	1,015,000					
			01/15/2020	1,070,000					
			01/15/2021	1,130,000					
			01/15/2022	1,190,000					
			01/15/2023	1,255,000					
				01/15/2024	955,000				
2012 Refunding of 2003 Issue	12/22/2011	10,630,000	01/15/2013-		3.00%				
			01/15/2015	25,000					
			01/15/2016-		3.00%				
			01/15/2017	30,000					
			01/15/2018-		2.00%				
			01/15/2019	30,000					
			01/15/2020	30,000	2.25%				
			01/15/2021	30,000	2.50%				
			01/15/2022	35,000	2.75%				
			01/15/2023	35,000	3.00%				
			01/15/2024	400,000	3.25%				
			01/15/2025	1,460,000	3.50%				
			01/15/2026	1,520,000	3.625%				
			01/15/2027	1,580,000	3.75%				
			01/15/2028	1,650,000	3.875%				
			01/15/2029	1,720,000	4.00%				
01/15/2030	1,790,000	4.125%							
						\$ 10,630,000	185,000	10,445,000	
						\$ 31,790,000	\$ 10,630,000	\$ 11,305,000	\$ 31,115,000
						Analysis of Amount Retired			
						Defeasance of 2003 Bonds		\$ 10,080,000	
						Paid from Budget Appropriation		1,225,000	
								\$ 11,305,000	

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

	Interest Rate	Amount of Original Issue	Balance 07/01/11	Issued Current Year	Retired Current Year	Balance 06/30/12
Ford F-250 Truck	6.55%	\$ 27,274	\$ 5,789		\$ 5,789	
			<u>\$ 5,789</u>	<u>\$ -</u>	<u>\$ 5,789</u>	<u>\$ -</u>

CLINTON TOWNSHIP 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	\$ 2,241,684		\$ 2,241,684	\$ 2,241,684	
Total Revenues	<u>2,241,684</u>	<u>\$ -</u>	<u>2,241,684</u>	<u>2,241,684</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	1,397,499	(380,000)	1,017,499	955,728	61,771
Redemption of Principal	845,000	380,000	1,225,000	1,225,000	
Total Expenditures	<u>2,242,499</u>	<u>-</u>	<u>2,242,499</u>	<u>2,180,728</u>	<u>61,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(815)		(815)	60,956	61,771
Fund Balance, July 1	<u>901</u>	<u>-</u>	<u>901</u>	<u>901</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 61,857</u>	<u>\$ 61,771</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (815)</u>	<u>\$ -</u>	<u>\$ (815)</u>	<u>\$ 60,956</u>	<u>\$ 61,771</u>

STATISTICAL SECTION

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

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

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENT ACTIVITIES										
Invested in Capital Assets, Net of Related Debt	\$ 13,792,360	\$ 14,387,177	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,723,435	\$ 24,086,810
Restricted	75,582	378,627	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276	687,759
Unrestricted	(752,402)	(1,032,607)	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(369,994)	144,549
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 13,115,540	\$ 13,733,197	\$ 14,925,553	\$ 19,768,682	\$ 22,998,317	\$ 23,745,299	\$ 24,598,093	\$ 24,444,504	\$ 25,078,717	\$ 24,919,118
BUSINESS-TYPE ACTIVITIES										
Invested in Capital Assets, Net of Related Debt									\$ 14,089	\$ 19,873
Unrestricted									12,144	4,894
TOTAL BUSINESS-TYPE ACTIVITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,233	\$ 24,767
DISTRICT-WIDE										
Invested in Capital Assets, Net of Related Debt	\$ 13,792,360	\$ 14,387,177	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,737,524	\$ 24,106,683
Restricted	75,582	378,627	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276	687,759
Unrestricted	(752,402)	(1,032,607)	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(357,850)	149,443
TOTAL DISTRICT-WIDE	\$ 13,115,540	\$ 13,733,197	\$ 14,925,553	\$ 19,768,682	\$ 22,998,317	\$ 23,745,299	\$ 24,598,093	\$ 24,444,504	\$ 25,104,950	\$ 24,943,885

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 7,692,523	\$ 8,004,052	\$ 8,693,496	\$ 8,918,661	\$ 9,584,955	\$ 10,475,635	\$ 10,043,370	\$ 10,217,601	\$ 10,295,742	\$ 11,059,953
Special Education	2,340,038	2,799,055	2,713,146	2,779,702	3,540,796	3,291,525	3,484,836	3,416,750	3,299,597	4,125,625
Other Special Education	255,484	224,729	245,349	188,731	309,989	277,501	401,992	338,861	429,705	454,506
Other Instruction	92,280	115,492	96,422	94,879	79,135	97,082	166,473	165,740	52,817	30,593
Support Services:										
Tuition	115,151	215,138	202,719	363,353	551,591	578,004	616,096	740,675	644,832	687,219
Student & Instruction Related Services	3,195,189	2,921,534	2,851,740	3,534,810	3,553,613	4,312,277	4,283,237	4,969,819	4,866,959	5,117,953
General & Business Administrative Services	967,808	1,054,060	1,472,117	1,711,993	1,835,510	1,574,369	1,466,054	1,508,265	1,572,965	1,682,380
School Administration	873,312	931,028	1,015,939	1,032,402	1,145,778	1,278,280	1,313,750	1,410,570	1,340,834	1,330,348
Plant Operations & Maintenance	1,952,195	1,884,481	2,078,819	2,011,351	2,189,848	2,870,477	2,875,907	2,828,358	2,579,451	2,524,664
Pupil Transportation	1,558,806	1,514,293	1,582,651	1,747,694	1,884,304	1,851,610	1,933,904	2,028,437	1,887,008	1,814,468
Food Services	14,362	15,257	18,210	17,063	21,317	32,126	28,885	32,154		
Special Schools				81,173		135,775	191,750	234,564	89,858	85,566
Transfer to Charter Schools				16,703						
Interest on Long Term Debt	508,105	1,287,907	1,805,606	1,746,451	1,924,428	1,799,686	1,624,627	1,495,883	1,266,814	1,193,844
Total Governmental Activities Expenses	19,565,253	20,967,026	22,776,214	24,244,966	26,621,264	28,574,347	28,430,881	29,387,677	28,326,582	30,107,119
Business-Type Activities:										
Food Services									485,150	481,361
Total Business-Type Activities	-	-	-	-	-	-	-	-	485,150	481,361
TOTAL DISTRICT EXPENSES	\$ 19,565,253	\$ 20,967,026	\$ 22,776,214	\$ 24,244,966	\$ 26,621,264	\$ 28,574,347	\$ 28,430,881	\$ 29,387,677	\$ 28,811,732	\$ 30,588,480

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 234,664	\$ 275,156	\$ 211,848	\$ 258,615	\$ 235,926	\$ 414,764	\$ 415,117	\$ 426,432	\$ 484,226	\$ 426,078
Special Education			4,035	41,395	86,936		86,190	31,666	123,977	156,779
Other Instruction						7,667			46,806	
Other Support Services- Tuition			1,330							
Student & Instructional Related Services	64,455	70,742	53,182	100				48,583	51,253	46,292
General & Business Administrative Services	150	117	11	93	273	1,825	83,074	38,777	39,878	40,817
Plant Operations & Maintenance	13,926	41,071	87,119	96,801	109,077	98,525	117,669	83,487	58,657	58,944
Pupil Transportation	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	19,784	29,569
Special Schools				64,900						
Operating Grants & Contributions	595,793	557,914	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344	764,091
Capital Grants & Contributions		309,417	31,645	3,356,417	3,653,616	119,127	102,062			
Total Governmental Activities Program Revenues	918,822	1,274,663	979,691	4,467,318	4,706,891	1,393,538	1,589,263	1,600,292	1,858,925	1,522,570
Business-Type Activities:										
Charges for Services:										
Food Service									429,007	401,046
Operating Grants & Contributions									60,628	78,106
Total Business-Type Activities Program Revenues	-	-	-	-	-	-	-	-	489,635	479,152
TOTAL DISTRICT-PROGRAM REVENUES	\$ 918,822	\$ 1,274,663	\$ 979,691	\$ 4,467,318	\$ 4,706,891	\$ 1,393,538	\$ 1,589,263	\$ 1,600,292	\$ 2,348,560	\$ 2,001,722
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (18,646,431)	\$ (19,692,363)	\$ (21,796,523)	\$ (19,777,648)	\$ (21,914,373)	\$ (27,180,809)	\$ (26,841,618)	\$ (27,787,385)	\$ (26,467,657)	\$ (28,584,549)
Business-Type Activities									4,485	(2,209)
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (18,646,431)	\$ (19,692,363)	\$ (21,796,523)	\$ (19,777,648)	\$ (21,914,373)	\$ (27,180,809)	\$ (26,841,618)	\$ (27,787,385)	\$ (26,463,172)	\$ (28,586,758)

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 14,879,975	\$ 15,875,300	\$ 16,793,105	\$ 17,547,401	\$ 18,273,534	\$ 21,122,013	\$ 21,102,628	\$ 21,533,969	\$ 22,145,328	\$ 22,311,013
Property Taxes Levied for Debt Service	2,087,630	1,638,495	1,635,674	3,067,929	3,064,645	2,717,581	2,987,434	2,600,256	2,732,796	2,241,684
Unrestricted Grants & Contributions	2,251,759	2,579,375	2,650,643	2,871,828	3,603,834	3,755,960	3,398,695	3,384,872	2,416,664	3,856,577
Investment Earnings	31,480	153,550	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158	44,481
Miscellaneous Income	5,759	53,207	27,338	33,601	86,698	38,971	182,299	247,523	440,747	275,186
Transfers Out			(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)	(75,000)
Special Item-Prior Year Accounts Receivable Cancelled	(7,403)		1,163,376							
Special Item-Gain/(Loss) on Deletion of Assets		100			12,136	(12,324)	(1,524)			
Special Item-Gain/(Loss) on Transfer of Assets									(21,713)	
Special Item-Payment to Refunding Bond Agent					(436,726)				(519,110)	(228,991)
Total Governmental Activities	19,249,200	20,300,027	22,989,679	24,620,777	25,144,008	27,927,791	27,694,412	27,633,796	27,101,870	28,424,950
Business-Type Activities:										
Investment Earnings									35	435
Special Item-Gain/(Loss) on Transfer of Assets									21,713	308
Total Business-Type Activities	-	-	-	-	-	-	-	-	21,748	743
TOTAL DISTRICT-WIDE	\$ 19,249,200	\$ 20,300,027	\$ 22,989,679	\$ 24,620,777	\$ 25,144,008	\$ 27,927,791	\$ 27,694,412	\$ 27,633,796	\$ 27,123,618	\$ 28,425,693
CHANGE IN NET ASSETS										
Governmental Activities	\$ 602,769	\$ 607,664	\$ 1,193,156	\$ 4,843,129	\$ 3,229,635	\$ 746,982	\$ 852,794	\$ (153,589)	\$ 634,213	\$ (159,599)
Business-Type Activities									26,233	(1,466)
TOTAL DISTRICT	\$ 602,769	\$ 607,664	\$ 1,193,156	\$ 4,843,129	\$ 3,229,635	\$ 746,982	\$ 852,794	\$ (153,589)	\$ 660,446	\$ (161,065)

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Reserved	\$ 10,046	\$ 2,934	\$ 134,605	\$ 125,310	\$ 222,991	\$ 483,109	\$ 205,627	\$ 374,686	\$ 754,057	\$ 1,176,926
Unreserved	101,427	447,009	451,226	935,163	450,869	789,560	1,128,376	1,016,334	1,495,745	1,365,768
Total General Fund	\$ 111,473	\$ 449,943	\$ 585,831	\$ 1,060,473	\$ 673,860	\$ 1,272,669	\$ 1,334,003	\$ 1,391,020	\$ 2,249,802	\$ 2,542,694
All Other Governmental Funds:										
Reserved, Reported In:										
Capital Projects Fund	\$ 1,026,839	\$ 134,041		\$ 14,139,147	\$ 943,388	\$ 106,168	\$ 18,100		\$ 10,517	
Unreserved, Reported In:										
Special Revenue Fund	(3,995)									
Capital Projects Fund	59,181	31,737,852	\$ 27,692,395	(614,131)	1,305,250	445,957	534,397	\$ 523,320	414,922	\$ 418,561
Debt Service Fund	6	20,314	57,879	677,551	747,066	286,905	207,382	8,058	901	61,857
Total All Other Governmental Funds	\$ 1,082,031	\$ 31,892,207	\$ 27,750,274	\$ 14,202,567	\$ 2,995,704	\$ 839,030	\$ 759,879	\$ 531,378	\$ 426,340	\$ 480,418

CLINTON TOWNSHIP 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	\$ 16,967,605	\$ 17,513,795	\$ 18,428,779	\$ 20,615,330	\$ 21,338,179	\$ 23,839,594	\$ 24,090,062	\$ 24,134,225	\$ 24,878,124	\$ 24,552,697
Tuition Charges	220,498	274,898	211,048	258,615	235,926	414,764	501,307	458,098	608,203	582,857
Transportation Fees	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	15,978	26,317
Interest Earnings	31,480	153,550	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158	44,481
Miscellaneous	10,438	69,071	50,578	21,161	20,518	81,192	314,343	422,640	562,296	156,996
State Sources	2,422,422	2,743,178	2,801,783	3,081,396	3,810,300	3,986,730	3,703,713	3,664,102	2,666,473	3,984,372
State Sources- Capital Projects		309,417	31,645	3,356,417	3,653,616	119,127	102,062			
Federal Sources	448,274	382,703	424,005	419,416	399,656	442,214	432,002	622,422	731,633	609,711
Total Revenues	20,110,551	21,466,858	22,688,135	28,864,353	30,009,082	29,215,611	29,204,169	29,330,580	29,469,865	29,957,431
Expenditures:										
Instruction:										
Regular Instruction	5,795,387	5,859,015	6,512,224	6,505,462	6,520,666	6,768,244	7,133,712	6,994,248	6,882,570	7,361,905
Special Education Instruction	1,658,550	1,861,696	2,016,790	1,945,237	2,401,497	2,224,565	2,460,601	2,039,225	1,844,152	2,357,196
Other Special Instruction	196,005	166,461	186,888	158,096	215,185	221,028	278,481	233,327	270,107	284,442
School Sponsored/Other Instructional	77,186	86,681	73,780	80,998	57,673	75,609	118,432	112,630	3,735	19,729
Support Services:										
Tuition	98,826	110,545	50,742	98,034	551,591	578,004	616,096	692,865	556,493	680,719
Student & Inst Related Services	2,142,490	2,108,809	1,975,158	2,474,365	2,186,598	2,677,087	2,737,918	3,324,588	3,123,051	3,359,037
General Administration	444,777	589,086	580,049	681,972	592,188	637,450	543,258	535,962	558,046	558,990
School Administration Services	686,840	694,889	712,508	719,616	846,082	937,436	951,734	1,013,008	884,959	853,486
Central Services	366,268	377,403	350,684	412,714	387,425	367,992	439,975	424,616	425,335	369,223
Administrative Information Technology			206,776	295,992	351,404	257,582	158,753	122,012	102,284	132,882
Plant Operations & Maintenance	1,687,778	1,645,452	1,774,030	1,647,376	1,763,905	2,381,484	2,428,324	2,347,758	2,118,743	2,024,338
Pupil Transportation	1,507,245	1,518,732	1,584,276	1,740,541	1,874,888	1,843,013	1,925,189	2,019,941	1,870,359	1,798,780
Employee Benefits	2,149,217	2,552,147	2,490,432	2,959,337	3,334,055	3,455,706	3,743,903	3,984,681	4,320,723	4,716,982
Food Service	4,476	5,282	7,619	6,572	10,858	14,900	19,102	22,392		
On-Behalf TPAF Pension & Social Security Contribution	887,397	1,028,003	1,087,732	1,279,335	1,940,221	2,037,056	1,469,916	1,518,172	1,532,804	1,877,027
Capital Outlay	124,313	13,654	18,593	81,218	49,725	389,729	104,220	24,483	119,853	91,430
Lease Purchase Agreement-Principal	18,275	18,683								
Special Schools				15,651		108,902	135,731	161,276	59,163	56,029
Transfer of Funds to Charter Schools				16,703						
Special Revenue Funds	625,328	560,406	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344	764,091
Capital Projects Fund	263,411	2,072,906	4,445,490	17,088,959	15,077,572	1,843,402	101,690	29,177	259,437	153,082
Debt Service:										
Principal	1,576,800	1,234,800	1,294,799	1,329,800	1,354,800	1,279,799	1,439,800	1,245,000	1,280,000	1,225,000
Interest & Other Charges	513,830	383,387	1,984,335	1,758,443	1,687,384	2,065,909	1,634,400	1,555,395	1,531,519	997,297
Total Expenditures	20,824,399	22,888,037	27,933,426	41,935,418	41,814,780	30,900,127	29,206,586	29,356,125	28,777,677	29,681,665
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(713,848)	(1,421,179)	(5,245,291)	(13,071,065)	(11,805,698)	(1,684,516)	(2,417)	(25,545)	692,188	275,766
Other Financing Sources (Uses):										
Capital Leases (Non Budgeted)						132,516				
Prior Year Receivable Cancelled	(7,403)									
Bond Issue Proceeds		32,259,000								
Premium on Bonds and Notes		310,725			140,358	4,135	600		1,210,666	
Proceeds from Refunding Bond Issue					8,830,000				12,100,000	10,630,000
Payment to Refunding Bond Escrow Agent					(8,775,726)				(13,149,110)	(10,308,991)
Discount on Bond Issue									(174,805)	
Proceeds from Deletion of Capital Assets		100	1,250,000		18,590					
Transfers In (Out)			(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)	(75,000)
Total Other Financing Sources (Uses)	(7,403)	32,569,825	1,239,246	(2,000)	212,222	126,651	(15,400)	(145,939)	61,556	71,204
Net Change in Fund Balances	\$ (721,251)	\$ 31,148,646	\$ (4,006,045)	\$ (13,073,065)	\$ (11,593,476)	\$ (1,557,865)	\$ (17,817)	\$ (171,484)	\$ 753,744	\$ 346,970
Debt Service as a Percentage of Non-capital Expenditures	11.51%	8.54%	16.24%	14.25%	12.87%	13.21%	11.86%	10.57%	10.99%	8.17%

Source: District Records

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

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

Description	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Interest Income	\$ 19,709	\$ 38,878	\$ 64,925	\$ 172,319	\$ 184,357	\$ 151,759	\$ 34,237	\$ 12,300	\$ 7,072	\$ 44,481
Tuition	220,498	274,898	211,048	258,615	235,926	414,764	501,307	458,098	608,203	582,857
Transportation Fees	9,834	20,246	10,000	10,000	10,000	16,400	19,800	15,978	15,978	26,317
Shared Service Charges from Other LEA's							83,000	86,320	92,438	46,446
Employee Contributions for Health Benefits								203,360	275,475	
Book Fines	483									21
Building Use Rental Income	400	20,895	40,400			10,000	47,374	60,987	56,523	33,800
E-Rate Telephone Rebates							10,394	8,712	56,073	42,694
Donations	1,000					5,603	43,012			
Payroll Account Balances				2,138			10	645		
Prior Year Refunds	5,395	22,901		3,071	8,638	2,417	120	838	17,033	2,909
Prior Year Accounts Payable Canceled						325	31,932	6,439	3,370	2,646
Prior Year Outstanding Checks Canceled	409		4,784	4,711	6,489		5,246	600	73	
Prior Year Insurance Claims									3,706	
Sale of Assets							37,659			18
Student Activity Ski Club Stipends							12,600			
Insurance Rebates							11,793		3,321	
Miscellaneous Refunds	355								700	120
Miscellaneous Other		11,375	18	1,228	450	286	2,872	1,022	682	1757
Annual Totals	\$ 258,083	\$ 389,193	\$ 331,175	\$ 452,082	\$ 445,860	\$ 601,554	\$ 841,356	\$ 855,299	\$ 1,140,647	\$ 784,066

Source: District Records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 41,673,000	\$ 38,231,900	\$ 25,178,000	\$ 21,548,100	\$ 20,364,500	\$ 19,106,600	\$ 19,716,000	\$ 18,895,600	\$ 18,076,000	\$ 15,748,800
Residential	1,479,674,500	1,496,003,300	1,548,702,100	2,067,886,100	2,080,587,600	2,090,024,500	2,082,368,700	2,028,180,000	1,930,391,700	1,748,923,100
Farm Regular	53,780,500	55,582,700	53,599,400	69,249,700	70,948,100	70,456,000	70,495,700	70,897,500	69,096,900	61,211,000
Q Farm	2,426,300	2,441,400	2,621,600	2,609,800	2,861,516	2,533,216	2,452,816	2,515,500	2,499,600	2,482,100
Commercial	186,635,844	183,349,544	189,682,244	226,528,300	221,664,300	228,922,200	234,903,800	228,936,000	226,230,600	211,503,000
Industrial	149,292,000	149,292,000	149,292,000	162,969,600	162,969,600	164,242,500	164,242,500	164,242,500	158,714,500	147,366,600
Apartment	11,765,600	15,349,400	18,623,800	18,005,800	18,005,800	18,005,800	18,005,800	18,132,000	18,132,000	18,111,100
Total Assessed Value	1,925,247,744	1,940,250,244	1,987,699,144	2,568,797,400	2,577,401,416	2,593,290,816	2,592,185,316	2,531,799,100	2,423,141,300	2,205,345,700
Public Utilities (a)	10,762,600	9,524,746	9,046,869	12,078,767	13,071,697	14,613,079	13,462,227	11,039,724	8,858,764	7,336,516
Net Valuation Taxable	\$ 1,936,010,344	\$ 1,949,774,990	\$ 1,996,746,013	\$ 2,580,876,167	\$ 2,590,473,113	\$ 2,607,903,895	\$ 2,605,647,543	\$ 2,542,838,824	\$ 2,432,000,064	\$ 2,212,682,216
Estimated Actual County Equal. Value	\$ 2,081,060,243	\$ 2,113,520,672	\$ 2,341,659,493	\$ 2,621,243,314	\$ 2,788,155,777	\$ 2,655,695,163	\$ 2,548,647,650	\$ 2,510,347,819	\$ 2,350,284,312	\$ 2,144,092,354
Percentage of Net Valuation to Estimated Actual County Equalized Value	93.03%	92.25%	85.27%	98.46%	92.91%	98.20%	102.24%	101.29%	103.48%	103.20%
Total Direct School Tax Rate (b)	\$ 0.91	\$ 0.95	\$ 1.03	\$ 0.83	\$ 0.92	\$ 0.92	\$ 0.93	\$ 0.98	\$ 1.01	\$ 1.11

*

*

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

Assessment Year	School District Direct Rate							Total Direct & Overlapping Tax Rate
	(From J-6)			Regional School Rate	Overlapping Rates			
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County		
2003	* \$ 0.82	\$ 0.09	\$ 0.91	\$ 0.53	\$ 0.23	\$ 0.46	\$ 2.13	
2004	0.87	0.08	0.95	0.60	0.25	0.44	2.24	
2005	0.88	0.15	1.03	0.62	0.26	0.44	2.35	
2006	* 0.71	0.12	0.83	0.50	0.21	0.36	1.90	
2007	0.82	0.10	0.92	0.50	0.22	0.36	2.00	
2008	0.81	0.11	0.92	0.51	0.20	0.34	1.97	
2009	0.83	0.10	0.93	0.53	0.20	0.34	2.00	
2010	0.87	0.11	0.98	0.55	0.22	0.33	2.08	
2011	0.92	0.09	1.01	0.57	0.23	0.33	2.14	
2012	1.01	0.10	1.11	0.62	0.26	0.34	2.33	

Sources: Municipal Tax Collector

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

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

* Revalued/Reassessed

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

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Exxon Capital Corporation	\$ 118,100,000	1	5.34%	\$ 113,982,000	1
New York Life Insurance Company	32,133,200	2	1.45%	41,365,900	2	2.14%
IR Clinton Funding Company LLC	20,000,000	3	0.90%			
East Coast- The Mews at Annandale	16,368,200	4	0.74%			
PVI-WIP Clinton LLC	14,500,000	5	0.66%			
Hunterdon Medical Center	6,283,600	6	0.28%			
American Golf Corp	5,689,700	7	0.26%			
Annandale Falls LLC	5,438,200	8	0.25%			
Kubiak	5,100,000	9	0.23%			
Meridian Property Group LLC	4,637,300	10	0.21%			
KB Toys of NJ				23,384,200	3	1.21%
Beaver Brook Arc Inc				20,363,800	4	1.05%
United Telephone Company of NJ				13,487,400	5	0.70%
Clinton Building Associates LLC				10,960,500	6	0.57%
NGP Realty Sub LP				9,355,400	7	0.48%
Chanco Development Corp				7,294,500	8	0.38%
Individual Property Owner #1				6,261,200	9	0.32%
Individual Property Owner #2				5,985,000	10	0.31%
	<u>\$ 228,250,200</u>		<u>10.32%</u>	<u>\$ 252,439,900</u>		<u>13.05%</u>

Source: Municipal Tax Assessor

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

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Year of the Levy (a)	
		Amount	Percentage of Levy
2002	\$ 39,533,023	\$ 39,112,730	98.94%
2003	41,587,677	41,266,707	99.23%
2004	44,273,273	43,760,401	98.84%
2005	47,352,092	47,004,295	99.27%
2006	49,411,013	48,983,098	99.13%
2007	52,091,060	51,679,715	99.21%
2008	51,446,910	50,955,818	99.04%
2009	52,058,339	51,313,261	98.56%
2010	53,031,523	52,325,739	98.66%
2011	52,027,312	51,283,243	98.56%

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

(a)

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

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ 10,037,798		\$ 31,832			\$ 10,069,630	1.29%	\$ 736
2004	41,052,998		11,480			41,064,478	5.09%	2,995
2005	39,758,199					39,758,199	4.78%	2,878
2006	38,428,399					38,428,399	4.60%	2,755
2007	37,564,599			\$ 7,194,675		44,759,274	4.97%	3,214
2008	36,284,800		98,670	1,782,471		38,165,941	4.02%	2,747
2009	34,845,000		69,192	1,782,471		36,696,663	3.78%	2,641
2010	33,600,000		38,256	540,000		34,178,256	3.86%	2,536
2011	31,790,000		5,789	540,000		32,335,789	3.59%	2,405
2012	31,115,000			540,000		31,655,000	N/A	2,354

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

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

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2003	\$ 10,037,798		\$ 10,037,798	0.52%	\$ 734
2004	41,052,998		41,052,998	2.11%	2,994
2005	39,758,199		39,758,199	1.99%	2,878
2006	38,428,399		38,428,399	1.49%	2,755
2007	37,564,599		37,564,599	1.45%	2,697
2008	36,284,800		36,284,800	1.39%	2,611
2009	34,845,000		34,845,000	1.34%	2,507
2010	33,600,000		33,600,000	1.32%	2,493
2011	31,790,000		31,790,000	1.31%	2,288
2012	31,115,000		31,115,000	1.41%	2,239

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Municipality	\$ 29,428,205	100.00	\$ 29,428,205
Regional High School	4,040,000	27.55	1,113,073
County General Obligation Debt	83,215,385	10.22	<u>8,500,784</u>
Subtotal, Overlapping Debt			39,042,062
School District Direct Debt			<u>32,690,879</u>
Total Direct and Overlapping Debt			<u>\$ 71,732,941</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 TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis

2011	\$ 2,347,777,638
2010	2,446,419,074
2009	<u>2,558,919,364</u>

\$ 7,353,116,076

Average Equalized Valuation of Taxable Property \$ 2,451,038,692

Debt Limit (3.0% of Average Equalization Value) 73,531,161 (a)

Total Net Debt Applicable to Limit 32,015,879

Legal Debt Margin \$ 41,515,282

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 49,137,398	\$ 53,856,437	\$ 58,404,085	\$ 63,460,895	\$ 69,980,832	\$ 75,719,273	\$ 79,082,228	\$ 79,246,179	\$ 76,542,565	\$ 73,531,161
Total Net Debt Applicable	<u>10,037,798</u>	<u>48,316,180</u>	<u>46,989,736</u>	<u>45,655,267</u>	<u>44,759,274</u>	<u>38,067,271</u>	<u>36,627,471</u>	<u>34,579,057</u>	<u>32,690,879</u>	<u>32,015,879</u>
Legal Debt Margin	<u>\$ 39,099,600</u>	<u>\$ 5,540,257</u>	<u>\$ 11,414,349</u>	<u>\$ 17,805,628</u>	<u>\$ 25,221,558</u>	<u>\$ 37,652,002</u>	<u>\$ 42,454,757</u>	<u>\$ 44,667,122</u>	<u>\$ 43,851,686</u>	<u>\$ 41,515,282</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.43%	89.71%	80.46%	71.94%	63.96%	50.27%	46.32%	43.63%	42.71%	43.54%

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

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

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2003	13,683	\$ 805,052,988	\$ 58,836	3.8%
2004	13,712	824,900,208	60,159	3.1%
2005	13,813	827,122,440	59,880	4.1%
2006	13,949	902,305,014	64,686	4.5%
2007	13,926	952,371,288	68,388	3.9%
2008	13,896	969,482,232	69,767	5.2%
2009	13,897	913,936,205	65,765	9.2%
2010	13,477	903,673,281	67,053	9.5%
2011	13,448	N/A	N/A	9.3%
2012	13,448	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	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 TOWNSHIP SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST NINE FISCAL YEARS

FUNCTION/PROGRAM	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:									
Regular	110.0	110.0	115.0	141.0	110.5	109.0	106.5	111.5	110.0
Special Education	80.0	88.0	94.0	54.0	77.1	87.4	76.0	71.5	92.6
Support Services:									
Student and Instruction Related Services	28.0	28.0	28.0	28.0	32.6	33.6	32.9	31.3	29.0
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Services	11.0	11.0	11.0	11.0	12.0	12.0	11.0	11.0	11.0
Central Services	5.0	5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	4.0	4.0	5.0	5.0	8.0	3.0	1.0
Plant Operations and Maintenance	17.0	17.0	17.0	16.0	24.4	25.4	22.9	17.0	24.5
Total	<u>257.0</u>	<u>265.0</u>	<u>277.0</u>	<u>262.0</u>	<u>268.6</u>	<u>279.4</u>	<u>264.3</u>	<u>252.3</u>	<u>275.1</u>

Sources: District Personnel Records

Note: Information prior to fiscal year 2004 is unavailable

CLINTON TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	1,805	\$ 18,327,770	\$ 10,154	6.02%	158	1 to 11.42	1,795.7	1,721.6	0.86%	95.87%
2004	1,773	19,164,607	10,809	6.45%	167	1 to 10.62	1,773.0	1,694.3	-1.26%	95.56%
2005	1,765	20,190,209	11,439	5.83%	162	1 to 10.90	1,764.9	1,694.2	-0.46%	96.00%
2006	1,804	21,676,998	12,016	5.04%	175	1 to 10.31	1,803.8	1,734.3	2.20%	96.15%
2007	1,818	23,645,299	13,006	8.24%	175	1 to 10.39	1,766.7	1,695.9	-2.06%	95.99%
2008	1,774	25,321,288	14,274	9.74%	178	1 to 9.97	1,753.7	1,683.6	-0.74%	96.00%
2009	1,749	25,926,476	14,824	3.85%	185	1 to 9.45	1,750.6	1,683.8	-0.18%	96.18%
2010	1,726	26,502,070	15,355	3.58%	180	1 to 9.60	1,718.7	1,648.2	-1.82%	95.90%
2011	1,678	25,586,868	15,248	-0.69%	179	1 to 9.32	1,677.6	1,608.4	-2.39%	95.88%
2012	1,566	27,214,856	17,379	13.97%	184	1 to 8.51	1,565.5	1,505.2	-6.68%	96.15%

Source: District Records

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

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

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

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

DISTRICT BUILDING	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Spruce Run School (1955)</u>										
Square Feet	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445	55,445
Capacity (Students)	444	444	444	444	444	444	444	444	444	444
Enrollment	580	573	563	574	528	351	358	326	312	301
<u>Patrick McGaheran School (1988)</u>										
Square Feet	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623	67,623
Capacity (Students)	541	541	541	541	541	541	541	541	541	541
Enrollment	574	587	574	610	624	382	338	334	343	301
<u>Round Valley School (1965)</u>										
Square Feet	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806	107,806
Capacity (Students)	506	506	506	506	506	506	506	506	506	506
Enrollment	651	637	649	658	653	613	612	605	562	556
<u>Clinton Township Middle School (2007)</u>										
Square Feet						123,284	123,284	123,284	123,284	123,284
Capacity (Students)						640	640	640	640	640
Enrollment						428	444	445	463	462
Number of Schools at June 30, 2012:										
Elementary	3									
Middle School	1									
High School	0									
Other	0									

Source: District Facilities Office

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

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

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

*School Facilities	Spruce Run School	Patrick McGaheran School	Round Valley School	Clinton Township Middle School	Josephine Mitchell Administrative Building (1)	Little Red Schoolhouse (1)	Total
2003	\$ 87,151	\$ 101,678	\$ 161,380		\$ 13,578	\$ 2,357	\$ 366,144
2004	116,841	115,229	114,560				346,630
2005	127,662	164,866	174,131		3,637		470,296
2006	109,820	120,085	212,653				442,558
2007	92,655	133,279	112,692				338,626
2008	108,059	98,330	193,521	\$ 93,777			493,687
2009	103,222	166,417	113,929	92,220			475,788
2010	99,781	131,899	115,025	116,673			463,378
2011	77,364	71,681	106,628	87,917			343,590
2012	86,308	80,195	142,226	90,873			399,602
	<u>\$ 1,008,863</u>	<u>\$ 1,183,659</u>	<u>\$ 1,446,745</u>	<u>\$ 481,460</u>	<u>\$ 17,215</u>	<u>\$ 2,357</u>	<u>\$ 4,140,299</u>

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

(1) Buildings Sold in Fiscal Year 2005

CLINTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-NJ School Boards Assoc		
Insurance Group:		
Property-Building Blanket and Contents	\$ 87,534,110	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability	11,000,000	
Comprehensive Auto Liability	11,000,000	
Crime Coverage	1,000,000	1,000
Excess Liability-Fireman's Fund:		
Property Damage	10,000,000	
School Board Legal Liability-NJ School Boards Assoc		
Insurance Group:		
Directors and Officers Policy	11,000,000	15,000
Environmental Impairment Policy-NJ School Boards Assoc		
Insurance Group Through Chubb Insurance:		
Aggregate Limit	20,000,000	10,000
Workers Compensation- NJ School Boards Assoc		
Insurance Group:		
Employers Liability	2,000,000	
Disease Each Employee	2,000,000	
Disease Policy Limit	2,000,000	
Student Accident Insurance-QBE Insurance Corporation:		
Policy Limit	1,000,000	
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer of School Monies	250,000	
School Board Secretary/Business Administrator	100,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

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

December 5, 2012

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

We have audited the financial statements of the Board of Education of the Clinton School District in the County of Hunterdon as of and for the year ended June 30, 2012, and have issued our report thereon dated December 5, 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 previously.

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.



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No. CS 0128

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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

December 5, 2012

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

Compliance

We have audited the compliance of the Board of Education of the Clinton School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and 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 TOWNSHIP 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	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2012		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA-092011	\$ 53,705	08/10/2010-09/30/2012	\$ -	\$ -	\$ 49,364	\$ 53,705	\$ -	\$ -	\$ (4,341)	\$ -	\$ -
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund													
NCLB Title IA	84.010A	NCLB-092011	23,537	09/01/2010-08/31/2011	(5,600)		5,600	1,477			(2,955)	1,478	
NCLB Title IA	84.010A	NCLB-092012	22,013	09/01/2011-08/31/2012			17,562	20,085			(4,451)	1,928	
NCLB Title IIA Carryover	84.367A	NCLB-092008	23,824	09/01/2008-08/31/2009	1,331					1,331			
NCLB Title IIA	84.367A	NCLB-092009	25,682	09/01/2008-08/31/2009	(24,761)		24,761						
NCLB Title IIA	84.367A	NCLB-092010	25,742	09/01/2009-08/31/2010	(25,742)		25,742						
NCLB Title IIA	84.367A	NCLB-092011	25,981	09/01/2010-08/31/2011	(910)			3,235			(25,981)	21,836	
NCLB Title IIA	84.367A	NCLB-092012	23,705	09/01/2011-08/31/2012							(23,705)	23,705	
NCLB Title IID	84.318X	NCLB-092011	52	09/01/2010-08/31/2011	(41)		41						
NCLB Title III Carryover	84.365A	NCLB-092007	14,061	09/01/2006-08/31/2007	6,626					6,626			
NCLB Title IV	84.186A	NCLB-092010	3,199	09/01/2009-08/31/2010	(629)		629						
ARRA IDEA Basic	84.391	ARRA-092010	452,535	09/01/2009-08/31/2011	(85,465)		168,472	83,007					
IDEA Basic Carryover	84.027	IDEA-092007	399,075	09/01/2006-08/31/2007	5,462					5,462			
IDEA Basic	84.027	IDEA-092009	425,768	09/01/2008-08/31/2009	(23,533)		23,533						
IDEA Basic	84.027	IDEA-092010	424,561	09/01/2009-08/31/2010	(29,207)		29,207						
IDEA Basic Carryover	84.027	IDEA-092010	424,561	09/01/2010-08/31/2011	26,770			26,770					
IDEA Basic	84.027	IDEA-092011	418,471	09/01/2010-08/31/2011	(71,370)		78,446	27,385			(54,362)	34,053	
IDEA Basic	84.027	IDEA-092012	433,172	09/01/2011-08/31/2012			305,838	380,772			(127,334)	52,400	
IDEA Preschool Carryover	84.173	IDEA-092007	13,427	09/01/2006-08/31/2007	1,831					1,831			
IDEA Preschool	84.173	IDEA-092012	13,275	09/01/2011-08/31/2012			10,635	13,275			(2,640)		
IDEA Preschool	84.173	IDEA-092011	13,199	09/01/2010-08/31/2011	(3,760)		3,760						
Total Special Revenue Fund					(228,998)	-	694,226	556,006	-	15,250	(241,428)	135,400	-

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2012			
											Accounts Receivable	Deferred Revenue	Due to Grantor	
US Department of Agriculture Passed- Through State Department of Agriculture: Enterprise Fund:														
Food Donation Program	10.550	N/A	\$ 4,261	07/01/2010- 06/30/2011	\$ 438			\$ 438						
Food Donation Program	10.550	N/A	29,139	07/01/2011- 06/30/2012			\$ 29,139	27,001				\$ 2,138		
National School Lunch Program	10.555	N/A	51,603	07/01/2010- 06/30/2011	(3,612)		3,612							
National School Lunch Program	10.555	N/A	46,190	07/01/2011- 06/30/2012			39,601	46,190				\$ (6,589)		
Total Enterprise Fund					\$ (3,174)	\$ -	72,352	73,629	\$ -	\$ -		(6,589)	2,138	\$ -
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (232,172)	\$ -	\$ 815,942	\$ 683,340	\$ -	\$ 15,250		\$ (252,358)	\$ 137,538	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

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

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2012			MEMO		
				Deferred Rev. (Accts. Rec.)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education</u>															
General Fund:															
Categorical Special Education Aid	12-495-034	\$ 756,016	07/01/2011-												
	-5120-089		06/30/2012			\$ 756,016	\$ 756,016						\$ 71,824	\$ 756,016	
Categorical Security Aid	12-495-034	74,841	07/01/2011-										7,110	74,841	
	-5120-084		06/30/2012			74,841	74,841								
School Choice Aid	12-495-034	640,585	07/01/2011-												
	-5120-068		06/30/2012			640,585	640,585						60,857	640,585	
Extraordinary Aid	12-100-034	564,479	07/01/2011-												
	-5120-473		06/30/2012				564,479			\$ (564,479)				564,479	
Extraordinary Aid	11-100-034	400,855	07/01/2010-												
	-5120-473		06/30/2011	\$ (400,855)		400,855								400,855	
Nonpublic Remote Transportation	12-495-034	13,947	07/01/2011-												
	-5120-014		06/30/2012				13,947			(13,947)				13,947	
Nonpublic Remote Transportation	11-495-034	7,653	07/01/2010-												
	-5120-014		06/30/2011	(7,653)		7,653								7,653	
TPAF Wage Freeze Aid	11-495-034	1,433	07/01/2010-												
	-5095-002		06/30/2011	(716)		716								1,433	
On-Behalf TPAF Pension Contribution- Post Retirement Medical	12-495-034	683,777	07/01/2011-												
	-5095-001		06/30/2012			683,777	683,777							683,777	
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	12-495-034	32,964	07/01/2011-												
	-5095-007		06/30/2012			32,964	32,964							32,964	
On-Behalf TPAF Pension Contribution- Normal Cost & Accrued Liability	12-495-034	307,179	07/01/2011-												
	-5095-006		06/30/2012			307,179	307,179							307,179	
Reimbursed TPAF Social Security Contribution	12-495-034	853,107	07/01/2011-												
	-5095-002		06/30/2012			853,107	853,107							853,107	
Total General Fund				(409,224)	\$ -	3,757,693	3,926,895	\$ -	\$ -	(578,426)	\$ -	\$ -	139,791	4,336,836	
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid	12-100-034	26,542	07/01/2011-												
	-5120-064		06/30/2012			26,542	25,794						748	26,542	
Nursing Services	12-100-034	37,912	07/01/2011-												
	-5120-070		06/30/2012			37,912	37,912							37,912	
Auxiliary Services Aid:															
Compensatory Education	11-100-034	95,449	07/01/2010-												
	-5120-067		06/30/2011							34,077				95,449	
Compensatory Education	12-100-034	81,152	07/01/2011-												
	-5120-067		06/30/2012			81,152	44,380						36,772	81,152	
English as a Second Language	12-100-034	603	07/01/2011-												
	-5120-067		06/30/2012			603	603							603	
Home Instruction	11-100-034	804	07/01/2010-												
	-5120-067		06/30/2011	(804)		804								804	
Home Instruction	12-100-034	668	07/01/2011-												
	-5120-067		06/30/2012				668			(668)				668	
Handicapped Aid:															
Examination & Classification	12-100-034	41,694	07/01/2011-												
	-5120-066		06/30/2012			41,694	23,672						18,022	41,694	
Examination & Classification	11-100-034	42,097	07/01/2010-												
	-5120-066		06/30/2011			4,462				4,462				42,097	
Corrective Speech	12-100-034	34,753	07/01/2011-												
	-5120-066		06/30/2012			34,753	19,351						15,402	34,753	
Corrective Speech	11-100-034	35,204	07/01/2010-												
	-5120-066		06/30/2011			4,615				4,615				35,204	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2012			MEMO	
				Deferred Rev. (Accts. Rec.)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<u>State Department of Education</u>														
Special Revenue Fund (Continued):														
NJ Nonpublic Aid (Continued):														
Handicapped Aid (Continued):														
Supplemental Instruction	12-100-034-5120-066	\$ 26,658	07/01/2011-06/30/2012			\$ 26,658	\$ 21,046					\$ 5,612		\$ 26,658
Supplemental Instruction	11-100-034-5120-066	24,319	07/01/2010-06/30/2011		\$ 1,598				\$ 1,598					22,721
NJ Board of Public Utilities Clean Energy Program Award	N/A	32,295	08/09/2009-08/09/2011	\$ (32,295)		32,295								32,295
Total Special Revenue Fund				(33,099)	44,752	282,413	173,426	\$ -	44,752	(668)	\$ -	76,556	\$ -	478,552
Building Addition Project:														
Spruce Run School	0920-030-03-1109	615,133	N/A	(80,998)						(80,998)				615,133
Round Valley School	0920-040-03-1111	972,868	N/A	(578,857)						(578,857)				972,868
New Middle School	0920-N01-03-1112	5,356,094	N/A	(241,024)						(241,024)				5,356,094
Total Capital Projects Fund				(900,879)	-	-	-	-	-	(900,879)	-	-	-	6,944,095
<u>State Department of Agriculture</u>														
Enterprise Fund:														
State School Lunch Program	11-100-010-3350-23	5,202	07/01/2010-06/30/2011	(627)		627								5,202
State School Lunch Program	12-100-010-3350-23	4,477	07/01/2011-06/30/2012			4,465	4,477			(12)				4,477
Total Enterprise Fund				(627)	-	5,092	4,477	-	-	(12)	-	-	-	9,679
TOTAL STATE FINANCIAL ASSISTANCE				\$ (1,343,829)	\$ 44,752	\$ 4,045,198	\$ 4,104,798	\$ -	\$ 44,752	\$ (1,479,985)	\$ -	\$ 76,556	\$ 139,791	\$ 11,769,162

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP 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 Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$124,023) for the general fund and (\$1,083) for the special revenue fund and \$-0- for the Capital Projects Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the Capital Project Fund.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 53,705	\$ 3,802,872	\$ 3,856,577
Special Revenue Fund	\$ 26,585	556,006	181,500	764,091
Food Service Fund		<u>73,629</u>	<u>4,477</u>	<u>78,106</u>
	<u>\$ 26,585</u>	<u>\$ 683,340</u>	<u>\$ 3,988,849</u>	<u>\$ 4,698,774</u>

CLINTON TOWNSHIP 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

The amount reported as TPAF Pension Contribution represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

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

Noncompliance Material to Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

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

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

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

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

Identification of Major Programs:

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

CLINTON TOWNSHIP 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)

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

Auditee qualified as a low-risk auditee X Yes No

State Awards

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

Auditee Qualified as low-risk auditee X Yes No

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
12-495-034-5120-089	\$ 756,016	Categorical Special Education Aid
12-495-034-5095-002	853,107	Reimbursed TPAF Social Security Aid
12-100-034-5120-473	564,479	Extraordinary Special Education Costs Aid
12-495-034-5120-068	640,585	School Choice Aid

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

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.

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

There were no prior year findings or questioned costs.