

CLINTON TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**CLINTON TOWNSHIP BOARD OF EDUCATION
CLINTON TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Prepared by

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

**CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
FINANCIAL SECTION	
Independent Auditor's Report	7-9
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	14
A-2 Statement of Activities	15
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	17-18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19-20
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
B-4 Statement of Net Position	22
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	23
B-6 Statement of Cash Flows	24
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26
Notes to the Financial Statements	28-50
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	53-58
C-1a Combining Schedule of Revenues Expenditures and Charges in Fund Balance-Budget and Actual	59
C-2 Budgetary Comparison Schedule-Special Revenue Fund	60
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	62

**CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

FINANCIAL SECTION (Continued)	<u>PAGE</u>
 Other Supplemental Information	
D. School Level Schedule	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund-Budgetary Basis	66
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	68
F-2 Summary Schedule of Revenues Expenditures and Changes in Fund Balance-Budgetary Basis	69
F-2a Schedule of Project Revenues, Expenditures, Project Balance to	
F-2f and Project Status-Budgetary Basis	70-75
F-3 Schedule of Temporary Notes Payable	76
G. Proprietary Funds	
Enterprise Fund:	
G-1 Statement of Fund Net Position	78
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	79
G-3 Statement of Cash Flows	80
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	82
H-2 Combining Statement of Changes in Fiduciary Net Position	83
H-3 Student Activity Agency Fund Statement of Changes in Assets and Liabilities	84
H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities	85
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds and NJ EDA Loans	87-88
I-2 Schedule of Obligations Under Capital Leases	89
I-3 Debt Service Fund Budgetary Comparison Schedule	90

STATISTICAL SECTION (Unaudited)

Table of Contents	92
J-1 Net Position by Component	93
J-2 Changes in Net Position	94-96
J-3 Fund Balances, Governmental Funds	97
J-4 Changes in Fund Balances, Governmental Funds	98
J-5 General Fund-Other Local Revenues by Source	99
J-6 Assessed Value and Actual Value of Taxable Property	100
J-7 Direct and Overlapping Property Tax Rates	101
J-8 Principal Property Taxpayers	102
J-9 Property Tax Levies and Collections	103

**CLINTON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

PAGE

STATISTICAL SECTION (Unaudited)

Table of Contents (Cont'd)

J-10 Ratios of Outstanding Debt by Type	104
J-11 Ratios of General Bonded Debt Outstanding	105
J-12 Direct and Overlapping Governmental Activities Debt	106
J-13 Legal Debt Margin Information	107
J-14 Demographic and Economic Statistics	108
J-15 Principal Employers	109
J-16 Full Time Equivalent District Employees by Function/Program	110
J-17 Operating Statistics	111
J-18 School Building Information	112
J-19 Required Maintenance	113
J-20 Insurance Schedule	114

SINGLE AUDIT SECTION

K-1 Independent Auditor's Report-Government Auditing Standards	116-117
K-2 Independent Auditor's Report-OMB Circular A-133	118-120
K-3 Schedule of Expenditures of Federal Awards, Schedule A	121-122
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	123-124
K-5 Notes to the Schedules of Awards and Financial Assistance	125-126
K-6 Schedule of Findings and Questioned Costs	127-129
K-7 Summary Schedule of Prior Audit Findings	129

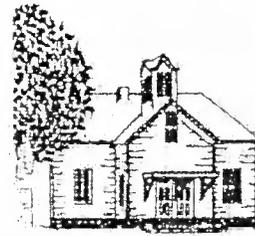
INTRODUCTORY SECTION

Clinton Township Board of Education

2.0

Dr. Drucilla Clark
Superintendent of Schools

Anthony Juskiewicz
School Business Administrator/Board Secretary



November 26, 2014

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, 2014, 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 2013-2014 fiscal year with an enrollment of 1,550 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>
2013-14	1542.7	(5.03%)
2012-13	1624.5	3.77%
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%)

2.) **ECONOMIC CONDITION AND OUTLOOK:** Nationwide the economy continues to struggle, so Clinton Township is not alone, although we see some signs of hope. 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 and in fact we are seeing lower enrollment numbers again this year. A school closure may be something to consider for the future and a demographic study is being commissioned.

3.) **MAJOR INITIATIVES:** The 2013-2014 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. The new teacher and principal evaluation system has also been a major focus in terms of professional development, utilization and purchase of the online Teachscape System. Technology initiatives implementing Google Docs and the purchase of Chrome Books for students, supports the movement to the PARCC online testing in the future.

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 continuation of the MAP program. Rubicon Atlas continued to be utilized to update the district curriculum in line with the revised New Jersey Core Curriculum Content Standards. Purchase of Chrome Books for student use and movement to Google Docs for Education will support future changes in state online testing programs. More research is being done with the formation of an Ad Hoc Board of Education Committee on Full Day Kindergarten, but no recommendation has been made 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. 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 appropriations of fund balance in the subsequent year. Those amounts to be appropriated are reported as reservations of fund balance at June 30, 2013.

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:**

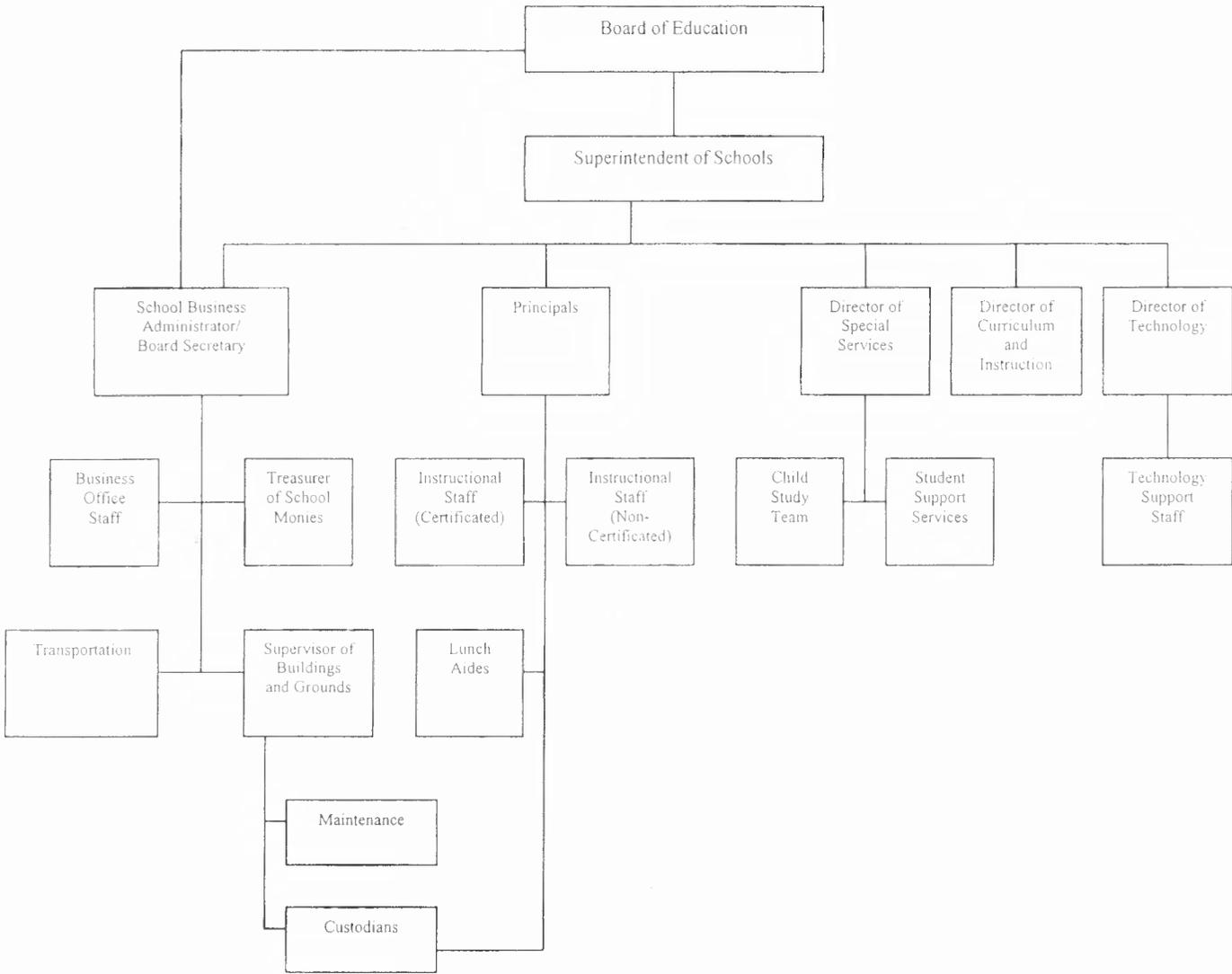
We would like to express our appreciation to the members of the Clinton Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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


Anthony Juskiewicz
Board Secretary/Business Administrator

CLINTON TOWNSHIP SCHOOL DISTRICT



Adopted: 26 July 2010

CLINTON TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS
JUNE 30, 2014

<u>Name</u>	<u>Term Expires</u>
Maria Grant, President	2014
Rachel McLaughlin, Vice-President	2015
Marc Freda	2014
Gina Hand	2016
Kevin Maloy	2015
Dan McTiernan	2015
John Patuto	2016
Kevin Sturges	2016
Megan Verderamo	2014

Other Officials

- Dr. Drucilla Clark, Superintendent of Schools
- Heather Spitzer, School Business Administrator/Board Secretary
- Porzio, Bromberg and Newman, Attorney

CLINTON TOWNSHIP BOARD OF EDUCATION**CONSULTANTS AND ADVISORS****JUNE 30, 2014**

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

Architect: Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

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

Official Depository: Investors Bank
101 JFK Parkway
Short Hills, NJ 07078

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

November 26, 2014

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

Report on the Financial Statements

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 (the District) in the County of Hunterdon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

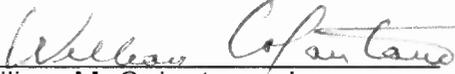
Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2014 on our consideration of the District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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, 2014. 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 2014 are as follows:

- In total, net position increased \$853,464, which represents a 3.46 percent increase from fiscal year 2013.
- General revenues accounted for \$30,059,807 in revenue or 94.0 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 \$1,932,823 or 6.0 percent to total revenues of \$31,992,630.
- Total assets of governmental activities increased by \$3,447 as cash and cash equivalents increased by \$648,480, receivables decreased by \$96,479 and capital assets decreased by \$548,554.
- The School District had \$31,132,509 in expenses; only \$1,932,823 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$30,059,807 were adequate to provide for these programs.
- Among major funds, the General Fund had \$28,374,871 in revenues and \$27,231,721 in expenditures. After considering net other financing uses of \$1,544,771, the General Fund's balance decreased by \$401,621 from fiscal year 2013. This decrease was anticipated by the Board of Education. It is a result of the transfer to the Capital Projects Fund of \$1,544,771 for local funding of projects approved by the District in Fiscal year 2014.

Using this Generally Accepted Accounting Principles 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 Position 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

REPORTING THE SCHOOL DISTRICT AS A WHOLE**Statement of Net Position 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 2014?" The Statement of Net Position 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 position and changes in net position. This change in net position 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.

The Statement of Net Position 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 17. 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 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

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 2012 and is the only proprietary fund of the District. The information provided on the enterprise fund and proprietary fund statements are 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 Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the District's net position at 6/30/14 with comparisons to 6/30/13.

	Table 1 Net Position		Variance	
	6/30/14	6/30/13	Dollars	%
Assets:				
Current & Other Assets	\$ 4,521,999	\$ 3,954,301	\$ 567,698	14.36
Capital Assets	53,538,006	54,091,256	(553,250)	(1.02)
Total Assets	<u>58,060,005</u>	<u>58,045,557</u>	<u>14,448</u>	0.02
Liabilities:				
Long-Term Liabilities	30,835,723	31,721,055	(885,332)	(2.79)
Other Liabilities	1,691,470	1,645,154	46,316	2.82
Total Liabilities	<u>32,527,193</u>	<u>33,366,209</u>	<u>(839,016)</u>	(2.51)
Net Position:				
Net Investment in Capital Assets	24,478,036	24,151,286	326,750	1.35
Restricted	1,999,577	1,623,134	376,443	23.19
Unrestricted	(944,801)	(1,095,072)	150,271	13.72
Total Net Position	<u>\$ 25,532,812</u>	<u>\$ 24,679,348</u>	<u>\$ 853,464</u>	3.46

Total net position increased \$853,464. Unrestricted net position; the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School District, increased by \$150,271.

The relatively small increase in unrestricted net position can mostly be attributed to the transfer of unrestricted legal reserve funds of \$704,000 for future capital and maintenance projects of the District.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Table 2 provides a summary of the District's changes in net position in fiscal year ending 6/30/14 with comparisons to 6/30/13.

**Table 2
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/14	6/30/13	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 952,602	\$ 1,072,696	\$ (120,094)	(11.20)
Operating Grants	920,326	726,954	193,372	26.60
Capital Grants	59,895		59,895	*
General Revenues:				
Property Taxes	24,613,694	24,451,895	161,799	0.66
Unrestricted Grants	5,326,061	5,291,912	34,149	0.65
Other	120,052	123,502	(3,450)	(2.79)
Total Revenues	31,992,630	31,666,959	325,671	1.03
Program Expenses				
Instruction:				
Regular	10,427,487	11,072,542	(645,055)	(5.83)
Special	4,493,701	4,555,119	(61,418)	(1.35)
Other	995,358	908,030	87,328	9.62
Support Services:				
Tuition	873,557	851,271	22,286	2.62
Student & Instructional Staff	5,733,507	5,209,914	523,593	10.05
General & Business Administration	1,162,128	1,265,380	(103,252)	(8.16)
School Administration	1,338,075	1,344,527	(6,452)	(0.48)
Maintenance	2,618,431	2,481,162	137,269	5.53
Transportation	1,589,009	1,901,850	(312,841)	(16.45)
Food Service	428,496	468,526	(40,030)	(8.54)
Special Schools	114,065	111,631	2,434	2.18
Interest on Long-Term Debt	1,358,695	1,357,230	1,465	0.11
Total Expenses	31,132,509	31,527,182	(394,673)	(1.25)
Increases (Decreases) Before				
Special Items	860,121	139,777	720,344	515.35
Transfers & Special Items:				
Transfers		(45,000)	45,000	(100.00)
Insurance Proceeds for Storm Damage		42,104	(42,104)	(100.00)
Gain (Loss) on Disposal of Assets	(6,657)		(6,657)	*
Total Transfers & Special Items	(6,657)	(2,896)	(3,761)	129.87
Increase (Decrease) in Net Position	\$ 853,464	\$ 136,881	\$ 716,583	523.51

* = Undefined

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Governmental Activities

Property taxes made up 78.0 percent of revenues for governmental activities for the Clinton Township School District for fiscal year 2014.

Instruction comprised 51.8 percent of district expenses. Support services expenses made up 43.4 percent of the expenses and other expenses comprised 4.8 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 2014 results of operations:

- Food Service revenues and other financing sources were more than expenses and other financing uses by \$7,877. The majority of this increase was a reduction in expenses charged to the food service operation.
- Charges for services from amounts paid for daily food services were \$353,767 and total operating expenses were \$428,496.
- Federal and state reimbursements for meals, including payments for free and reduced lunches served and donated government commodities were \$82,423.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 6/30/14 with comparisons to 6/30/13.

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/14	6/30/13	6/30/14	6/30/13
Instruction	\$ 15,916,546	\$ 16,535,691	\$ 15,227,208	\$ 15,524,400
Support Services:				
Tuition	873,557	851,271	388,568	817,218
Student & Instructional Staff General & Business	5,733,507	5,209,914	5,546,286	5,058,010
Administration	1,162,128	1,265,380	1,153,696	1,227,380
School Administration	1,338,075	1,344,527	1,334,917	1,344,527
Plant Operations & Maintenance	2,618,431	2,481,162	2,536,587	2,413,715
Pupil Transportation	1,589,009	1,901,850	1,554,955	1,863,038
Special Schools	114,065	111,631	106,468	111,631
Interest on Long-Term Debt	1,358,695	1,357,230	1,358,695	1,357,230
Total Expenses	\$ 30,704,013	\$ 31,058,656	\$ 29,207,380	\$ 29,717,149

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

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.

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 78.0 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 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$31,355,865 and expenditures of \$30,863,004. The net positive change in fund balance for the year was most significant in the Capital Projects Fund, an increase of \$966,254. 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 extraordinary aid and School Choice revenue. 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 2014, 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.

For the General Fund, budget basis revenue and other financing sources (excluding on-behalf TPAF Pension and Social Security) was \$26,199,857, \$170,445 above final budgeted estimates of \$26,029,412. This difference was due primarily to state aid realized in excess of budget amount of \$215,173.

CLINTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

General fund revenues and other financing sources were less than expenditures and other financing uses by \$385,501.

Capital Assets

At the end of the fiscal year 2014, the School District had \$53,538,006 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 6/30/14 with comparisons to 6/30/13.

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

	6/30/14	6/30/13	Variance	
			Dollars	%
Land	\$ 4,996,634	\$ 4,996,634	-	0.00
Land Improvements	263,937	313,031	\$ (49,094)	(15.68)
Buildings & Improvements	47,155,068	48,176,666	(1,021,598)	(2.12)
Machinery & Equipment	568,846	424,408	144,438	34.03
Vehicles	24,255	34,547	(10,292)	(29.79)
Construction in Progress	529,266	145,970	383,296	262.59
Total	<u>\$ 53,538,006</u>	<u>\$ 54,091,256</u>	<u>\$ (553,250)</u>	<u>(1.02)</u>

* = Undefined

Overall capital assets decreased \$885,332 from fiscal year 2013 to fiscal year 2014. The District started several facility projects in fiscal year 2014 which includes door hardware replacement, security camera upgrades, bathroom renovations, and air conditioning renovations at Round Valley School.

Debt Administration

At June 30, 2014, the School District had \$30,835,723 in long-term liabilities.

At June 30, 2014, the School District's overall debt limit was \$67,727,114 and the legal debt margin was \$37,451,235.

Table 5 provides a summary of the School District's outstanding debt at 6/30/14 with comparisons to 6/30/13.

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

	6/30/14	6/30/13	Variance	
			Dollars	%
2012 Refunding Bonds for '03 Issue	\$ 10,395,000	\$ 10,420,000	\$ (25,000)	(0.24)
2011 Refunding Bonds for '03 Issue	10,255,000	11,090,000	(835,000)	(7.53)
2006 Refunding Bonds for '03 Issue	8,725,000	8,745,000	(20,000)	(0.23)
Unamortized Bond Premiums	800,578	887,584	(87,006)	(9.80)
Compensated Absences Payable	660,145	578,471	81,674	14.12
	<u>\$ 30,835,723</u>	<u>\$ 31,721,055</u>	<u>\$ (885,332)</u>	<u>(2.79)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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 2014-2015 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 extraordinary aid and School Choice revenue. 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 Anthony Juskiewicz, School Business Administrator/Board Secretary or email at ajuskiewicz@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 POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash & Cash Equivalents	\$ 731,267	\$ 14,132	\$ 745,399
Receivables, Net	1,851,100	4,735	1,855,835
Due from Other Funds	11,604		11,604
Inventory		5,828	5,828
Restricted Assets:			
Cash & Cash Equivalents	1,903,333		1,903,333
Capital Assets (Note 4):			
Land and Construction in Progress	5,525,900		5,525,900
Other Capital Assets, net of depreciation	48,001,625	10,481	48,012,106
Total Assets	58,024,829	35,176	58,060,005
LIABILITIES			
Accounts Payable	67,960		67,960
Payables to Other Governments	11,835		11,835
Accrued Interest	578,475		578,475
Unearned Revenue	70,062	11,402	81,464
Insurance Adjustments	410,836		410,836
Temporary Notes Payable	540,000		540,000
Other Current Liabilities	900		900
Long-Term Liabilities (Note 5):			
Due Within One Year	1,031,363		1,031,363
Due Beyond One Year	29,804,360		29,804,360
Total Liabilities	32,515,791	11,402	32,527,193
NET POSITION			
Net Investment in Capital Assets	24,467,555	10,481	24,478,036
Restricted For:			
Capital Projects	1,069,785		1,069,785
Legal Reserves	929,792		929,792
Unrestricted	(958,094)	13,293	(944,801)
TOTAL NET POSITION	\$ 25,509,038	\$ 23,774	\$ 25,532,812

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 7,100,617	\$ 3,326,870	\$ 344,801	\$ 193,346	\$ 25,910	\$ (9,863,430)		\$ (9,863,430)
Special Education	2,959,090	1,534,611	89,808		10,796	(4,393,097)		(4,393,097)
Other Special Education	602,990	304,853		22,252	2,200	(883,391)		(883,391)
Other Instruction	61,655	25,860			225	(87,290)		(87,290)
Support Services:								
Tuition	873,557		2,787	482,202		(388,568)		(388,568)
Student & Instruction Related Services	3,946,365	1,787,142	47,144	125,848	14,229	(5,546,286)		(5,546,286)
General & Business Administration Services	849,560	312,568	5,312		3,120	(1,153,696)		(1,153,696)
School Administration Services	865,515	472,560			3,158	(1,334,917)		(1,334,917)
Plant Operations & Maintenance	2,196,456	421,975	67,589	14,255		(2,536,587)		(2,536,587)
Pupil Transportation	1,578,000	11,009	34,054			(1,554,955)		(1,554,955)
Special Schools	77,751	36,314	7,340		257	(106,468)		(106,468)
Interest on Long-Term Debt	1,358,695					(1,358,695)		(1,358,695)
Total Governmental Activities	<u>22,470,251</u>	<u>8,233,762</u>	<u>598,835</u>	<u>837,903</u>	<u>59,895</u>	<u>(29,207,380)</u>	<u>\$ -</u>	<u>(29,207,380)</u>
Business-Type Activities:								
Food Service	428,496		353,767	82,423			7,694	7,694
Total Business-Type Activities	<u>428,496</u>	<u>-</u>	<u>353,767</u>	<u>82,423</u>	<u>-</u>	<u>-</u>	<u>7,694</u>	<u>7,694</u>
Total Primary Government	<u>\$ 22,898,747</u>	<u>\$ 8,233,762</u>	<u>\$ 952,602</u>	<u>\$ 920,326</u>	<u>\$ 59,895</u>	<u>(29,207,380)</u>	<u>7,694</u>	<u>(29,199,686)</u>
General Revenues, Special Items and Transfers								
Property Taxes Levied for General Purposes						22,530,498		22,530,498
Property Taxes Levied for Debt Service						2,083,196		2,083,196
Federal & State Aid Not Restricted						5,326,061		5,326,061
Investment Earnings						21,145	183	21,328
Miscellaneous Income						98,724		98,724
Special Item-Gain/(Loss) on Disposal of Assets						(6,657)		(6,657)
Total General Revenues, Special Items and Transfers						<u>30,052,967</u>	<u>183</u>	<u>30,053,150</u>
Change in Net Position						845,587	7,877	853,464
Net Position-Beginning						24,663,451	15,897	24,679,348
Net Position-Ending						<u>\$ 25,509,038</u>	<u>\$ 23,774</u>	<u>\$ 25,532,812</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 731,267				\$ 731,267
Due from Other Funds	93,963				93,963
Receivables from Other Governments:					
State	682,882		\$ 960,774		1,643,656
Federal		\$ 146,713			146,713
Local	16,576				16,576
Other Receivables	36,981	7,174			44,155
Restricted Cash & Cash Equivalents	929,792		973,541		1,903,333
TOTAL ASSETS	\$ 2,491,461	\$ 153,887	\$ 1,934,315	\$ -	\$ 4,579,663
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 57,579	\$ 881	\$ 9,500		\$ 67,960
Due to Other Funds		82,359			82,359
Payables to Other Governments:					
State		11,835			11,835
Unearned Revenue	11,250	58,812			70,062
Temporary Notes Payable			540,000		540,000
Insurance Adjustments	410,836				410,836
Other Current Liabilities	900				900
Total Liabilities	480,565	153,887	549,500	\$ -	1,183,952

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted For:					
Capital Projects Balance			\$ 1,384,815		1,384,815
Committed For:					
Capital Reserve Account	\$ 606,792				606,792
Maintenance Reserve Account	323,000				323,000
Assigned For:					
Year End Encumbrances	366,647				366,647
Designated for Subsequent Year's Expenditures	200,000				200,000
Unassigned Fund Balance	514,457				514,457
Total Fund Balances	<u>2,010,896</u>	<u>\$ -</u>	<u>1,384,815</u>	<u>\$ -</u>	<u>3,395,711</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,491,461</u>	<u>\$ 153,887</u>	<u>\$ 1,934,315</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net Position
(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

\$ 71,254,805
17,727,280

53,527,525

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

(30,835,723)

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

(578,475)

Total Net Position of Governmental Activities

\$ 25,509,038

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, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 22,530,498			\$ 2,083,196	\$ 24,613,694
Tuition Charges	434,609				434,609
Interest on Investments	19,004				19,004
Interest Earned on Capital Reserve Funds	2,141				2,141
Miscellaneous	62,558	\$ 47,830			110,388
Total	23,048,810	47,830	\$ -	2,083,196	25,179,836
State Sources	5,326,061	205,226	59,895		5,591,182
Federal Sources		584,847			584,847
Total Revenues	28,374,871	837,903	59,895	2,083,196	31,355,865
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	6,925,038	175,579			7,100,617
Special Education Instruction	2,958,654				2,958,654
Other Special Instruction	580,738	22,252			602,990
Other Instruction	61,655				61,655
Support Service & Undistributed Costs:					
Tuition	388,568	482,202			870,770
Student & Instruction Related Services	3,773,373	125,848			3,899,221
General & Business Administrative Services	854,914				854,914
School Administrative Services	865,515				865,515
Plant Operations & Maintenance	2,156,672				2,156,672
Pupil Transportation	1,541,955				1,541,955
Unallocated Benefits	6,751,874				6,751,874

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, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 213,345	\$ 32,022	\$ 638,412		\$ 883,779
Special Schools	70,411				70,411
Debt Service:					
Principal				\$ 880,000	880,000
Interest on Bonds				1,274,968	1,274,968
Interest on SDA Obligations	89,009				89,009
Total Expenditures	<u>27,231,721</u>	<u>837,903</u>	<u>638,412</u>	<u>2,154,968</u>	<u>30,863,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,143,150</u>	<u>-</u>	<u>(578,517)</u>	<u>(71,772)</u>	<u>492,861</u>
Other Financing Sources (Uses):					
Transfers In			1,544,771		1,544,771
Transfers Out	(1,544,771)				(1,544,771)
Total Other Financing Sources (Uses)	<u>(1,544,771)</u>	<u>-</u>	<u>1,544,771</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(401,621)	-	966,254	(71,772)	492,861
Fund Balances, July 1	<u>2,412,517</u>	<u>-</u>	<u>418,561</u>	<u>71,772</u>	<u>2,902,850</u>
Fund Balances, June 30	<u>\$ 2,010,896</u>	<u>\$ -</u>	<u>\$ 1,384,815</u>	<u>\$ -</u>	<u>\$ 3,395,711</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, 2014

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	492,861
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital Outlays	\$	877,539
Cost Basis of Assets Deleted		(6,657)
Depreciation Expense		<u>(1,419,436)</u>
		(548,554)
<p>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 position and are not reported in the statements of activities:</p>		
Bond Principal Payments		880,000
<p>Governmental funds report the effect of premiums or discounts when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:</p>		
Amortization of Bond Premium/Discount		87,006
<p>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.</p>		
		15,948
<p>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.</p>		
		<u>(81,674)</u>
Change in Net Position of Governmental Activities	\$	<u>845,587</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 14,132
Receivables from Other Governments:	
State	460
Federal	3,414
Accounts Receivable-Other	861
Inventory	5,828
Total Current Assets	24,695
Noncurrent Assets:	
Capital Assets	165,955
Less: Accumulated Depreciation	155,474
Total Noncurrent Assets	10,481
Total Assets	35,176
LIABILITIES	
Current Liabilities:	
Unearned Revenue	11,402
Total Liabilities	11,402
NET POSITION	
Net Investment in Capital Assets	10,481
Unrestricted	13,293
TOTAL NET POSITION	\$ 23,774

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 227,888
Daily Sales-Unreimbursable Programs	125,879
Total Operating Revenues	<u>353,767</u>
Other Expenses:	
Salaries	149,803
Employee Benefits	40,619
Purchased Property Services (Repairs)	145
Insurance	2,376
Management Fee	15,975
Other Purchased Services	3,392
Supplies and Materials	242
Depreciation	4,696
Costs of Sales	180,413
Commodity Food Costs	29,857
Miscellaneous	978
Total Operating Expenses	<u>428,496</u>
Operating Income (Loss)	<u>(74,729)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	3,839
Federal Sources:	
National School Lunch Program:	
Cash Assistance	48,727
Non-Cash Assistance (Commodities)	29,857
Interest Earned on Investments	183
Total Nonoperating Revenues (Expenses)	<u>82,606</u>
Change in Net Position	7,877
Net Position, Beginning	<u>15,897</u>
Net Position, Ending	<u>\$ 23,774</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 355,852
Payments to Food Service Management Company	(394,074)
Payments to Vendors (Net)	(201)
Net Cash Provided by (Used For) Operating Activities	(38,423)
Cash Flows from Noncapital Financing Activities:	
State Sources	3,846
Federal Sources	48,196
General Fund Interfund Activity	1,523
Net Cash Provided by (Used For) Noncapital Financing Activities	53,565
Cash Flows from Investing Activities:	
Interest Earned on Investments	183
Net Increase (Decrease) in Cash and Cash Equivalents	15,325
Cash and Cash Equivalents (Deficit), July 1	(1,193)
Cash and Cash Equivalents (Deficit), June 30	\$ 14,132
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (74,729)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	4,696
Federal Food Donation Program	29,857
(Increase) Decrease in Accounts Receivable	(497)
(Increase) Decrease in Inventory	(544)
Increase (Decrease) in Unearned Revenue	2,794
Net Cash Provided by (Used For) Operating Activities	\$ (38,423)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash & Cash Equivalents	\$ 64,476	\$ 100,814	\$ 160,688
TOTAL ASSETS	<u>64,476</u>	<u>\$ 100,814</u>	<u>\$ 160,688</u>
LIABILITIES			
Due to Other Funds			\$ 11,604
Accounts Payable	14,378		
Accumulated Interest			268
Due to Student Groups		\$ 100,814	
Payroll Deductions & Withholdings			148,816
TOTAL LIABILITIES	<u>14,378</u>	<u>\$ 100,814</u>	<u>\$ 160,688</u>
NET POSITION			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 50,098</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 26,847
Investment Earnings:	
Interest	243
Total Additions	<u>27,090</u>
DEDUCTIONS	
Unemployment Claims	<u>73,428</u>
Total Deductions	<u>73,428</u>
Change in Net Position	(46,338)
Net Position, Beginning	<u>96,436</u>
Net Position, Ending	<u><u>\$ 50,098</u></u>

NOTES TO FINANCIAL STATEMENTS

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 of 1,550 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 position and the statement of changes in net position) 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, 2014
(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, 2014
 (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, 2014
 (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 (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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, 2014
 (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.

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, if required are voted upon at the annual school election in November. 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, 2014 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.

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 unearned 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.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

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

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 2013-2014 and 2012-2013 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 unearned 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, 2014.

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.

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

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

J. Capital Assets (Cont'd)

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, 2014
(Continued)

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

L. Unearned revenue

Unearned 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.

Unearned 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 unearned 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 Position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

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

N. Fund Balances-Governmental Funds (cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

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.

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

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.

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, 2014 appear in the financial statements as summarized below:

Cash & Cash Equivalents		<u>\$ 2,974,710</u>
Cash:	<u>Ref.</u>	
Governmental Funds, Balance Sheet	B-1	\$ 2,634,600
Enterprise Fund Statement of Net Position (Deficit)	B-4	14,132
Fiduciary Funds, Statement of Net Position	B-7	<u>325,978</u>
Total		<u>\$ 2,974,710</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

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

Deposits – The District's carrying amount of bank deposits at June 30, 2014 is \$2,974,710 and the bank balance is \$3,861,764. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,611,764 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 are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2014, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 4,996,634			\$ 4,996,634
Construction in Progress	145,970	\$ 689,237	\$ 305,941	529,266
Total	<u>5,142,604</u>	<u>689,237</u>	<u>305,941</u>	<u>5,525,900</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Land Improvements	\$ 1,064,181			\$ 1,064,181
Building & Improvements	63,059,297	\$ 247,283		63,306,580
Furniture & Equipment	1,232,178	246,960	\$ 227,075	1,252,063
Vehicles	106,081			106,081
Total	<u>65,461,737</u>	<u>494,243</u>	<u>227,075</u>	<u>65,728,905</u>
Accumulated Depreciation:				
Land Improvements	751,150	49,094		800,244
Building & Improvements	14,882,631	1,268,881		16,151,512
Furniture & Equipment	822,947	91,169	220,418	693,698
Vehicles	71,534	10,292		81,826
Total	<u>16,528,262</u>	<u>1,419,436</u>	<u>220,418</u>	<u>17,727,280</u>
Total Capital Assets, Being				
Depreciated, Net	<u>48,933,475</u>	<u>(925,193)</u>	<u>6,657</u>	<u>48,001,625</u>
Transfers	<u>-0-</u>	<u>(305,941)</u>	<u>(305,941)</u>	<u>-0-</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 54,076,079</u>	<u>\$ (541,897)</u>	<u>\$ 6,657</u>	<u>\$ 53,527,525</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets:				
Machinery & Equipment	\$ 165,955			\$ 165,955
Less: Accum Depreciation	<u>150,778</u>	<u>\$ 4,696</u>		<u>155,474</u>
Business-Type Activities Capital				
Assets, Net	<u>\$ 15,177</u>	<u>\$ (4,696)</u>	<u>\$ -0-</u>	<u>\$ 10,481</u>
Depreciation expense was charged to governmental functions in the current year as follows:				
Instruction:				
Regular	\$ 605,727			
Special Education	252,828			
Other Special Instruction	51,439			
Co-curricular Activities	5,260			
Support Services:				
Student & Instruction	332,627			
General & Business Admin	72,929			
School Administration	73,834			
Plant & Maintenance	16,795			
Pupil Transportation	1,991			
Special School	<u>6,006</u>			
Total Depreciation Expense,				
Governmental Activities	<u>\$ 1,419,436</u>			

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2014 is as Follows:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Refunding Bonds Payable	\$ 30,255,000		\$ 880,000	\$ 29,375,000	\$ 905,000
Unamortized Bond Premiums	887,584		87,006	800,578	87,006
Compensated Absences Payable	<u>578,471</u>	\$ 137,342	<u>55,668</u>	<u>660,145</u>	<u>39,357</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 31,721,055</u>	<u>\$ 137,342</u>	<u>\$ 1,022,674</u>	<u>\$ 30,835,723</u>	<u>\$ 1,031,363</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, 2014 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,020,000	1,144,978	2,164,978
2019	1,070,000	1,095,102	2,165,102
2020-2024	6,265,000	4,630,007	10,895,007
2025-2029	8,095,000	3,138,460	11,233,460
2030-2034	<u>10,105,000</u>	<u>1,353,390</u>	<u>11,458,390</u>
Totals	<u>\$ 29,375,000</u>	<u>\$ 15,015,020</u>	<u>\$ 44,390,020</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (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, 2014, 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%	\$ 8,725,000
\$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%	10,255,000
\$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>10,395,000</u>
	<u>\$ 29,375,000</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, 2014 is \$67,727,114. General obligation debt at June 30, 2014 is \$30,275,879, resulting in a legal debt margin of \$37,451,235.

Bonds and Notes Authorized But Not Issued

As of June 30, 2014, the District had \$360,879 of authorized but not issued debt for the school facility capital project authorized by the voters on April 7, 2003 for \$39,522,182. The authorized but not issued amount is summarized below:

Total Authorized	\$ 39,522,182
Bonds Issued	(32,259,000)
NJ SCC Aid Received @ 06/30/14	(6,361,988)
Temporary Notes Issued	(540,000)
Local Funding Provided	<u>(315)</u>
Total Authorized but not Issued	<u>\$ 360,879</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(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 (\$8,000 in 2013) 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, 2014
(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, 2014
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (Cont'd)

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

<u>Year</u> <u>Funding</u>	<u>TPAF</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/14	\$ 1,338,719	100%
06/30/13	1,521,892	100%
06/30/12	1,023,920	100%

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/14	\$ 260,969	100%
06/30/13	274,614	100%
06/30/12	319,481	100%

During the year ended June 30, 2014, the State of New Jersey contributed \$831,556 to the TPAF for post-retirement medical benefits and \$41,135 for the non-contributory insurance premiums, and \$466,028 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 \$852,415 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits and the state contributed \$1.07 billion on their behalf. 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 Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Ch 126 benefits for 17,356 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, 2014
(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 (www.nj.gov/treasury/pensions).

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, 2014
(Continued)

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances as of June 30, 2014 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 93,963	
Special Revenue Fund		\$ 82,359
Payroll Agency Fund		1,604
Payroll Flex Spending Fund		10,000
	\$ 93,963	\$ 93,963

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 from the Payroll Agency Fund to the General Fund of \$1,604 represents voided outstanding checks due to the General Fund.

All interfund balances should 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 District transferred \$1,544,771 from the General Fund to the Capital Projects Fund representing capital reserve funding of \$1,224,180 and capital outlay funding of \$320,591 for projects approved in the District's Long Range Facility Plan.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2014 consisted of the following:

Food	\$ 4,684
Supplies	1,144
	\$ 5,828

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, 2014
(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:

<u>Fiscal Year</u>	<u>Other</u>	<u>District Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ -0-	\$ -0-	\$ 243	\$ 26,847	\$ 73,428	\$ 50,098
2012-2013	-0-	\$ 45,000	263	26,474	75,831	96,436
2011-2012	-0-	75,000	605	26,521	62,675	100,530

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 on June 27, 2013 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 \$606,000 to their Capital Reserve account and \$98,000 to their Maintenance Reserve account by board resolution in June 2014 as summarized in the following schedule.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	\$ 1,222,831	\$ 606,000	\$ 2,141	\$ 1,224,180	\$ 606,792
Maintenance	225,000	98,000			323,000
Totals	<u>\$ 1,447,831</u>	<u>\$ 704,000</u>	<u>\$ 2,141</u>	<u>\$ 1,224,180</u>	<u>\$ 929,792</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-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, 2014 and 2013. The total differs from the Governmental Funds Balance Sheet, which is stated on the "GAAP" basis, by \$232,038.

	<u>2014</u>	<u>2013</u>
Restricted:		
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements		\$ 81,237
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 606,792	1,222,831
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	323,000	225,000
Assigned:		
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,	366,647	101,456
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	200,000	153,426
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>746,495</u>	<u>844,485</u>
Total Fund Balance	<u>\$ 2,242,934</u>	<u>\$ 2,628,435</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(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, 2014 is \$-0-.

NOTE 16. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 26, 2014, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17. TEMPORARY NOTES ISSUED

The District has temporary notes outstanding of \$540,000 on June 30, 2014 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, 2013, 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, 2013.

NOTE 18: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No.70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 18: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the District's financial reporting.

NOTE 19: INSURANCE CLAIM PROCEEDS RECEIVED FOR DESTROYED BARN

The District has received funds from insurance claims for the total destruction of a barn building and its contents. The unexpended balance of these funds as of June 30, 2014 is recorded as "Insurance Adjustments" which is a liability account in the General Fund. These funds will be utilized for the future replacement of the barn building and its contents.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 22,530,498		\$ 22,530,498	\$ 22,530,498	
Tuition-Individuals	95,060		95,060	108,075	\$ 13,015
Tuition from Other LEAs Within the State-Regular	260,240		260,240	236,726	(23,514)
Tuition from Other LEAs Within the State-Special	60,000		60,000	89,808	29,808
Transportation Fees from Other LEAs Within/State	17,500		17,500		(17,500)
Interest on Investments	25,000		25,000	19,004	(5,996)
Interest Earned on Capital Reserve Funds	240		240	2,141	1,901
Building Use Rental Income				50,840	50,840
Miscellaneous	105,000		105,000	11,718	(93,282)
Total	<u>23,093,538</u>	<u>\$ -</u>	<u>23,093,538</u>	<u>23,048,810</u>	<u>(44,728)</u>
State Sources:					
Categorical Transportation Aid	147,078		147,078	147,078	
Categorical Special Education Aid	780,827		780,827	780,827	
Extraordinary Special Education Costs Aid	467,709		467,709	665,789	198,080
Categorical Security Aid	82,468		82,468	82,468	
School Choice Aid	1,457,792		1,457,792	1,457,792	
Nonpublic Transportation Aid				17,093	17,093
On-Behalf TPAF Pension Contribution				507,163	507,163
On-Behalf TPAF Post Retirement Medical Benefits				831,556	831,556
Reimbursed TPAF Social Security Contribution				852,415	852,415
Total	<u>2,935,874</u>	<u>-</u>	<u>2,935,874</u>	<u>5,342,181</u>	<u>2,406,307</u>
TOTAL REVENUES	<u>\$ 26,029,412</u>	<u>\$ -</u>	<u>\$ 26,029,412</u>	<u>\$ 28,390,991</u>	<u>\$ 2,361,579</u>
EXPENDITURES					
Current:					
Regular Program-Instruction:					
Salaries of Teachers:					
Preschool	\$ 180,864	\$ (628)	\$ 180,236	\$ 176,725	\$ 3,511
Kindergarten	252,271	(58,398)	193,873	190,135	3,738
Grades 1-5	3,542,935	(82,901)	3,460,034	3,368,899	91,135
Grades 6-8	2,545,450	(157,971)	2,387,479	2,321,664	65,815
Home Instruction:					
Salaries of Teachers	18,000	(3,940)	14,060	13,020	1,040
Purchased Professional-Educational Services	30,000	(30,000)			
Regular Programs-Undistributed Instruction:					
Purchased Professional-Educational Services		135,435	135,435	135,435	
Purchased Technical Services	5,550	(1,604)	3,946		3,946
Other Purchased Services	294,956	(57,029)	237,927	227,238	10,689
General Supplies	474,245	30,284	504,529	465,539	38,990
Textbooks	50,300	(31,367)	18,933	18,933	
Other Objects	13,443	(5,534)	7,909	7,450	459
Total	<u>7,408,014</u>	<u>(263,653)</u>	<u>7,144,361</u>	<u>6,925,038</u>	<u>219,323</u>
Special Education:					
Auditory Impairments					
Salaries of Teachers	53,950	877	54,827	52,892	1,935
Purchased Professional-Educational Services		1,920	1,920	250	1,670
General Supplies	225	1,000	1,225	871	354
Total	<u>54,175</u>	<u>3,797</u>	<u>57,972</u>	<u>54,013</u>	<u>3,959</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Resource Room/Center:					
Salaries of Teachers	\$ 2,265,544	\$ 229,840	\$ 2,495,384	\$ 2,386,113	\$ 109,271
Other Salaries for Instruction	96,218	(31,274)	64,944	54,793	10,151
Purchased Professional-Educational Services		45,651	45,651	44,352	1,299
General Supplies	19,565	(13,765)	5,800	5,800	
Total	<u>2,381,327</u>	<u>230,452</u>	<u>2,611,779</u>	<u>2,491,058</u>	<u>\$ 120,721</u>
Autism:					
Salaries of Teachers	189,075	7,778	196,853	193,211	3,642
Other Salaries for Instruction	221,940	(7,212)	214,728	209,663	5,065
Purchased Professional-Educational Services		11,708	11,708	9,177	2,531
General Supplies	2,800	(1,117)	1,683	1,532	151
Total	<u>413,815</u>	<u>11,157</u>	<u>424,972</u>	<u>413,583</u>	<u>11,389</u>
Total Special Education	<u>2,849,317</u>	<u>245,406</u>	<u>3,094,723</u>	<u>2,958,654</u>	<u>136,069</u>
Basic Skills/Remedial:					
Salaries of Teachers	653,053	(69,480)	583,573	570,668	12,905
Purchased Professional-Educational Services		8,000	8,000	5,962	2,038
General Supplies	5,300		5,300	4,108	1,192
Total	<u>658,353</u>	<u>(61,480)</u>	<u>596,873</u>	<u>580,738</u>	<u>16,135</u>
School Sponsored Co/Extra Curricular Activities:					
Salaries	20,553	(13,044)	7,509	6,574	935
Supplies and Materials	2,600	1,533	4,133	837	3,296
Other Objects	2,485	1,929	4,414	4,414	
Total	<u>25,638</u>	<u>(9,582)</u>	<u>16,056</u>	<u>11,825</u>	<u>4,231</u>
School-Sponsored Athletics:					
Salaries	39,353	1,727	41,080	40,207	873
Purchased Services		8,880	8,880	8,880	
Supplies and Materials		743	743	743	
Other Objects	8,880	(8,880)			
Total	<u>48,233</u>	<u>2,470</u>	<u>50,703</u>	<u>49,830</u>	<u>873</u>
Total Instruction Regular	<u>\$ 10,989,555</u>	<u>\$ (86,839)</u>	<u>\$ 10,902,716</u>	<u>\$ 10,526,085</u>	<u>\$ 376,631</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 474,038	\$ (375,942)	\$ 98,096	\$ 73,907	\$ 24,189
Tuition to Priv School for the Disabled Within State	577,113	(246,716)	330,397	314,661	15,736
Total	<u>1,051,151</u>	<u>(622,658)</u>	<u>428,493</u>	<u>388,568</u>	<u>39,925</u>
Health Services:					
Salaries	311,918	6,333	318,251	304,687	13,564
Purchased Professional & Technical Services	3,800	(297)	3,503	3,000	503
Supplies & Materials	28,602	(1,616)	26,986	24,932	2,054
Total	<u>344,320</u>	<u>4,420</u>	<u>348,740</u>	<u>332,619</u>	<u>16,121</u>
Speech, OT, PT and Related Services:					
Salaries	576,373	(400)	575,973	551,423	24,550
Purchased Professional Educational Services	150,200	(30,169)	120,031	93,478	26,553
Supplies & Materials	8,773	798	9,571	8,842	729
Total	<u>735,346</u>	<u>(29,771)</u>	<u>705,575</u>	<u>653,743</u>	<u>51,832</u>
Other Support Services-Students-Extraordinary:					
Salaries	284,120	254,447	538,567	519,560	19,007
Purchased Professional-Educational Services	70,000	107,250	177,250	168,519	8,731
Total	<u>354,120</u>	<u>361,697</u>	<u>715,817</u>	<u>688,079</u>	<u>27,738</u>
Guidance:					
Salaries of Other Professional Staff	398,307	1,978	400,285	390,502	9,783
Other Purchased Services	1,250		1,250		1,250
Supplies & Materials	20,550	(5,300)	15,250	15,022	228
Total	<u>420,107</u>	<u>(3,322)</u>	<u>416,785</u>	<u>405,524</u>	<u>11,261</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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	\$ 803,901	\$ (103,664)	\$ 700,237	\$ 687,787	\$ 12,450
Salaries of Secretarial & Clerical Assistants	80,979	999	81,978	77,150	4,828
Purchased Professional Educational Services	53,975	30,039	84,014	80,935	3,079
Other Purchased Services	12,000	11,136	23,136	16,579	6,557
Miscellaneous Purchased Services	14,500	(14,500)			
Supplies & Materials	69,638	(20,617)	49,021	42,112	6,909
Other Objects	14,024	(10,131)	3,893	396	3,497
Total	<u>1,049,017</u>	<u>(106,738)</u>	<u>942,279</u>	<u>904,959</u>	<u>37,320</u>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	61,743	43,767	105,510	101,295	4,215
Salaries of Other Professional Staff	19,704	9,752	29,456	20,040	9,416
Salaries of Secretarial & Clerical Assistants	22,616	145	22,761	22,761	
Purchased Professional Education Services	7,600	(7,600)			
Other Purchased Services	3,500		3,500	1,559	1,941
Supplies & Materials	1,165	22	1,187	790	397
Other Objects	2,575		2,575	1,969	606
Total	<u>118,903</u>	<u>46,086</u>	<u>164,989</u>	<u>148,414</u>	<u>16,575</u>
Educational Media Service/School Library:					
Salaries	389,266	7,759	397,025	388,621	8,404
Purchased Professional and Technical Services		3,500	3,500	3,240	260
Supplies & Materials	26,082		26,082	21,628	4,454
Total	<u>415,348</u>	<u>11,259</u>	<u>426,607</u>	<u>413,489</u>	<u>13,118</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	61,744	42,829	104,573	101,295	3,278
Salaries of Other Professional Staff	27,000		27,000	15,453	11,547
Salaries of Secretarial & Clerical Assistants	22,617	144	22,761	22,761	
Purchased Professional Educational Services	81,350	(16,851)	64,499	56,904	7,595
Other Purchased Services	15,135	21,795	36,930	30,133	6,797
Total	<u>207,846</u>	<u>47,917</u>	<u>255,763</u>	<u>226,546</u>	<u>29,217</u>
Support Services-General Administration:					
Salaries	252,270	(3,050)	249,220	233,976	15,244
Legal Services	50,000	11,900	61,900	49,307	12,593
Audit Fees	30,000	(1,000)	29,000	29,000	
Architectural/Engineering Services	18,000	11,400	29,400	9,595	19,805
Other Purchased Professional Services	5,000	23,755	28,755	25,055	3,700
Communications & Telephone	52,618	(23,315)	29,303	24,154	5,149
Board of Education Other Purchased Services	2,500	(2,080)	420		420
Miscellaneous Purchased Services	57,723	5,070	62,793	60,913	1,880
General Supplies	3,600		3,600	1,733	1,867
Board of Education In-House Training/Meeting Supplies	250	893	1,143	1,143	
Miscellaneous Expenditures	2,700	281	2,981	2,550	431
Board of Education Membership Dues & Fees	13,225	556	13,781	13,556	225
Total	<u>487,886</u>	<u>24,410</u>	<u>512,296</u>	<u>450,982</u>	<u>61,314</u>
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	562,329	(13,409)	548,920	526,380	22,540
Salaries of Secretarial & Clerical Assistants	325,889	19,555	345,444	305,911	39,533
Other Purchased Services	10,000	13,200	23,200	14,471	8,729
Supplies & Materials	29,450	(1,557)	27,893	13,735	14,158
Other Objects	11,250		11,250	5,018	6,232
Total	<u>938,918</u>	<u>17,789</u>	<u>956,707</u>	<u>865,515</u>	<u>91,192</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services-Central Services:					
Salaries	\$ 320,208	\$ 3,518	\$ 323,726	\$ 323,385	\$ 341
Purchased Professional Services	15,000	9,691	24,691	24,691	
Purchased Technical Services	12,190	4,755	16,945	8,710	8,235
Miscellaneous Purchased Services	23,000	(17,894)	5,106	4,580	526
Supplies & Materials	8,500	(640)	7,860	7,860	
Interest on Current Loans	12,000	(1,334)	10,666	10,666	
Miscellaneous Expenditures	950	480	1,430	1,430	
Total	<u>391,848</u>	<u>(1,424)</u>	<u>390,424</u>	<u>381,322</u>	<u>9,102</u>
Support Services-Administrative Information Technology:					
Salaries	66,500	(64,076)	2,424	2,424	
Purchased Technical Services	6,510	4,625	11,135	10,780	355
Other Purchased Services	8,750	(2,012)	6,738	3,595	3,143
Supplies & Materials	3,100	2,711	5,811	5,811	
Other Objects	212		212		212
Total	<u>85,072</u>	<u>(58,752)</u>	<u>26,320</u>	<u>22,610</u>	<u>3,710</u>
Required Maintenance for School Facilities:					
Salaries	232,716	1,751	234,467	182,782	51,685
Cleaning, Repair & Maintenance Services	99,578	162,370	261,948	248,516	13,432
General Supplies	69,618	(39,485)	30,133	23,813	6,320
Total	<u>401,912</u>	<u>124,636</u>	<u>526,548</u>	<u>455,111</u>	<u>71,437</u>
Custodial Services:					
Salaries	779,632	23,333	802,965	737,766	65,199
Purchased Professional & Technical Services	97,265	(42,620)	54,645	30,656	23,989
Cleaning Repair & Maintenance Services	30,145	17,866	48,011	36,935	11,076
Other Purchased Property Services	43,268	(15,616)	27,652	20,266	7,386
Insurance	150,000	(34,702)	115,298	115,298	
Miscellaneous Purchased Services	1,750	160	1,910	1,071	839
General Supplies	90,346	44,966	135,312	111,293	24,019
Energy (Natural Gas)	148,000	71,515	219,515	194,092	25,423
Energy (Electricity)	476,000	(68,500)	407,500	391,669	15,831
Energy (Oil)	13,331	(2,275)	11,056	8,811	2,245
Other Objects	500	4,275	4,775	4,775	
Total	<u>1,830,237</u>	<u>(1,598)</u>	<u>1,828,639</u>	<u>1,652,632</u>	<u>176,007</u>
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services		26,804	26,804	26,323	481
Cleaning, Repair, and Maintenance Services	635	(635)			
General Supplies	6,000	19,459	25,459	17,211	8,248
Total	<u>6,635</u>	<u>45,628</u>	<u>52,263</u>	<u>43,534</u>	<u>8,729</u>
Security:					
General Supplies		13,180	13,180	5,395	7,785
Total	<u>-</u>	<u>13,180</u>	<u>13,180</u>	<u>5,395</u>	<u>7,785</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	15,000		15,000	11,390	3,610
Salaries-(Between Home and School)-Regular	6,762	43	6,805	6,805	
Salaries-(Between Home and School)-Special Education	6,762	43	6,805	6,805	
Management Fee-ESC Transportation Program	20,000	(6,196)	13,804	8,050	5,754
Other Purchased Professional & Technical Services		38,869	38,869	38,869	
Contracted Services-Aid In Lieu of Payments-Nonpublic	30,056		30,056	28,288	1,768
Contracted Services (Between Home & School)-Vendors		698,932	698,932	683,664	15,268
Contracted Services (Other Than Bet Home & Sch)-Vend	27,255	7,100	34,355	23,792	10,563
Contracted Services (Bet Home & School)-Joint Agreements		91,983	91,983	86,589	5,394
Contracted Services (Special Ed Stds)-Vendors		116,553	116,553	116,553	
Contracted Services (Reg Students)-ESCs & CTAs	1,075,331	(667,331)	408,000	365,148	42,852
Contracted Services (Special Ed Students)-ESCs & CTAs	339,385	(121,267)	218,118	166,002	52,116
Miscellaneous Purchased Services	2,000	4,800	6,800		6,800
General Supplies	100		100		100
Other Objects	200		200		200
Total	<u>1,522,851</u>	<u>163,529</u>	<u>1,686,380</u>	<u>1,541,955</u>	<u>144,425</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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	\$ 309,028	\$ (25,345)	\$ 283,683	\$ 276,034	\$ 7,649
Other Retirement Contributions-PERS	315,000	(42,364)	272,636	263,230	9,406
Other Retirement Contributions-Regular		12,319	12,319	12,319	
Unemployment Compensation	25,000	32,725	57,725		57,725
Workmen's Compensation	128,582	(16,076)	112,506	112,506	
Health Benefits	3,733,000	(40,959)	3,692,041	3,686,301	5,740
Tuition Reimbursement	85,024	(10,962)	74,062	67,975	6,087
Other Employee Benefits	134,300	15,170	149,470	142,375	7,095
Total	<u>4,729,934</u>	<u>(75,492)</u>	<u>4,654,442</u>	<u>4,560,740</u>	<u>93,702</u>
On-Behalf TPAF Pension Contribution				507,163	(507,163)
On-Behalf TPAF Post Retirement Medical Benefits				831,556	(831,556)
Reimbursed TPAF Social Security Contribution				852,415	(852,415)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,191,134</u>	<u>(2,191,134)</u>
Total Undistributed Expenditures	<u>\$ 15,091,451</u>	<u>\$ (39,204)</u>	<u>\$ 15,052,247</u>	<u>\$ 16,332,871</u>	<u>\$ (1,280,624)</u>
TOTAL CURRENT	<u>\$ 26,081,006</u>	<u>\$ (126,043)</u>	<u>\$ 25,954,963</u>	<u>\$ 26,858,956</u>	<u>\$ (903,993)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
General Administration	\$ 31,275	\$ (874)	\$ 30,401	\$ 30,401	
Administrative Information Technology	60,000	37,054	97,054	97,054	
Required Maintenance for School Facilities	30,000	(15,995)	14,005	14,005	
Custodial Services		41,344	41,344	21,967	\$ 19,377
Care and Upkeep of Grounds		13,513	13,513	13,513	
Security		15,981	15,981	15,981	
Total	<u>121,275</u>	<u>91,023</u>	<u>212,298</u>	<u>192,921</u>	<u>19,377</u>
Facilities Acquisitions and Construction Services:					
Architectural/Engineering Services		29,094	29,094	20,424	8,670
Assessment for Debt Service on SDA Funding	89,009		89,009	89,009	
Total	<u>89,009</u>	<u>29,094</u>	<u>118,103</u>	<u>109,433</u>	<u>8,670</u>
TOTAL CAPITAL OUTLAY	<u>\$ 210,284</u>	<u>\$ 120,117</u>	<u>\$ 330,401</u>	<u>\$ 302,354</u>	<u>\$ 28,047</u>
SPECIAL SCHOOLS					
Summer School-Instruction:					
Salaries of Teachers	\$ 48,000	\$ (2,971)	\$ 45,029	\$ 44,031	\$ 998
Other Salaries for Instruction	25,000	(25,000)			
General Supplies	1,000	802	1,802	1,802	
Total	<u>74,000</u>	<u>(27,169)</u>	<u>46,831</u>	<u>45,833</u>	<u>998</u>
Summer School-Support Services:					
Salaries		25,092	25,092	24,578	514
Total	<u>-</u>	<u>25,092</u>	<u>25,092</u>	<u>24,578</u>	<u>514</u>
TOTAL SPECIAL SCHOOLS	<u>\$ 74,000</u>	<u>\$ (2,077)</u>	<u>\$ 71,923</u>	<u>\$ 70,411</u>	<u>\$ 1,512</u>
TOTAL EXPENDITURES	<u>\$ 26,365,290</u>	<u>\$ (8,003)</u>	<u>\$ 26,357,287</u>	<u>\$ 27,231,721</u>	<u>\$ (874,434)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (335,878)	\$ 8,003	\$ (327,875)	\$ 1,159,270	\$ 1,487,145
Other Financing Sources (Uses):					
Transfers Out:					
Capital Reserve to Capital Projects Fund		(1,224,180)	(1,224,180)	(1,224,180)	
Capital Outlay to Capital Projects Fund		(336,703)	(336,703)	(320,591)	16,112
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,560,883)</u>	<u>(1,560,883)</u>	<u>(1,544,771)</u>	<u>16,112</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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	\$ (335,878)	\$ (1,552,880)	\$ (1,888,758)	\$ (385,501)	\$ 1,503,257
Fund Balances, July 1	2,628,435	-	2,628,435	2,628,435	-
Fund Balances, June 30	<u>\$ 2,292,557</u>	<u>\$ (1,552,880)</u>	<u>\$ 739,677</u>	<u>\$ 2,242,934</u>	<u>\$ 1,503,257</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (101,456)		\$ (101,456)	\$ (101,456)	
Rounding Difference	1		1		\$ (1)
Increase in Capital Reserve	240	\$ 607,901	608,141	608,141	
Withdrawal from Capital Reserve		(1,224,180)	(1,224,180)	(1,224,180)	
Increase in Maintenance Reserve		98,000	98,000	98,000	
Budgeted Fund Balance	<u>(234,663)</u>	<u>(1,034,601)</u>	<u>(1,269,264)</u>	<u>233,994</u>	<u>1,503,258</u>
TOTAL	<u>\$ (335,878)</u>	<u>\$ (1,552,880)</u>	<u>\$ (1,888,758)</u>	<u>\$ (385,501)</u>	<u>\$ 1,503,257</u>
RECAPITULATION OF FUND BALANCE					
Committed Fund Balance:					
Capital Reserve				\$ 606,792	
Maintenance Reserve				323,000	
Assigned Fund Balance:					
Year-End Encumbrances				366,647	
Designated for Subsequent Year's Expenditures				200,000	
Unassigned Fund Balance				<u>746,495</u>	
Fund Balance Per Budgetary Basis				2,242,934	
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(232,038)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,010,896</u>	

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, 2014

(NOT APPLICABLE TO THIS REPORT)

CLINTON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 56,118		\$ 56,118	\$ 47,830	\$ (8,288)
State Sources	217,061		217,061	205,226	(11,835)
Federal Sources	638,188		638,188	589,907	(48,281)
TOTAL REVENUES	<u>\$ 911,367</u>	<u>\$ -</u>	<u>\$ 911,367</u>	<u>\$ 842,963</u>	<u>\$ (68,404)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 22,000		\$ 22,000	\$ 22,000	
Purchased Professional & Technical Services	253,707	\$ (108,581)	145,126	140,465	\$ 4,661
Other Purchased Services	356,035	126,167	482,202	482,202	
General Supplies	54,956	(32,669)	22,287	13,578	8,709
Textbooks	26,272		26,272	20,201	6,071
Other Objects	C 673	914	1,587	1,587	
Total	<u>713,643</u>	<u>(14,169)</u>	<u>699,474</u>	<u>680,033</u>	<u>19,441</u>
Support Services:					
Personal Services-Employee Benefits	5,060		5,060	5,060	
Purchased Professional & Technical Services	166,104	(17,191)	148,913	101,648	47,265
Other Purchased Services	21,159	(4,859)	16,300	14,602	1,698
Supplies and Materials	5,401	4,197	9,598	9,598	
Total	<u>197,724</u>	<u>(17,853)</u>	<u>179,871</u>	<u>130,908</u>	<u>48,963</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment		17,767	17,767	17,767	
Non-instructional Equipment		14,255	14,255	14,255	
Total	<u>-</u>	<u>32,022</u>	<u>32,022</u>	<u>32,022</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 911,367</u>	<u>\$ -</u>	<u>\$ 911,367</u>	<u>\$ 842,963</u>	<u>\$ 68,404</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 28,390,991	\$ 842,963
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-Current Year		(5,060)
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	215,918	
State Aid Receivable Current Year	(232,038)	
Total Revenues (GAAP Basis)	\$ 28,374,871	\$ 837,903
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 27,231,721	\$ 842,963
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-Current Year		(5,060)
Total Expenditures (GAAP Basis)	\$ 27,231,721	\$ 837,903

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, 2014

	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Preschool	NJ Nonpublic	Local Grants	Totals
REVENUES							
Local Sources						\$ 47,830	\$ 47,830
State Sources					\$ 205,226		205,226
Federal Sources	\$ 27,312	\$ 29,700	\$ 520,769	\$ 12,126			589,907
TOTAL REVENUES	<u>\$ 27,312</u>	<u>\$ 29,700</u>	<u>\$ 520,769</u>	<u>\$ 12,126</u>	<u>\$ 205,226</u>	<u>\$ 47,830</u>	<u>\$ 842,963</u>
EXPENDITURES							
Instruction:							
Salaries	\$ 22,000						\$ 22,000
Purchased Professional/Technical Services					\$ 139,570	\$ 895	140,465
Other Purchased Services			\$ 470,076	\$ 12,126			482,202
General Supplies	252					13,326	13,578
Textbooks					20,201		20,201
Other Objects						1,587	1,587
Totals	<u>22,252</u>	<u>\$ -</u>	<u>470,076</u>	<u>12,126</u>	<u>159,771</u>	<u>15,808</u>	<u>680,033</u>
Support Services:							
Personal Services-Employee Benefits	5,060						5,060
Purchased Professional/Technical Services		5,500	50,693		45,455		101,648
Other Purchased Services		14,602					14,602
Supplies and Materials		9,598					9,598
Total	<u>5,060</u>	<u>29,700</u>	<u>50,693</u>	<u>-</u>	<u>45,455</u>	<u>-</u>	<u>130,908</u>
Facilities Acquisition/Construction Services:							
Instructional Equipment						17,767	17,767
Non-Instructional Equipment						14,255	14,255
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,022</u>	<u>32,022</u>
TOTAL EXPENDITURES	<u>\$ 27,312</u>	<u>\$ 29,700</u>	<u>\$ 520,769</u>	<u>\$ 12,126</u>	<u>\$ 205,226</u>	<u>\$ 47,830</u>	<u>\$ 842,963</u>

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, 2014

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/14
			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	\$ 39,380,469		\$ 141,713
Roof Repairs for the Four District Schools	07/18/03	1,309,417	1,032,569		276,848
Various Renovations to the Four District Schools	N/A	528,371		488,673	39,698
Spruce Run School Security Upgrades Including Vestibule and Exterior Doors	05/02/14	520,960		46,212	474,748
Patrick Mc Gaهران School Security Upgrades Including Vestibule and Exterior Doors	05/02/14	509,145		45,213	463,932
Round Valley School Security Upgrades Including Vestibule and Exterior Doors	05/02/14	663,895		58,314	605,581
		<u>\$ 43,053,970</u>	<u>\$ 40,413,038</u>	<u>\$ 638,412</u>	<u>\$ 2,002,520</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, 2014

Revenues and Other Financing Sources:	
State Sources-SDA Grant	\$ 677,600
Transfer from Capital Outlay	320,591
Transfer from Capital Reserve	1,224,180
Total Revenues	<u>2,222,371</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	\$ 236,950
Construction Services	400,723
Other Costs	739
Total Expenditures	<u>638,412</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,583,959
Fund Balance-Beginning	<u>\$ 418,561</u>
Fund Balance-Ending	<u>\$ 2,002,520</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 2,002,520
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	960,774
Budgetary Basis (Schedule K-4)	<u>(1,578,479)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 1,384,815</u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ 677,600
Adjustment to GAAP Basis	<u>(617,705)</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 59,895</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
ROOF REPAIRS FOR THE FOUR DISTRICT SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA 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, 2014

	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-SDA Grant	7,262,867		7,262,867	7,262,867
Local Sources	315		315	315
Total Revenues	39,522,182	\$ -	39,522,182	39,522,182
Expenditures and Other Financing Uses:				
Land Purchase	3,224,134		3,224,134	3,224,134
Purchased Professional & Technical Services	3,465,839		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	39,380,469	-	39,380,469	39,522,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 141,713	\$ -	\$ 141,713	\$ -

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 PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
VARIOUS RENOVATIONS FOR THE FOUR DISTRICT SCHOOLS
INCLUDING SECURITY CAMERA SYSTEMS, ADA DOOR UPGRADES, ADA RESTROOM
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve		\$ 528,371	\$ 528,371	\$ 528,371
Total Revenues	\$ -	528,371	528,371	528,371
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		87,950	87,950	90,200
Construction Services		400,723	400,723	438,171
Total Expenditures	-	488,673	488,673	528,371
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 39,698	\$ 39,698	\$ -

Additional Project Information:

Project Number	0920-030-13-1000
Project Number	0920-035-13-1000
Project Number	0920-040-13-1000
Project Number	0920-050-13-1000
Grant Date	N/A
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 438,171
Additional Authorized Cost	\$ 90,200
Revised Authorized Cost	\$ 528,371
Percentage Completion	92.49%

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
SPRUCE RUN SCHOOL SECURITY UPGRADES INCLUDING VESTIBULE AND EXTERIOR DOORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 208,384	\$ 208,384	\$ 208,384
Transfer from Capital Reserve		312,576	312,576	312,576
Total Revenues	\$ -	520,960	520,960	520,960
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		46,000	46,000	46,000
Construction Services				474,748
Other Costs		212	212	212
Total Expenditures	-	46,212	46,212	520,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 474,748	\$ 474,748	\$ -

Additional Project Information:

Project Number	0920-030-13-2002
Grant Date	5/2/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 520,960
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 520,960
Percentage Completion	8.87%

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
PATRICK Mc GAHERAN SCHOOL SECURITY UPGRADES
INCLUDING VESTIBULE AND EXTERIOR DOORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 203,658	\$ 203,658	\$ 203,658
Transfer from Capital Reserve		305,487	305,487	305,487
Total Revenues	\$ -	509,145	509,145	509,145
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		45,000	45,000	45,000
Construction Services			-	463,932
Other Costs		213	213	213
Total Expenditures	-	45,213	45,213	509,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 463,932	\$ 463,932	\$ -

Additional Project Information:

Project Number	0920-035-13-2004
Grant Date	5/2/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 509,145
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 509,145
Percentage Completion	8.88%

CLINTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
ROUND VALLEY MIDDLE SCHOOL SECURITY UPGADES
INCLUDING VESTIBULE AND EXTERIOR DOORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 265,558	\$ 265,558	\$ 265,558
Transfer from Capital Outlay		320,591	320,591	320,591
Transfer from Capital Reserve		77,746	77,746	77,746
Total Revenues	\$ -	663,895	663,895	663,895
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		58,000	58,000	58,000
Construction Services				605,581
Other Costs		314	314	314
Total Expenditures	-	58,314	58,314	663,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 605,581	\$ 605,581	\$ -

Additional Project Information:

Project Number	0920-040-13-2005
Grant Date	5/2/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 663,895
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 663,895
Percentage Completion	8.78%

CLINTON TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF TEMPORARY NOTES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Issue	Original Date of Issue	Original Amount of Issue	Issue Date	Maturity Date	Interest Rate	Balance 07/01/13	Issued	Redeemed	Balance 06/30/14
School Construction and Renovations-2003 Project	08/08/06	\$ 7,194,675	07/24/12	07/23/13	2.00%	\$ 540,000		\$ 540,000	
			07/23/13	07/22/14	1.25%		\$ 540,000		\$ 540,000
						<u>\$ 540,000</u>	<u>\$ 540,000</u>	<u>\$ 540,000</u>	<u>\$ 540,000</u>

PROPRIETARY FUND

DETAIL STATEMENTS

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

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2014

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 14,132
Receivables from Other Governments:	
State	460
Federal	3,414
Accounts Receivable-Other	861
Inventory	5,828
Total Current Assets	<u>24,695</u>
Noncurrent Assets:	
Capital Assets	165,955
Less: Accumulated Depreciation	155,474
Total Noncurrent Assets	<u>10,481</u>
Total Assets	<u>35,176</u>
LIABILITIES	
Current Liabilities:	
Unearned Revenue	11,402
Total Liabilities	<u>11,402</u>
NET POSITION	
Net Investment in Capital Assets	10,481
Unrestricted	13,293
TOTAL NET POSITION	<u>\$ 23,774</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 227,888
Daily Sales-Unreimbursable Programs	125,879
Total Operating Revenues	353,767
Other Expenses:	
Salaries	149,803
Employee Benefits	40,619
Purchased Professional Services	
Purchased Property Services (Repairs)	145
Insurance	2,376
Management Fee	15,975
Other Purchased Services	3,392
Supplies and Materials	242
Depreciation	4,696
Costs of Sales	180,413
Commodity Food Costs	29,857
Miscellaneous	978
Total Operating Expenses	428,496
Operating Income (Loss)	(74,729)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	3,839
Federal Sources:	
National School Lunch Program:	
Cash Assistance	48,727
Non-Cash Assistance (Commodities)	29,857
Interest Earned on Investments	183
Total Nonoperating Revenues (Expenses)	82,606
Change in Net Position	7,877
Net Position, Beginning	15,897
Net Position, Ending	\$ 23,774

CLINTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 355,852
Payments to Food Service Management Company	(394,074)
Payments to Vendors (Net)	(201)
Net Cash Provided by (Used For) Operating Activities	(38,423)
Cash Flows from Noncapital Financing Activities:	
State Sources	3,846
Federal Sources	48,196
General Fund Interfund Activity	1,523
Net Cash Provided by (Used For) Noncapital Financing Activities	53,565
Cash Flows from Investing Activities:	
Interest Earned on Investments	183
Net Increase (Decrease) in Cash and Cash Equivalents	15,325
Cash and Cash Equivalents (Deficit), July 1	(1,193)
Cash and Cash Equivalents (Deficit), June 30	\$ 14,132
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (74,729)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	4,696
Federal Food Donation Program	29,857
(Increase) Decrease in Accounts Receivable	(497)
(Increase) Decrease in Inventory	(544)
Increase (Decrease) in Unearned Revenue	2,794
Net Cash Provided by (Used For) Operating Activities	\$ (38,423)

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 POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 64,476	\$ 100,814	\$ 160,688	\$ 325,978
Total Assets	<u>64,476</u>	<u>100,814</u>	<u>160,688</u>	<u>325,978</u>
LIABILITIES				
Due to Other Funds			11,604	11,604
Accounts Payable	14,378			14,378
Accumulated Interest			268	268
Due to Student Groups		100,814		100,814
Payroll Deductions & Withholdings			148,816	148,816
Total Liabilities	<u>14,378</u>	<u>100,814</u>	<u>160,688</u>	<u>275,880</u>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 50,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,098</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 26,847
Investment Earnings:	
Interest	<u>243</u>
Total Additions	<u>27,090</u>
DEDUCTIONS	
Unemployment Claims	<u>73,428</u>
Total Deductions	<u>73,428</u>
Change in Net Position	(46,338)
Net Position, Beginning of the Year	<u>96,436</u>
Net Position, End of the Year	<u><u>\$ 50,098</u></u>

CLINTON TOWNSHIP SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
ASSETS				
Cash & Cash Equivalents	\$ 89,240	\$ 187,187	\$ 175,613	\$ 100,814
Due From Other Funds	10,728		10,728	
TOTAL ASSETS	\$ 99,968	\$ 187,187	\$ 186,341	\$ 100,814
LIABILITIES				
Due to Student Groups:				
Spruce Run School	\$ 11,406	\$ 7,083	\$ 5,780	\$ 12,709
Patrick McGaheran School	8,633	15,508	11,998	12,143
Round Valley School	9,896	32,847	33,395	9,348
Clinton Twp. Middle School	70,033	131,749	135,168	66,614
TOTAL LIABILITIES	\$ 99,968	\$ 187,187	\$ 186,341	\$ 100,814

CLINTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
ASSETS				
Cash & Cash Equivalents	\$ 53,774	\$ 16,925,463	\$ 16,818,549	\$ 160,688
TOTAL ASSETS	\$ 53,774	\$ 16,925,463	\$ 16,818,549	\$ 160,688
LIABILITIES				
Due to Other Funds	\$ 10,000	\$ 28,451	\$ 26,847	\$ 11,604
Accumulated Interest	232	48	12	268
Payroll Deductions/Withholdings	37,378	7,476,169	7,370,930	142,617
Net Payroll	6,164	9,420,795	9,420,760	6,199
TOTAL LIABILITIES	\$ 53,774	\$ 16,925,463	\$ 16,818,549	\$ 160,688

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, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/13	Issued	Retired	Balance 06/30/14			
			Date	Amount								
2006 Refunding of 2003 Issue	09/6/2006	\$ 8,830,000	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		\$ 8,745,000	\$ 20,000	\$ 8,725,000							
2011 Refunding of 2003 Issue	06/30/2011	12,100,000	01/15/2015	860,000	3.00%							
			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						11,090,000	835,000	10,255,000

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2014
(Continued)

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/13	Issued	Retired	Balance 06/30/14
			Date	Amount					
2012 Refunding of 2003 Issue	12/22/2011	\$ 10,630,000	01/15/2015	\$ 25,000	3.00%				
			01/15/2016-						
			01/15/2017	30,000	3.00%				
			01/15/2018-						
			01/15/2019	30,000	2.00%				
			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%							
					\$ 10,420,000		\$ 25,000	\$ 10,395,000	
					\$ 30,255,000	\$ -	\$ 880,000	\$ 29,375,000	

CLINTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(NOT APPLICABLE TO THIS REPORT)

CLINTON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,083,196		\$ 2,083,196	\$ 2,083,196	
Total Revenues	<u>2,083,196</u>	<u>\$ -</u>	<u>2,083,196</u>	<u>2,083,196</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	1,274,968		1,274,968	1,274,968	
Redemption of Principal	880,000		880,000	880,000	
Total Expenditures	<u>2,154,968</u>	<u>-</u>	<u>2,154,968</u>	<u>2,154,968</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,772)		(71,772)	(71,772)	-
Fund Balance, July 1	<u>71,772</u>	<u>-</u>	<u>71,772</u>	<u>71,772</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (71,772)</u>	<u>\$ -</u>	<u>\$ (71,772)</u>	<u>\$ (71,772)</u>	<u>\$ -</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.

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,723,435	\$ 24,086,810	\$ 24,136,109	\$ 24,467,555
Restricted	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276	687,759	1,623,134	1,999,577
Unrestricted	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(369,994)	144,549	(1,095,792)	(958,094)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 14,925,553</u>	<u>\$ 19,768,682</u>	<u>\$ 22,998,317</u>	<u>\$ 23,745,299</u>	<u>\$ 24,598,093</u>	<u>\$ 24,444,504</u>	<u>\$ 25,078,717</u>	<u>\$ 24,919,118</u>	<u>\$ 24,663,451</u>	<u>\$ 25,509,038</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets							\$ 14,089	\$ 19,873	\$ 15,177	\$ 10,481
Unrestricted							12,144	4,894	720	13,293
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,233</u>	<u>\$ 24,767</u>	<u>\$ 15,897</u>	<u>\$ 23,774</u>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 15,025,769	\$ 19,361,930	\$ 23,005,349	\$ 23,653,443	\$ 24,273,857	\$ 24,170,262	\$ 24,737,524	\$ 24,106,683	\$ 24,151,286	\$ 24,478,036
Restricted	334,728	833,240	1,178,068	468,803	439,811	360,271	725,276	687,759	1,623,134	1,999,577
Unrestricted	(434,944)	(426,488)	(1,185,100)	(376,947)	(115,575)	(86,029)	(357,850)	149,443	(1,095,072)	(944,801)
TOTAL DISTRICT-WIDE	<u>\$ 14,925,553</u>	<u>\$ 19,768,682</u>	<u>\$ 22,998,317</u>	<u>\$ 23,745,299</u>	<u>\$ 24,598,093</u>	<u>\$ 24,444,504</u>	<u>\$ 25,104,950</u>	<u>\$ 24,943,885</u>	<u>\$ 24,679,348</u>	<u>\$ 25,532,812</u>

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 8,693,496	\$ 8,918,661	\$ 9,584,955	\$ 10,475,635	\$ 10,043,370	\$ 10,217,601	\$ 10,295,742	\$ 11,059,953	\$ 11,072,542	\$ 10,427,487
Special Education	2,713,146	2,779,702	3,540,796	3,291,525	3,484,836	3,416,750	3,299,597	4,125,625	4,555,119	4,493,701
Other Special Education	245,349	188,731	309,989	277,501	401,992	338,861	429,705	454,506	825,701	907,843
Other Instruction	96,422	94,879	79,135	97,082	166,473	165,740	52,817	30,593	82,329	87,515
Support Services:										
Tuition	202,719	363,353	551,591	578,004	616,096	740,675	644,832	687,219	851,271	873,557
Student & Instruction Related Services	2,851,740	3,534,810	3,553,613	4,312,277	4,283,237	4,969,819	4,866,959	5,117,953	5,209,914	5,733,507
General & Business Administrative Services	1,472,117	1,711,993	1,835,510	1,574,369	1,466,054	1,508,265	1,572,965	1,682,380	1,265,380	1,162,128
School Administration	1,015,939	1,032,402	1,145,778	1,278,280	1,313,750	1,410,570	1,340,834	1,330,348	1,344,527	1,338,075
Plant Operations & Maintenance	2,078,819	2,011,351	2,189,848	2,870,477	2,875,907	2,828,358	2,579,451	2,524,664	2,481,162	2,618,431
Pupil Transportation	1,582,651	1,747,694	1,884,304	1,851,610	1,933,904	2,028,437	1,887,008	1,814,468	1,901,850	1,589,009
Food Services	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	111,631	114,065
Transfer to Charter Schools		16,703								
Interest on Long Term Debt	1,805,606	1,746,451	1,924,428	1,799,686	1,624,627	1,495,883	1,266,814	1,193,844	1,357,230	1,358,695
Total Governmental Activities Expenses	22,776,214	24,244,966	26,621,264	28,574,347	28,430,881	29,387,677	28,326,582	30,107,119	31,058,656	30,704,013
Business-Type Activities:										
Food Services							485,150	481,361	468,526	428,496
Total Business-Type Activities	-	-	-	-	-	-	485,150	481,361	468,526	428,496
TOTAL DISTRICT EXPENSES	\$ 22,776,214	\$ 24,244,966	\$ 26,621,264	\$ 28,574,347	\$ 28,430,881	\$ 29,387,677	\$ 28,811,732	\$ 30,588,480	\$ 31,527,182	\$ 31,132,509

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 211,848	\$ 258,615	\$ 235,926	\$ 414,764	\$ 415,117	\$ 426,432	\$ 484,226	\$ 426,078	\$ 377,789	\$ 344,801
Special Education	4,035	41,395	86,936		86,190	31,666	123,977	156,779	67,775	89,808
Other Instruction				7,667			46,806		63,806	
Other Support Services- Tuition	1,330									2,787
Student & Instructional Related Services	53,182	100				48,583	51,253	46,292	43,275	47,144
General & Business Administrative Services	11	93	273	1,825	83,074	38,777	39,878	40,817	38,000	5,312
Plant Operations & Maintenance	87,119	96,801	109,077	98,525	117,669	83,487	58,657	58,944	67,447	67,589
Pupil Transportation	10,000	10,000	10,000	16,400	19,800	15,978	19,784	29,569	38,812	34,054
Special Schools		64,900								7,340
Operating Grants & Contributions	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344	764,091	644,603	837,903
Capital Grants & Contributions	31,645	3,356,417	3,653,616	119,127	102,062					59,895
Total Governmental Activities Program Revenues	979,691	4,467,318	4,706,891	1,393,538	1,589,263	1,600,292	1,858,925	1,522,570	1,341,507	1,496,633
Business-Type Activities:										
Charges for Services:										
Food Service							429,007	401,046	375,792	353,767
Operating Grants & Contributions							60,628	78,106	82,351	82,423
Total Business-Type Activities Program Revenues	-	-	-	-	-	-	489,635	479,152	458,143	436,190
TOTAL DISTRICT-PROGRAM REVENUES	\$ 979,691	\$ 4,467,318	\$ 4,706,891	\$ 1,393,538	\$ 1,589,263	\$ 1,600,292	\$ 2,348,560	\$ 2,001,722	\$ 1,799,650	\$ 1,932,823
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (21,796,523)	\$ (19,777,648)	\$ (21,914,373)	\$ (27,180,809)	\$ (26,841,618)	\$ (27,787,385)	\$ (26,467,657)	\$ (28,584,549)	\$ (29,717,149)	\$ (29,207,380)
Business-Type Activities							4,485	(2,209)	(10,383)	7,694
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (21,796,523)	\$ (19,777,648)	\$ (21,914,373)	\$ (27,180,809)	\$ (26,841,618)	\$ (27,787,385)	\$ (26,463,172)	\$ (28,586,758)	\$ (29,727,532)	\$ (29,199,686)

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 16,793,105	\$ 17,547,401	\$ 18,273,534	\$ 21,122,013	\$ 21,102,628	\$ 21,533,969	\$ 22,145,328	\$ 22,311,013	\$ 22,281,013	\$ 22,530,498
Property Taxes Levied for Debt Service	1,635,674	3,067,929	3,064,645	2,717,581	2,987,434	2,600,256	2,732,796	2,241,684	2,170,882	2,083,196
Unrestricted Grants & Contributions	2,650,643	2,871,828	3,603,834	3,755,960	3,398,695	3,384,872	2,416,664	3,856,577	5,291,912	5,326,061
Investment Earnings	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158	44,481	21,233	21,145
Miscellaneous Income	27,338	33,601	86,698	38,971	182,299	247,523	440,747	275,186	100,756	98,724
Transfers Out	(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)	(75,000)	(45,000)	
Special Item-Prior Year Accounts Receivable Canceled	1,163,376									
Special Item-Gain/(Loss) on Deletion of Assets			12,136	(12,324)	(1,524)					(6,657)
Special Item-Gain/(Loss) on Transfer of Assets							(21,713)			
Special Item-Payment to Refunding Bond Agent			(436,726)				(519,110)	(228,991)		
Special Item-Insurance Proceeds for Flood Damage									42,104	
Total Governmental Activities	22,989,679	24,620,777	25,144,008	27,927,791	27,694,412	27,633,796	27,101,870	28,424,950	29,862,900	30,052,967
Business-Type Activities:										
Investment Earnings							35	435	188	183
Special Item-Gain/(Loss) on Transfer of Assets							21,713	308	1,325	
Total Business-Type Activities	-	-	-	-	-	-	21,748	743	1,513	183
TOTAL DISTRICT-WIDE	\$ 22,989,679	\$ 24,620,777	\$ 25,144,008	\$ 27,927,791	\$ 27,694,412	\$ 27,633,796	\$ 27,123,618	\$ 28,425,693	\$ 29,864,413	\$ 30,053,150
CHANGE IN NET POSITION										
Governmental Activities	\$ 1,193,156	\$ 4,843,129	\$ 3,229,635	\$ 746,982	\$ 852,794	\$ (153,589)	\$ 634,213	\$ (159,599)	\$ 145,751	\$ 845,587
Business-Type Activities							26,233	(1,466)	(8,870)	7,877
TOTAL DISTRICT	\$ 1,193,156	\$ 4,843,129	\$ 3,229,635	\$ 746,982	\$ 852,794	\$ (153,589)	\$ 660,446	\$ (161,065)	\$ 136,881	\$ 853,464

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Restricted	\$ 39,809	\$ 39,809	\$ 8,906	\$ 8,906	\$ 73,055	\$ 73,055	\$ 3,502	\$ 84,739	\$ 81,237	
Committed	1	75,372	79,245	53,821	104,284	229,430	619,580	522,371	1,447,831	\$ 929,792
Assigned	244,769	734,679	134,840	830,072	528,288	567,154	766,326	1,216,314	254,882	566,647
Unassigned	301,252	210,613	450,869	379,870	628,376	521,381	860,394	719,270	628,567	514,457
Total General Fund	\$ 585,831	\$ 1,060,473	\$ 673,860	\$ 1,272,669	\$ 1,334,003	\$ 1,391,020	\$ 2,249,802	\$ 2,542,694	\$ 2,412,517	\$ 2,010,896
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 27,692,395	\$ 13,525,016	\$ 2,248,638	\$ 552,125	\$ 552,497	\$ 523,320	\$ 425,439	\$ 418,561	\$ 418,561	\$ 1,384,815
Assigned, Reported In:										
Debt Service Fund	57,879	677,551	747,066	286,905	207,382	8,058	901	61,857	71,772	
Total All Other Governmental Funds	\$ 27,750,274	\$ 14,202,567	\$ 2,995,704	\$ 839,030	\$ 759,879	\$ 531,378	\$ 426,340	\$ 480,418	\$ 490,333	\$ 1,384,815

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Tax Levy	\$ 18,428,779	\$ 20,615,330	\$ 21,338,179	\$ 23,839,594	\$ 24,090,062	\$ 24,134,225	\$ 24,878,124	\$ 24,552,697	\$ 24,451,895	\$ 24,613,694
Tuition Charges	211,048	258,615	235,926	414,764	501,307	458,098	608,203	582,857	444,124	434,609
Transportation Fees	10,000	10,000	10,000	16,400	19,800	15,978	15,978	26,317		
Interest Earnings	730,297	1,102,018	540,887	315,590	40,880	13,115	7,158	44,481	21,233	21,145
Miscellaneous	50,578	21,161	20,518	81,192	314,343	422,640	562,296	156,996	137,568	110,388
State Sources	2,801,783	3,081,396	3,810,300	3,986,730	3,703,713	3,664,102	2,666,473	3,984,372	5,482,915	5,531,287
State Sources-Capital Projects	31,645	3,356,417	3,653,616	119,127	102,062					59,895
Federal Sources	424,005	419,416	399,656	442,214	432,002	622,422	731,633	609,711	414,257	584,847
Total Revenues	22,688,135	28,864,353	30,009,082	29,215,611	29,204,169	29,330,580	29,469,865	29,957,431	30,951,992	31,355,865
Expenditures:										
Instruction:										
Regular Instruction	6,512,224	6,505,462	6,520,666	6,768,244	7,133,712	6,994,248	6,882,570	7,361,905	7,367,340	6,925,038
Special Education Instruction	2,016,790	1,945,237	2,401,497	2,224,565	2,460,601	2,039,225	1,844,152	2,357,196	2,782,540	2,958,654
Other Special Instruction	186,888	158,096	215,185	221,028	278,481	233,327	270,107	284,442	521,774	580,738
School Sponsored/Other Instructional	73,780	80,998	57,673	75,609	118,432	112,630	3,735	19,729	12,559	61,655
Support Services:										
Tuition	50,742	98,034	551,591	578,004	616,096	692,865	556,493	680,719	817,218	388,568
Student & Inst Related Services	1,975,158	2,474,365	2,186,598	2,677,087	2,737,918	3,324,588	3,123,051	3,359,037	3,414,393	3,773,373
General Administration	580,049	681,972	592,188	637,450	543,258	535,962	558,046	558,990	489,321	450,982
School Administration Services	712,508	719,616	846,082	937,436	951,734	1,013,008	884,959	853,486	895,970	865,515
Central Services	350,684	412,714	387,425	367,992	439,975	424,616	425,335	369,223	366,229	381,322
Administrative Information Technology	206,776	295,992	351,404	257,582	158,753	122,012	102,284	132,882	31,644	22,610
Plant Operations & Maintenance	1,774,030	1,647,376	1,763,905	2,381,484	2,428,324	2,347,758	2,118,743	2,024,338	2,015,701	2,156,672
Pupil Transportation	1,584,276	1,740,541	1,874,888	1,843,013	1,925,189	2,019,941	1,870,359	1,798,780	1,851,268	1,541,955
Employee Benefits	2,490,432	2,959,337	3,334,055	3,455,706	3,743,903	3,984,681	4,320,723	4,716,982	4,580,270	4,560,740
Food Service	7,619	6,572	10,858	14,900	19,102	22,392				
On-Behalf TPAF Pension & Social Security Contribution	1,087,732	1,279,335	1,940,221	2,037,056	1,469,916	1,518,172	1,532,804	1,877,027	2,395,022	2,191,134
Capital Outlay	18,593	81,218	49,725	389,729	104,220	24,483	119,853	91,430	597,302	213,345
Special Schools		15,651		108,902	135,731	161,276	59,163	56,029	72,806	70,411
Transfer of Funds to Charter Schools		16,703								
Special Revenue Funds	580,521	638,997	611,063	735,230	765,351	955,369	1,034,344	764,091	639,308	837,903
Capital Projects Fund	4,445,490	17,088,959	15,077,572	1,843,402	101,690	29,177	259,437	153,082		638,412
Debt Service:										
Principal	1,294,799	1,329,800	1,354,800	1,279,799	1,439,800	1,245,000	1,280,000	1,225,000	860,000	880,000
Interest & Other Charges	1,984,335	1,758,443	1,687,384	2,065,909	1,634,400	1,555,395	1,531,519	997,297	1,358,693	1,363,977
Total Expenditures	27,933,426	41,935,418	41,814,780	30,900,127	29,206,586	29,356,125	28,777,677	29,681,665	31,069,358	30,863,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,245,291)	(13,071,065)	(11,805,698)	(1,684,516)	(2,417)	(25,545)	692,188	275,766	(117,366)	492,861
Other Financing Sources (Uses):										
Capital Leases (Non-Budgeted)				132,516						
Insurance Claim Proceeds for Storm Damage									42,104	
Premium on Bonds and Notes			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	1,250,000		18,590							
Transfers In (Out)	(10,754)	(2,000)	(1,000)	(10,000)	(16,000)	(145,939)	(100,000)	(75,000)	(45,000)	
Total Other Financing Sources (Uses)	1,239,246	(2,000)	212,222	126,651	(15,400)	(145,939)	61,556	71,204	(2,896)	-
Net Change in Fund Balances	\$ (4,006,045)	\$ (13,073,065)	\$ (11,593,476)	\$ (1,557,865)	\$ (17,817)	\$ (171,484)	\$ 753,744	\$ 346,970	\$ (120,262)	\$ 492,861
Debt Service as a Percentage of Non-Capital Expenditures	16.24%	14.25%	12.87%	13.21%	11.86%	10.57%	10.99%	8.17%	7.85%	8.08%
Source: District Records										

NOTE: Non-capital expenditures are total expenditures less capital outlay, lease purchase agreement-principal, capital projects fund, and debt service.

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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Interest Income	\$ 64,925	\$ 172,319	\$ 184,357	\$ 151,759	\$ 34,237	\$ 12,300	\$ 7,072	\$ 44,481	\$ 21,233	\$ 21,145
Tuition	211,048	258,615	235,926	414,764	501,307	458,098	608,203	582,857	444,124	434,609
Transportation Fees	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	40,800	
Employee Contributions for Health Benefits						203,360	275,475			
Book Fines								21		
Building Use Rental Income	40,400			10,000	47,374	60,987	56,523	33,800	43,675	50,840
E-Rate Telephone Rebates					10,394	8,712	56,073	42,694	800	
Donations				5,603	43,012					
Payroll Account Balances		2,138			10	645				
Prior Year Refunds		3,071	8,638	2,417	120	838	17,033	2,909	12,210	
Prior Year Accounts Payable Canceled				325	31,932	6,439	3,370	2,646		10,952
Prior Year Outstanding Checks Canceled	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							700	120	162	
Miscellaneous Other	18	1,228	450	286	2,872	1,022	682	1757	578	766
Annual Totals	<u>\$ 331,175</u>	<u>\$ 452,082</u>	<u>\$ 445,860</u>	<u>\$ 601,554</u>	<u>\$ 841,356</u>	<u>\$ 855,299</u>	<u>\$ 1,140,647</u>	<u>\$ 784,066</u>	<u>\$ 563,582</u>	<u>\$ 518,312</u>

Source: District Records

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 25,178,000	\$ 21,548,100	\$ 20,364,500	\$ 19,106,600	\$ 19,716,000	\$ 18,895,600	\$ 18,076,000	\$ 15,748,800	\$ 14,144,800	\$ 13,374,700
Residential	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	1,706,925,700	1,706,616,300
Farm Regular	53,599,400	69,249,700	70,948,100	70,456,000	70,495,700	70,897,500	69,096,900	61,211,000	58,510,900	55,811,400
Q Farm	2,621,600	2,609,800	2,861,516	2,533,216	2,452,816	2,515,500	2,499,600	2,482,100	2,473,500	2,393,000
Commercial	189,682,244	226,528,300	221,664,300	228,922,200	234,903,800	228,936,000	226,230,600	211,503,000	197,046,000	191,683,800
Industrial	149,292,000	162,969,600	162,969,600	164,242,500	164,242,500	164,242,500	158,714,500	147,366,600	143,348,600	147,099,700
Apartment	18,623,800	18,005,800	18,005,800	18,005,800	18,005,800	18,132,000	18,132,000	18,111,100	18,541,900	18,541,900
Total Assessed Value	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	2,140,991,400	2,135,520,800
Public Utilities (a)	9,046,869	12,078,767	13,071,697	14,613,079	13,462,227	11,039,724	8,858,764	7,336,516	5,974,452	-
Net Valuation Taxable	\$ 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	\$ 2,146,965,852	\$ 2,135,520,800
Estimated Actual County Equal. Value	\$ 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	\$ 2,178,554,898	\$ 2,181,551,537
Percentage of Net Valuation to Estimated Actual County Equalized Value	85.27%	98.46%	92.91%	98.20%	102.24%	101.29%	103.48%	103.20%	98.55%	97.89%
Total Direct School Tax Rate (b)	\$ 1.03	\$ 0.83	\$ 0.92	\$ 0.92	\$ 0.93	\$ 0.98	\$ 1.01	\$ 1.11	\$ 1.15	\$ 1.16

*

Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

Assessment Year	School District Direct Rate						Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Regional School Rate	Municipality	County		
			Total Direct School Tax Rate	Total					
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		
2013	1.05	0.10	1.15	0.64	0.28	0.37	2.44		
2014	1.06	0.10	1.16	0.66	0.30	0.37	2.49		

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

	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Exxon Capital Corporation	\$ 113,600,000	1	5.32%	\$ 114,345,300	1	5.73%
New York Life Insurance Company	21,603,500	2	1.01%	39,534,700	2	1.98%
East Coast- The Mews at Annandale	16,799,000	3	0.79%			
ARCP OFC Annandale NJ LLC	16,250,000	3	0.76%			
PVI-WIP Clinton LLC	12,760,000	5	0.60%			
Transcontinental Gas Pipeline	11,973,000	6	0.56%			
Hunterdon Medical Center	6,283,600	7	0.29%			
American Golf Corp	5,689,700	8	0.27%			
Annandale Falls LLC	5,638,200	9	0.26%			
Meridian Property Group LLC	4,637,300	10	0.22%	6,261,200	10	0.31%
Toys DC East LLC				23,384,200	3	1.17%
Beaver Brook Arc Inc				20,363,800	4	1.02%
Clinton Building Associates LLC				20,066,700	5	1.00%
United Telephone Company of NJ				11,770,690	6	0.59%
NGP Realty Sub LP				9,355,400	7	0.47%
Orleans Company NJ				6,989,500	8	0.35%
Chanco Development Corp				6,700,200	9	0.34%
	<u>\$ 215,234,300</u>		<u>10.08%</u>	<u>\$ 258,771,690</u>		<u>12.96%</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
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%
2012	51,641,864	50,925,292	98.61%
2013	52,445,842	51,806,694	98.78%

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			
2005	\$ 39,758,199					\$ 39,758,199	4.76%	\$ 2,878
2006	38,428,399					38,428,399	4.55%	2,755
2007	37,564,599			\$ 7,194,675		44,759,274	4.94%	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	3.84%	2,641
2010	33,600,000		38,256	540,000		34,178,256	3.84%	2,536
2011	31,790,000		5,789	540,000		32,335,789	3.68%	2,405
2012	31,115,000			540,000		31,655,000	3.48%	2,412
2013	30,255,000			540,000		30,795,000	3.21%	2,315
2014	29,375,000			540,000		29,915,000	N/A	2,249

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		% of Actual Taxable Value of Property (a)	Per Capita (b)	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
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%	2,364
2012	31,115,000		31,115,000	1.41%	2,371
2013	30,255,000		30,255,000	1.41%	2,275
2014	29,375,000		29,375,000	1.38%	2,208

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, 2013

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 27,224,557	100.00	\$ 27,224,557
Regional High School	2,815,000	27.37	770,400
County General Obligation Debt	69,514,672	10.56	7,341,840
Subtotal, Overlapping Debt			35,336,797
School District Direct Debt			31,155,879
Total Direct and Overlapping Debt			<u>\$ 66,492,676</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 2014

Equalized Valuation Basis

2013	\$ 2,187,140,055
2012	2,237,793,709
2011	<u>2,347,777,638</u>
	<u>\$ 6,772,711,402</u>

Average Equalized Valuation of Taxable Property \$ 2,257,570,467

Debt Limit (3.0% of Average Equalization Value) 67,727,114 (a)

Total Net Debt Applicable to Limit 30,275,879

Legal Debt Margin \$ 37,451,235

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 58,404,085	\$ 63,460,895	\$ 69,980,832	\$ 75,719,273	\$ 79,082,228	\$ 79,246,179	\$ 76,542,565	\$ 73,531,161	\$ 70,319,904	\$ 67,727,114
Total Net Debt Applicable	<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>	<u>31,155,879</u>	<u>30,275,879</u>
Legal Debt Margin	<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>	<u>\$ 39,164,025</u>	<u>\$ 37,451,235</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	80.46%	71.94%	63.96%	50.27%	46.32%	43.63%	42.71%	43.54%	44.31%	44.70%

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)
2005	13,813	\$ 836,266,646	\$ 60,542	4.1%
2006	13,949	906,712,898	65,002	4.5%
2007	13,926	952,134,546	68,371	3.9%
2008	13,896	956,419,992	68,827	5.2%
2009	13,897	918,049,717	66,061	9.2%
2010	13,477	880,668,042	65,346	9.5%
2011	13,448	932,753,280	69,360	9.3%
2012	13,123	946,575,113	72,131	9.6%
2013	13,301	N/A	N/A	5.0%
2014	13,301	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	2014			2005		
	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 TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular	110.0	115.0	141.0	110.5	109.0	106.5	111.5	110.0	103.5	107.9
Special Education	88.0	94.0	54.0	77.1	87.4	76.0	71.5	92.6	100.6	85.2
Support Services:										
Student and Instruction Related Services	28.0	28.0	28.0	32.6	33.6	32.9	31.3	29.0	27.7	30.3
General Administration	2.0	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	12.0	12.0	11.0	11.0	11.0	11.0	11.0
Central Services	5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	4.0	4.0	4.0	5.0	5.0	8.0	3.0	1.0	1.0	1.0
Plant Operations and Maintenance	17.0	17.0	16.0	24.4	25.4	22.9	17.0	24.5	14.5	19.75
Total	<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>	<u>265.3</u>	<u>262.15</u>

Sources: District Personnel Records

CLINTON TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2013	1,602	28,253,363	17,636	1.48%	163	1 to 9.83	1,624.5	1,558.3	3.77%	95.92%
2014	1,550	27,767,270	17,914	1.58%	157	1 to 9.87	1,542.7	1,481.1	-5.03%	96.01%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<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	563	574	528	351	358	326	312	301	303	292
<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	610	624	382	338	334	343	301	284	288
<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	649	658	653	613	612	605	562	556	558	539
<u>Clinton Township Middle School (2007)</u>										
Square Feet				123,284	123,284	123,284	123,284	123,284	123,284	123,284
Capacity (Students)				640	640	640	640	640	640	640
Enrollment				428	444	445	463	462	457	425
Number of Schools at June 30, 2014:										
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

<u>*School Facilities</u>	<u>Spruce Run School</u>	<u>Patrick McGaheeran School</u>	<u>Round Valley School</u>	<u>Clinton Township Middle School</u>	<u>Josephine Mitchell Administrative Building (1)</u>	<u>Total</u>
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
2013	85,939	100,474	114,858	101,240		402,511
2014	58,124	93,727	145,003	158,257		455,111
	<u>\$ 948,934</u>	<u>\$ 1,160,953</u>	<u>\$ 1,430,666</u>	<u>\$ 740,957</u>	<u>\$ 3,637</u>	<u>\$ 4,285,147</u>

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

(1) Building Sold in Fiscal Year 2005

CLINTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-NJ School Boards Assoc		
Insurance Group:		
Property-Building Blanket and Contents	\$ 91,982,242	\$ 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	50,000,000	
School Board Legal Liability-NJ School Boards Assoc		
Insurance Group:		
Directors and Officers Policy	11,000,000	5,000
Environmental Impairment Policy-NJ School Boards Assoc		
Insurance Group Through Chubb Insurance:		
Aggregate Limit	11,000,000	25,000
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-Monumental Life Insurance Company:		
Policy Limit	1,000,000	
Public Employees' Faithful Performance-Selective Insurance:		
School Board Secretary/Business Administrator	250,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 26, 2014

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Clinton Township School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 26, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

November 26, 2014

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Members of the Board of Education Clinton Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2014, and have issued our report thereon dated November 26, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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, 2014

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2014		
											Accounts Receivable	Unearned Revenue	Due to Grantor
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund													
NCLB Title IA	84.010A	NCLB-092012	\$ 22,013	09/01/2011-08/31/2012	\$ (3,406)		\$ 3,406						
NCLB Title IA	84.010A	NCLB-092013	21,143	09/01/2012-08/31/2013	(21,143)		21,143						
NCLB Title IA	84.010A	NCLB-092014	27,733	07/01/2013-06/30/2014			27,312	\$ 27,312			\$ (421)	\$ 421	
NCLB Title IIA	84.367A	NCLB-092011	25,981	09/01/2010-08/31/2011	(910)						(910)		
NCLB Title IIA	84.367A	NCLB-092012	23,705	09/01/2011-08/31/2012	(23,705)		23,705						
NCLB Title IIA	84.367A	NCLB-092013	21,468	09/01/2012-08/31/2013	(11,288)	\$ (4,723)	16,745	3,787			(4,723)	1,670	
NCLB Title IIA Carry-over	84.367A	NCLB-092014	21,468	07/01/2013-06/30/2014		4,723		4,723					
NCLB Title IIA	84.367A	NCLB-092014	21,218	07/01/2013-06/30/2014			21,218	21,190				28	
IDEA Cluster:													
IDEA Basic	84.027	IDEA-092013	420,874	09/01/2012-08/31/2013	(70,046)	(56,228)	235,750	109,476					
IDEA Basic Carry-Over	84.027	IDEA-092013	420,874	07/01/2013-06/30/2014		56,228		56,228					
IDEA Basic	84.027	IDEA-092014	401,227	07/01/2013-06/30/2014			260,568	355,065			(140,659)	46,162	
IDEA Preschool	84.173	IDEA-092013	13,092	09/01/2012-08/31/2013	(3,928)		3,928						
IDEA Preschool	84.173	IDEA-092014	12,126	07/01/2013-06/30/2014			12,126	12,126					
IDEA Cluster Subtotal					(73,974)	-	512,372	532,895	\$ -	\$ -	(140,659)	46,162	
Total Special Revenue Fund					(134,426)	-	625,901	589,907	-	-	(146,713)	48,281	

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, 2014
(CONTINUED)

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2014			
											Accounts Receivable	Unearned Revenue	Due to Grantor	
US Department of Agriculture Passed- Through State Department of Agriculture: Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program- Cash Assistance	10.555	N/A	55,379	07/01/2012- 06/30/2013	\$ (2,883)		\$ 2,883							
National School Lunch Program- Non-cash Assistance (Commodities)	10.555	N/A	22,954	07/01/2012- 06/30/2013	2,337			\$ 2,337						
National School Lunch Program- Cash Assistance	10.555	N/A	48,727	07/01/2013- 06/30/2014			45,313	48,727			\$ (3,414)			
National School Lunch Program- Non-cash Assistance (Commodities)	10.555	N/A	30,069	07/01/2013- 06/30/2014			30,069	27,520				\$ 2,549		
Total Enterprise Fund					(546)	\$ -	78,265	78,584	\$ -	\$ -	(3,414)	2,549	\$ -	
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (134,972)	\$ -	\$ 704,166	\$ 668,491	\$ -	\$ -	\$ (150,127)	\$ 50,830	\$ -	

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, 2014

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2014			MEMO		
				Unearned Rev (Accts Rec)	Due to Grantor					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education</u>															
General Fund:															
Categorical Special Education Aid	14-495-034	\$ 780,827	07/01/2013-												
	-5120-089		06/30/2014			\$ 780,827	\$ 780,827						\$ 73,407	\$ 780,827	
Categorical Transportation Aid	14-495-034	147,078	07/01/2013-												
	-5120-014		06/30/2014			147,078	147,078						13,827	147,078	
Categorical Security Aid	14-495-034	82,468	07/01/2013-												
	-5120-084		06/30/2014			82,468	82,468						7,753	82,468	
School Choice Aid	14-495-034	1,457,792	07/01/2013-												
	-5120-068		06/30/2014			1,457,792	1,457,792						137,051	1,457,792	
Extraordinary Aid	14-100-034	665,789	07/01/2013-												
	-5120-473		06/30/2014				665,789			\$ (665,789)				665,789	
Extraordinary Aid	13-100-034	659,786	07/01/2012-												
	-5120-473		06/30/2013	\$ (659,786)		659,786								659,786	
Nonpublic Remote Transportation	14-495-034	17,093	07/01/2013-												
	-5120-014		06/30/2014				17,093			(17,093)				17,093	
Nonpublic Remote Transportation	13-495-034	19,698	07/01/2012-												
	-5120-014		06/30/2013	(19,698)		19,698								19,698	
On-Behalf TPAF Pension Contribution- Post Retirement Medical	14-495-034	831,556	07/01/2013-												
	-5095-001		06/30/2014			831,556	831,556							831,556	
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	14-495-034	41,135	07/01/2013-												
	-5095-007		06/30/2014			41,135	41,135							41,135	
On-Behalf TPAF Pension Contribution- Normal Cost & Accrued Liability	14-495-034	466,028	07/01/2013-												
	-5095-006		06/30/2014			466,028	466,028							466,028	
Reimbursed TPAF Social Security Contribution	14-495-034	852,415	07/01/2013-												
	-5095-002		06/30/2014			852,415	852,415							852,415	
Total General Fund				(679,484)	\$ -	5,338,783	5,342,181	\$ -	\$ -	(682,882)	\$ -	\$ -	232,038	6,021,665	
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid	13-100-034	25,734	07/01/2012-												
	-5120-064		06/30/2013		1,655				1,655					24,079	
Textbook Aid	14-100-034	26,272	07/01/2013-												
	-5120-064		06/30/2014			26,272	20,201				6,071			20,201	
Nursing Services	14-100-034	36,978	07/01/2013-												
	-5120-070		06/30/2014			36,978	36,094				884			36,094	
Technology Initiative	13-100-034	9,596	07/01/2012-												
	-5120-373		06/30/2013		485				485					9,111	
Technology Initiative	14-100-034	9,580	07/01/2013-												
	-5120-373		06/30/2014			9,580	9,361					219		9,361	
Auxiliary Services Aid Cluster:															
Compensatory Education	14-100-034	48,791	07/01/2013-												
	-5120-067		06/30/2014			48,791	45,966					2,825		48,791	
English as a Second Language	14-100-034	873	07/01/2013-												
	-5120-067		06/30/2014			873						873			
Subtotal for Auxiliary Services Aid Cluster				-	-	49,664	45,966	-	-	-	-	3,698	-	48,791	
Handicapped Services Aid Cluster:															
Examination & Classification	13-100-034	33,922	07/01/2012-												
	-5120-066		06/30/2013		1				1					33,921	
Examination & Classification	14-100-034	43,315	07/01/2013-												
	-5120-066		06/30/2014			43,315	43,315							43,315	

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, 2014
(CONTINUED)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balances	Balance June 30, 2014			MEMO	
				Unearned Rev (Accts Rec)	Due to Grantor					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education														
Special Revenue Fund (Continued):														
NJ Nonpublic Aid (Continued):														
Handicapped Aid (Continued):														
Corrective Speech	13-100-034-5120-066	20,389	07/01/2012-06/30/2013		\$ 234				\$ 234					\$ 20,155
Corrective Speech	14-100-034-5120-066	25,858	07/01/2013-06/30/2014			\$ 25,858	\$ 25,311					\$ 547		25,311
Supplemental Instruction	14-100-034-5120-066	25,394	07/01/2013-06/30/2014			25,394	24,978					416		24,978
Subtotal-Handicapped Services Aid Cluster				\$ -	235	94,567	93,604	\$ -	235	\$ -	\$ -	963	\$ -	147,680
Total Special Revenue Fund				-	2,375	217,061	205,226	-	2,375	-	-	11,835	-	295,317
Capital Projects Fund (EDA):														
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
Security upgrades including vestibule and exterior doors project:														
Spruce Run School	0920-030-13-2002	208,384	N/A				208,384			(208,384)				208,384
Patrick Mcgaheran School	0920-035-13-2004	203,658	N/A				203,658			(203,658)				203,658
Round Valley School	0920-040-13-2005	265,558	N/A				265,558			(265,558)				265,558
Total Capital Projects Fund				(900,879)	-	-	677,600	-	-	(1,578,479)	-	-	-	7,621,695
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	13-100-010-3350-23	4,217	07/01/2012-06/30/2013	(467)		467								4,217
State School Lunch Program	14-100-010-3350-23	3,839	07/01/2013-06/30/2014			3,379	3,839			(460)				3,839
Total Enterprise Fund				(467)	-	3,846	3,839	-	-	(460)	-	-	-	8,056
TOTAL STATE FINANCIAL ASSISTANCE				\$ (1,580,830)	\$ 2,375	\$ 5,559,690	\$ 6,228,846	\$ -	\$ 2,375	\$ (2,261,821)	\$ -	\$ 11,835	\$ 232,038	\$ 13,946,733

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

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 (\$16,120) for the general fund and (\$5,060) for the special revenue fund and (\$617,705) 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			\$ 5,326,061	\$ 5,326,061
Special Revenue Fund	\$ 47,830	\$ 584,847	205,226	837,903
Capital Projects Fund			59,895	59,895
Food Service Fund		78,584	3,839	82,423
	<u>\$ 47,830</u>	<u>\$ 663,431</u>	<u>\$ 5,595,021</u>	<u>\$ 6,306,282</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

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, 2014. 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, 2014.

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

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 No

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

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

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	\$ 520,769	IDEA Cluster:
84.173	12,126	IDEA Basic
		IDEA Preschool

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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: Unmodified

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>
14-495-034-5120-089	\$ 780,827	Categorical Special Education Aid
14-495-034-5095-002	852,415	Reimbursed TPAF Social Security Aid
14-100-034-5120-473	665,789	Extraordinary Special Education Costs Aid
14-495-034-5120-068	1,457,792	School Choice Aid
Various	677,600	NJ SDA Cluster

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2014.

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, 2014.

K-7

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

There were no prior year findings or questioned costs.