Rating: _______ ______

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 3, 2009

In the opinion of McManimon & Scotland, L.L.C., Bond Counsel, assuming continuing compliance by the Issuer (as defined herein) with certain covenants described herein, interest on the Tax-Exempt School Bonds (as defined herein) is not includable in gross income for federal income tax purposes under current law, and is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. Pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Tax-Exempt School Bonds held by corporate taxpayers is not included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of interest on the Tax-Exempt School Bonds not being included in "adjusted current earnings." Bond counsel expresses no opinion regarding other federal tax consequences arising with respect to the Tax-Exempt Bonds. Interest on and the credit received on the CREBS is includable in gross income for Federal income tax purposes. Further, in the opinion of Bond Counsel, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX EXEMPTION" herein.

New Issue — Advertisement and Blank Proposal

THE BOARD OF EDUCATION OF THE
CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT IN THE
COUNTY OF GLOUCESTER, NEW JERSEY
$1,303,000* SCHOOL BONDS
(Non-Callable)(Book-Entry-Only)(Bank Qualified if Tax Exempt or Federally Taxable)

Dated: Date of Delivery — Due: January 15, as shown below

The $1,303,000* School Bonds (the "Bonds") of The Board of Education of the Clearview Regional High School District in the County of Gloucester, New Jersey (the "Board" or "Board of Education" when referring to the governing body and legal entity and the "School District" when referring to the territorial boundaries governed by the Board) will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository for the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. The Bonds may be issued either all as tax-exempt obligations (the "Tax Exempt School Bonds") or all as New Clean Renewable Energy Bonds ("CREBs") within the meaning of Section 54C(a) of the Internal Revenue Code of 1986, as amended. Subject to the discussion of "FEDERAL TAX CREDIT" herein, United States taxpayers who own CREBs on the credit allowance dates in each calendar quarter will be entitled to a credit against such taxpayers federal income tax liability equal to the product of the outstanding principal amount of such CREB on such date multiplied by the Available Credit Rate (as defined herein) (divided by 4) thereafter until maturity.

Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2010. Principal of and interest on the Bonds will be paid to DTC by the Board or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next proceeding January 1 and July 1 (the "Record Dates" for the payment of interest on the Bonds). The Bonds are not subject to redemption prior to their stated maturities. See "DESCRIPTION OF THE BONDS—Redemption" herein.

The Bonds are general obligations of the Board, and the full faith and credit of the Board are irrevocably pledged for the payment of the principal of and interest on the Bonds. Payment of the principal of and interest on the Bonds, if not paid from other sources, are payable from ad valorem taxes to be levied upon all taxable real property located within the School District, without limitation as to rate or amount. The Bonds are also entitled to the benefits of and are secured under the provisions of the New Jersey School Bond Reserve Act, N.J.S.A. 18A: 56-17 et seq. See "DESCRIPTION OF THE BONDS—New Jersey School Bond Reserve Act" herein.

MATURITIES, AMOUNTS,
INTEREST RATES AND YIELDS

Year	Amount*	Interest Rate	Yield	Year	Amount*	Interest Rate	Yield
2011	$70,000	%		2019	$90,000	%	
2012	75,000			2020	90,000		
2013	75,000			2021	95,000		
2014	80,000			2022	95,000		
2015	80,000			2023	100,000		
2016	80,000			2024	100,000		
2017	85,000			2025	103,000		
2018	85,000						

The Bonds are offered when, as and if issued, and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon & Scotland, L.L.C., Newark, New Jersey, and certain other conditions described herein. Delivery is anticipated to be at the offices of the Board's Bond Counsel, McManimon & Scotland, L.L.C., or at such other place as agreed to with the Underwriter on or about December 23, 2009.

ELECTRONIC SUBMISSIONS WILL BE RECEIVED VIA PARITY AT 12:00 P.M. ON DECEMBER 10, 2009. FOR MORE INFORMATION VIEW THE NOTICE OF SALE POSTED AT WWW.I-DEALPROSPECTUS.COM.

* Preliminary, subject to change as set forth in the Notice of Sale.

THE BOARD OF EDUCATION OF THE CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT IN THE COUNTY OF GLOUCESTER, NEW JERSEY

BOARD MEMBERS

Michael Riggs, President
Michael Wolk, Vice President

Robin Atkins
John Hughes
Raymond G. Miller
Frank Smith
Patrick Campbell
Carmen Trifiletti
Timothy VanNoy

SUPERINTENDENT OF SCHOOLS

John Horchak III

BUSINESS ADMINISTRATOR/BOARD SECRETARY

Esther R. Pennell

BOARD AUDITOR

Holman & Frenia
Medford, New Jersey

BOARD ATTORNEY

Parker McCay PA
Marlton, New Jersey

BOND COUNSEL

McManimon & Scotland, L.L.C.
Newark, New Jersey

FINANCIAL ADVISOR

Capital Financial Advisors
Mount Laurel, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board of Education to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Board of Education and other sources deemed reliable; however, no representation is made as to the accuracy or completeness of information from sources other than the Board. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the Federal Securities Law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board of Education during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Board of Education or the Underwriter.

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OFFICIAL STATEMENT
OF
THE BOARD OF EDUCATION OF THE CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
IN THE COUNTY OF GLOUCESTER, NEW JERSEY
$1,303,000* SCHOOL BONDS
(CALLABLE) (BOOK-ENTRY-ONLY ISSUE) (BANK QUALIFIED)

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, has been prepared by The Board of Education of the Clearview Regional High School District in the County of Gloucester, New Jersey (the "Board" or “Board of Education” when referring to the governing body and legal entity, and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the sale and issuance of its $1,303,000* School Bonds (the "Bonds"). The Bonds will be sold either as all tax-exempt obligations (the “Tax Exempt School Bonds”) or as all New Clean Renewable Energy Bonds (“CREBs”) within the meaning of Section 54C(a) of the Internal Revenue Code of 1986, as amended. Subject to the discussion of “FEDERAL TAX CREDIT” herein, United States taxpayers who own CREBs on the credit allowance dates in each calendar quarter will be entitled to a credit against such taxpayers’ federal income tax liability equal to the product of the outstanding principal amount of such CREB on such date multiplied by ___% and then divided by four thereafter until maturity. This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the sale of the Bonds has been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Board.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated December 23, 2009 and shall mature on January 15 in each of the years and in the amounts set forth on the front cover page hereof. The Bonds shall bear interest from December 23, 2009, which interest shall be payable semi-annually on the fifteenth day of January and July commencing on July 15, 2010 (each an "Interest Payment Date"), in each of the years and at the interest

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* Preliminary, subject to change

rates set forth on the front cover page hereof in each year until maturity or earlier redemption by the Paying Agent to the registered owners of the Bonds as of each January 1 and July 1 immediately preceding the respective Interest Payment Dates (the "Record Dates"). So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated Paying Agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry-only form, without certificates. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $1,000 integrals, with a minimum purchase of $5,000, through book entries made on the books and the records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

Redemption

The Bonds are not subject to optional redemption prior to their stated maturities. In compliance with the tax provisions for CREBs and CREB proceeds not expended for a qualified purpose within 3 years from the date of issuance of the CREB shall be applied to redeem all nonqualified Bonds within 90 days after the end of the 3 year expenditure period.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable property within the School District without limitation as to rate or amount.

New Jersey School Bond Reserve Act (N.J.S.A. 18A:56-17 et seq.)

All school bonds are secured by the School Bond Reserve established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The recent amendments to the School Bond Reserve Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued prior to July 1, 2003 (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 (the

"New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the Reserve at the required levels, the State agrees that the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the district, county or municipality and shall not obligate the State to make, nor entitle the district, county or municipality to receive any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized and are being issued pursuant to Title 18A, Chapter 24 of the New Jersey Statutes (N.J.S.A. 18A:24-1 et seq.), a proposal adopted by the Board on January 26, 2009 and approved by a majority of the legal voters present and voting at the school district election held on April 21, 2009 and by a resolution duly adopted by the Board on November 19, 2009 (the "Resolution").

The purpose of the Bonds is to provide for the installation of solar panels at the Clearview Regional Middle School and to acquire any related equipment for this installation. The total cost of the project is $1,303,336.

BOOK-ENTRY-ONLY SYSTEM[1]

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to

[1] Source: The Depository Trust Company

DTC Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the School District believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board/Paying Agent; (ii) the transfer of any Bonds may be registered on the books maintained by the Paying Agent for such purposes only upon the surrender thereof to the Board/Paying Agent together with the duly executed assignment in form satisfactory to the Board/Paying Agent; and (iii) for every exchange or registration of transfer of Bonds, the Board/Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the fifteenth (15th) day, whether or not a business day, of the calendar month next preceding an Interest Payment Date.

THE SCHOOL DISTRICT AND THE BOARD

The Board is comprised of nine (9) elected members. Pursuant to State statute, the Board appoints a Superintendent and Business Administrator/Board Secretary.

The Board of Education is a Type II school district (Grades 7 through 12) serving the Township of Mantua and Township of Harrison (together the "Constituent Municipalities"). The Board of Education provides a full range of educational services appropriate to grades seven (7) through twelve (12), including regular and special education programs. The Board of Education provides education to its students through the Clearview Regional High School and the Clearview Regional Middle School.

Staff

The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary oversees the business functions and reports through the Superintendent to the Board of Education. There are approximately 347 full-time and 8 part-time employees of the Board of Education, of which 188 are teaching professionals.

Pupil Enrollments

The following table presents the historical pupil enrollments for the school years 2005-2006 through 2009-2010, and projections of pupil enrollments for the period 2010-2011 through 2014-2015.

Pupil Enrollments

School Year	Enrollment (as of 10/15 of each year)
2009-10	2,499
2008-09	2,454
2007-08	2,399
2006-07	2,392
2005-06	2,291

Projected Future Enrollments

School Year	Projected Enrollment
2010-11	2,573
2011-12	2,651
2012-13	2,730
2013-14	2,812
2014-15	2,897

Source: Office of the Board Secretary.

Labor Relations

The Board currently has contracts with the Clearview Regional Education Association covering teaching, secretarial, custodial and instructional aide staff members for the period July 1, 2007 through June 30, 2010.

Pensions

The teachers and members of the professional staff are enrolled in the Teachers Pension & Annuity Fund (TPAF). All other eligible employees are enrolled in the New Jersey Public Employees' Retirement System (PERS).

Budget History

As noted, the Board of Education must submit its budget for voter approval. The results of the last five budget elections of the Board of Education are as follows:

Budget Year	Amount Raised in Taxes (General Fund)	General Fund Budget Amount	Election Result
2009-10	14,701,500	31,421,126	Passed
2008-09	14,444,883	29,869,673	Passed
2007-08	14,036,426	26,973,164	Passed
2006-07	13,321,073	25,619,850	Failed
2005-06	12,456,286	23,927,234	Failed

Source: Office of the Board Secretary.

Financial Operations

The following table summarizes information on changes in financial resources and fund balances for the school year ended June 30, 2008 and June 30, 2009 for the general, special revenue, capital projects and debt service funds. See Appendix A for a detailed presentation of the School District's financial operations.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30:

	2008	2009
REVENUES		
Local Sources		
Local Tax Levy	$16,105,251	$16,621,295
Miscellaneous	331,074	301,974
Tuition	145,057	171,444
Total revenues-local sources	16,581,382	17,094,713
State Sources	15,173,779	15,994,794
Federal Sources	721,075	584,489
Total Revenues	$32,476,236	$33,673,996
EXPENDITURES		
Current Expense		
Instruction	13,007,872	13,070,524
Support Services	16,245,203	16,630,923
Capital Outlay	349,263	625,014
Debt Service	2,299,307	2,782,596
Total Expenditures	$32,299,307	$33,109,057
Excess (Deficiency) of Revenues Over/(Under) Expenditures	176,929	564,939
Other financing sources (uses):		
Operating Transfers In/Out And Capital Leases	--	--
Excess (Deficiency) of Revenues and Financing Sources Over (Under) Expenditures and Other Financing Uses	176,929	564,939
Fund Balance, July 1	2,204,358	2,381,287
Fund Balance, June 30	**$2,381,287**	**$2,946,226**

Fiscal 2008-09 and 2009-10 Budgets

The Board of Education must submit its budget for voter approval. Annual increases in its net budget are limited by the Comprehensive Educational Improvement and Financing Act of 1996. The General Fund budget is the sum of all state aid (exclusive of pension aid and social security aid) and the local tax levy (exclusive of debt service). The Board of Education's General Fund Budget for the 2008-2009 fiscal year was $29,153,240. The major sources of revenue were $14,444,883 from the local tax levy, and $14,370,957 from state aid.

The Board of Education's General Fund Budget for the 2009-2010 fiscal year is $29,829,423. The major sources of revenue are $14,701,500 from the local tax levy, and $14,995,641 from state aid. The major areas of expenditure are for instruction, including salaries for teachers and other instructional staff, and special education.

Short Term School Debt

The School District originally has no short term debt.

Long Term School Debt

Fiscal Year	Principal This Issue	Interest This Issue	Total of Prior Existing Debt	Total
2010			$ 2,809,123	
2011			$ 2,836,384	
2012			$ 2,748,009	
2013			$ 2,663,284	
2014			$ 2,627,093	
2015			$ 2,739,046	
2016			$ 2,618,440	
2017			$ 2,522,290	
2018			$ 2,493,665	
2019			$ 2,612,915	
2020			$ 2,623,665	
2021			$ 2,779,065	
2022			$ 2,671,265	
2023			$ 2,578,015	
TOTALS			$37,322,259	

Debt Limit of the Board of Education

The debt limitation of the Board of Education is established by statute (N.J.S.A. 18A:24-19). Generally, the Board of Education is permitted to incur debt up to 4.0% of the average equalized valuation for the past three years for the Clearview Regional School District. (SEE SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT - Exceptions to School Debt Limitations). The following is a summation of the amount of the Clearview Regional School District's debt limitations as of June 30, 2008:

Average Equalized Real Property Valuation (2006, 2007 and 2008)		$2,825,926,504
School District Debt Analysis		
Permitted Debt Limitation (3.5% of AEVP)	$98,907,428	
Less: Bonds and Notes Authorized and Outstanding	27,537,000	
Remaining Limitation of Indebtedness	$71,370,428	
Percentage of Net School Debt to Average Equalized Valuation		0.97%

THE STATE'S ROLE IN PUBLIC EDUCATION

The constitution of the State of New Jersey provides that the legislature of the State shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been adopted by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Commissioner with the advice and consent of the State Senate. The

County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63 approved April 3, 2007 (A4), the role of the county superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts though the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally categorized in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate, which board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, approves all fiscal matters;

(2) Type II, in which the registered voters in a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters, or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the district and the president of and one member of the board of education, approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters in the school district elect members of the board of education and vote upon all fiscal matters. Regional school districts may be “All Purpose Regional School Districts” or “Limited Purpose Regional School Districts”;

(4) State operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters;

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board

of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district.

Under the Uniform Services and Consolidation Act, the Executive County Superintendent is required to eliminate non-operating school districts and to recommend consolidation to eliminate districts though the establishment or enlargement of regional school districts, subject to voter approval.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or Board. If the Board disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II district, the elected Board develops the budget proposal and, at or after a public hearing, submits it for voter approval. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts that are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the Board or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the district has adequately implemented within the budget the Core Curriculum Content Standards required by State law. If necessary, the Commissioner is authorized to order changes in the local school district’s budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (amended and partially repealed) first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitation was known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (now repealed) also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (CEIFA), (as amended by P.L. 2004, c.73, effective July 1, 2004), which followed QEA, also limited the annual increase in a school district's net budget by a spending growth limitation. CEIFA limited the amount school districts can increase their annual current expenses and capital outlay budgets, defined as a school district's Spending Growth Limitation. Generally, budgets could increase by either 2.5% or the consumer price index, whichever is greater. Amendments to CEIFA lowered the budget cap to 2.5% from 3%. Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed $40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by limited approval of the voters at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007 (Assembly Bill A1), further provided limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by 4% over the prior budget year's tax levy. P.L. 2007, c.62 provides for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that must be approved by the Commissioner.

Although P.L. 2007, c. 62 allows for certain adjustments to the 4% tax levy cap, for increases in enrollment, reductions in certain State aid and increases in health care costs, the bill also grants discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges for sending districts. The Commissioner will have the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 is deemed to supercede the prior limitations on the amount school districts can increase their annual current expenses and capital outlay budgets known as a school district's spending growth limitation amount (the "Spending Growth Limitation").created by CEIFA (as amended by P.L. 2004, c.73, effective July 1, 2004). However, Chapter 62 is in effect only through fiscal year 2012 and would have to be extended by legislation if it is to continue. Other wise the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service is not limited either by the Spending Growth Limitations or the 4% Cap on the tax levy increase imposed by Chapter 62.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a Board (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every Board is required to provide an annual audit of the school district's accounts and financial transactions. A licensed public school accountant must perform the audit no later than four (4) months after the end of the school fiscal year. The audit, in conformity with statutory requirements, must be filed with the Board and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local Board within thirty (30) days following receipt of the annual audit by such Board.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts may not capitalize interest on temporary notes, but must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a grade seven (7) through grade twelve (12) school district, the School District can borrow up to 3.5% of the average equalized valuation of taxable property in the School District. The School District has not exceeded its 3.5% debt limit. *See* “APPENDIX A – Debt Limit of the School District.”

Exceptions to Debt Limitation

A Type II school district, (other than a regional district), may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). The School District has not utilized the Constituent Municipalities’ borrowing margin. A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements can not exceed five years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L.2000, c. 72, repealed the authorization to enter into facilities leases in excess of five years. The payment of rent on an equipment lease and on a five year and under facilities lease is treated as a current expense and within the school district's Spending Growth Limitation and tax levy cap. Lease purchase payments on leases in excess of five years entered into under prior law (CEIFA), are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's Spending Growth Limitation and tax levy cap.

Energy Saving Obligations

Under P.L. 2009 c. 4, approved January 21, 2009 and effective 60 days thereafter, districts may issue energy savings obligations without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the value of the savings will cover the cost of the measures.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") first ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the State Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., (P.L. 1975, c. 212) (the "Public School Education Act") (since amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P. L.1976, c. 47, since amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included the Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., (P.L. 1990, 52) ("QEA") (now repealed), the Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., (P.L.1996, c. 138) (CEIFA) and the Educational Facilities Construction and Financing Act, P.L.2000, c. 72) ("EFCFA"), which became law on July 18, 2000. For the past several years aid was simply determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The most current school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260 approved January 1, 2008 (A500), attempts to remove the special status given to certain districts known as Abbot Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the New Jersey courts and the New Jersey Supreme Court held that the State's current plan for school aid is a "constitutionally adequate scheme."

Notwithstanding over 35 years of litigation, the State provides State aid to school districts of the State in amounts provided in the State Budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities (Facilities Aid) in an amount equal to the greater of the district aid percentage or 40% times the eligible costs determined by the Commissioner of Education either in the form of a grant or debt service aid as determined under the Education Facilities Construction and Financing Act of 2001. The amount of the aid to which a district is entitled is established prior to the authorization of the project. Grant funding is provided by the State up front and debt service aid must be appropriated annually by the State.

The School District is eligible for debt service aid for the project in an amount equal to 40% of the annual debt service due with respect to the eligible costs of the project. Of the $1,303,336 project cost, the Commissioner has determined that $1,303,336 are eligible costs. For the School District to receive this aid, the State must appropriate it.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended and restated by the No Child Left Behind Act of 2001, 20 U.S.C.A. § 6301 et seq., is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N. J. S. A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Constituent Municipalities are general full faith and credit obligations.

The authorized bonded indebtedness of the Constituent Municipalities for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its average equalized valuation basis.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Constituent Municipalities have not exceeded their statutory debt limit.

The Constituent Municipalities may exceed their debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed their debt limit, the Constituent Municipalities may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Constituent Municipalities or substantially reduce the ability of the Constituent Municipalities to meet their obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Constituent Municipalities to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Constituent Municipalities may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. A local unit's bond anticipation notes must mature within one year, but may be renewed or rolled over. Bond anticipation notes, including renewals, must mature and be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year's required principal payment on the bonds is paid to retire a portion of the notes on or before each subsequent anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates.

Local Budget Law (N. J. S. A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations among others, for certification.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as any anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by the last day of that fiscal year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the Governing Body of the local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.*)* imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, new legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposes a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Constituent Municipalities to levy ad valorem taxes upon all taxable real property within the Constituent Municipalities to pay debt service on their bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

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, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the municipality's Local School District and the County, the tax rate is struck by the Gloucester 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 N.J.S.A. 54:4-1 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 by the Constituent Municipalities' Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amount in excess of $1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of $10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

The New Jersey Statues provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Constituent Municipalities must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the Gloucester County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission.

FINANCIAL STATEMENTS

The financial statements of the Board for the year ended June 30, 2009 are presented in Appendix B to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Holman & Frenia, Medford, New Jersey, an independent auditor (the "Auditor"), as stated in its report appearing in Appendix B to this Official Statement. *See* "APPENDIX B - Financial Statements of The Board of Education of the Clearview Regional High School District in the County of Gloucester, New Jersey".

LITIGATION

To the knowledge of the Board Attorney, Frank P. Cavallo, Jr., Esq. of Parker McCay PA, Marlton, New Jersey (the "Board Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a material adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the purchaser of the Bonds at the closing.

TAX MATTERS

Tax Exempt School Bonds

Applicable federal tax law provides that interest on obligations such as the Tax Exempt School Bonds is not included in gross income for federal income tax purposes only if certain requirements are met. In its Certificate as to Arbitrage and Compliance with the Internal Revenue Code of 1986 (the "Tax Certificate"), which will be delivered in connection with the issuance of the Tax Exempt School Bonds, the Board will make certain representations, certifications of fact, and statements of reasonable expectation in connection with the issuance of the Tax-Exempt School Bonds and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Tax Exempt School Bonds from gross
income under Section 103 of the Code.

In the opinion of Bond Counsel, under existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact, and statements of reasonable expectation made by the Board in the Tax Certificate and assuming compliance by the Board with its ongoing covenants the Tax Certificate, interest on the Tax Exempt School Bonds is not included in the gross income of the owners thereof for federal income tax purposes pursuant to the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Pursuant to the Recovery Act, interest on the Tax Exempt School Bonds held by corporate taxpayers is not included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of interest on the Tax-Exempt School Bonds not being included in "adjusted current earnings."

Certain Federal Tax Consequences Relating to the Tax Exempt School Bonds

Although interest on the Tax Exempt School Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Tax-Exempt School Bonds may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Tax Exempt School Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Tax Exempt School Bonds.

There can be no assurance that legislation will not be introduced or enacted after the issuance and delivery of the Tax Exempt School Bonds so as to affect adversely the exclusion from gross income for federal income tax purposes of interest on the Tax Exempt School Bonds. Each purchaser of the Tax Exempt School Bonds should consult his or her own advisor regarding any changes in the status of pending or proposed federal tax legislation.

Bank Qualification

The Tax Exempt School Bonds will be designated as qualified under Section 265 of the Code by the Board for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

Pursuant to a de minimis safe harbor exception contained in the Recovery Act, certain tax-exempt obligations issued in 2009 and 2010 are not taken into account for purposes of the denial of the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations, up to a maximum amount equal to 2% of the taxpayer's average adjusted bases of all its assets. Although the Tax Exempt School Bonds will not be designated by the Issuer as qualified tax-exempt obligations for purposes of Section 265 of the Code, they are eligible for this de minimis exception.

FEDERAL TAX CREDIT

This section summarizes certain material federal income tax consequences relating to an investment in the CREBs. The summary only addresses such consequences to initial purchasers of the CREBs and is based upon the current provisions of the Code, its legislative history, treasury regulations, administrative pronouncements and judicial decisions, all of which are subject to change, possibly with retroactive effect. This summary does not purport to be a complete discussion of all federal income tax consequences relating to making an investment in the Bonds. **The discussion herein concerning certain tax consequences with respect to an investment in the CREBs is included for general information only. All persons are urged to consult their own tax advisors to determine the specific tax consequences of making an investment in the CREBs, including any state, local or non-U.S. tax consequences.**

In the opinion of Bond Counsel, under existing law and subject to the discussion below, the Bonds will qualify as "New Clean Renewable Energy Bonds" under Section 54C(a) of the Code. And subject to the discussion of "FEDERAL TAX CREDITS" herein, a taxpayer who owns a CREB on a Credit Allowance Date (as such dates are later defined) will qualify for the tax credit allowable with respect to such Bond as a credit against the taxpayer's federal income tax liability subject to the limitations of Section 54A of the Code, assuming compliance by the School District with the requirements described below and in the amount of the credit described below. Such compliance generally will be established at the time of issuance of the CREBs, except if the School District is unable to actually spend 100% of the available project proceeds (as described below) for a qualified renewable energy facility (as described below) within the three year period beginning on the date of issuance of the CREBs.

General

Sections 54A and 54C of the Code allow a federal income tax credit to a bondholder who owns a CREB on a Credit Allowance Date. A CREB generally includes a bond issued as part of an issue if 100% of the "available project proceeds" are to be used for a capital expenditure incurred for a qualified renewable energy facility. "Available project proceeds" means the proceeds from the sale of the CREBs, less costs of issuance (to the extent such costs of issuance do not exceed 2% of such proceeds), plus any investment earnings on such amount. A qualified renewable energy facility includes, among other qualified facilities, solar energy to provide electricity. Additionally, the issuer of a qualified tax credit bond, including CREBs, needs to meet certain requirements with respect to the expenditures of bond proceeds, information reporting, arbitrage, maturity limitations and prohibitions of financial conflicts of interest. In its Certificate of Tax Compliance, dated the issue date, the Board of Education has covenanted to comply with all applicable requirements of the Code, including the requirement to expend 100% of available project proceeds within three years from the date of issuance of the CREBs.

An issuer of CREBs must receive an allocation of the federal Clean Renewable Energy Bond limitation for the calendar year. A CREB must be issued by a public power provider, a cooperative electric company, a governmental body, a clean renewable energy bond lender or a not for profit electric utility that received a loan or loan allocation under the Rural Electric Financing Act. CREBs may not exceed a maximum term which would result in the present value of the obligation to repay the principal on the Bonds being equal to 50% of the face amount of the Bonds, using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued in the same month in which there is a binding, written contract for the sale or exchange of the Bonds. The Clearview Regional High School District has received a federal allocation for the issuance of the CREBs described herein.

Amount of Credit

The amount of tax credit for a CREB is 70% of the applicable qualified tax credit bond rate as posted by the Bureau of Public Debt (*www.treasurydirect.gov/govt/rates/irs/rates_qtcb.htm*) as of the date of the sale of the Bonds, multiplied by the outstanding principal amount of the Bonds owned by a taxpayer on the relevant Credit Allowance Date, divided by four (the "Applicable Credit Rate"). The Credit Allowance Dates are March 15, June 15, September 15, and December 15 of each year (the "Credit Allowance Dates") until maturity or earlier redemption. The tax credit rate for the CREBs is ____%. The tax credit allowed for the first Credit Allowance Date and for any period in which a CREB is redeemed or matures will be a ratable portion of the tax credit otherwise allowed.

Limitation and Carryover of the Credit

The allowable tax credit may not exceed the sum of the taxpayer's regular tax liability and alternative minimum tax liability of Section 55 of the Code, less, in general, the taxpayer's other tax credits (except refundable tax credits set forth in subpart C of part IV of the subchapter A of the Code). Any excess may be carried over to the succeeding taxable year, subject to the limitation for such succeeding taxable year.

Credit Amount Included in Income as Deemed Interest

Section 54A of the Code requires the owner of a CREB to include the amount of the allowable tax credit in gross income as interest income. A cash method taxpayer would take the deemed interest payment into account on the Credit Allowance Date, while an accrual method taxpayer must accrue as interest income the amount of the credit over the accrual period that ends on the Credit Allowance Date. If an accrual method taxpayer sold a CREB before any given Credit Allowance Date, the taxpayer would accrue such interest income up to the sale date.

Allocation of Tax Credits by S Corporations, Partnerships, Rics, and Reits

An allocation of the credit by S corporations and partnerships to shareholders and partners, respectively, is treated as a distribution. With respect to tax credit bonds held by regulated investment companies (RICs) and real estate investment trusts (REITs), the credit is allowed to shareholders and beneficiaries of the RIC or REIT, respectively, and the income from the credit is treated as distributed to such shareholders or beneficiaries under procedures to be prescribed by the United States Secretary of the Treasury.

Subsequent Separation of Tax Credit

Pursuant to procedures to be prescribed by the United States Secretary of the Treasury, the ownership of the CREBs and the tax credit attributable to such CREBs may be separated. No regulations however have been promulgated on such separation. Assuming such regulations are prescribed, the federal income tax credit will be allocated to the taxpayer who holds the instrument evidencing entitlement to the credit on the Credit Allowance Date and not to the holder of the CREB. In the case of a separation, the rules of Code Section 1286 shall apply to the CREB as if it was a stripped bond and to the tax credit as if it was a stripped coupon. The Board of Education makes no representation with respect to any subsequent separation of the federal tax credit attributable to the CREBs. Should the holder of a CREB desire to strip the credit from the CREB, the Board shall or shall cause any designated paying agent to, at the owner's sole cost and expense, take such actions as are necessary to amend the form of the CREB, which actions may include the issuance of a replacement certificate or separate certificate or other instrument indicating entitlement of the tax credit.

Certain Investor Considerations Regarding the Bonds

There can be no assurance that a secondary market for the CREBs will develop; or if a secondary market does develop, that it will provide CREB holders with liquidity or continue for the full term of the CREBs. The mechanics of transfer and registration and the developing nature of the tax treatment of the CREBs may limit liquidity.

Likewise, there can be no assurance that a secondary market for selling credits will develop, nor is there yet a procedure for separating the credits from the CREBs. The tax credits are not refundable. If an owner of a CREB has gross income tax liability for a given year less than the amount of tax credits to which he is entitled, the owner would be required to carry forward any excess tax credit to subsequent tax years.

An owner of CREB tax credits on a particular Credit Allowance Date is not transferable after such Credit Allowance Date. Investors should be aware that to the extent that the investor is not a potential taxpayer (either now or in the future) and owns a CREB on a Credit Allowance Date, the tax credit cannot be utilized.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF OWNERSHIP OF THE BONDS.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Board, including the Bonds, and such Bonds are authorized security for any and all public deposits.

MUNICIPAL BANKRUPTCY

The undertakings of the Board should be considered with reference to 11 U.S.C. 401, et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants certain priority to debt owed for services or material; and provides that the plan must be accepted in writing by or on behalf of classes of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of such class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, any such lien, other than municipal betterment assessments, shall be subject to the necessary operating expenses of such project or system. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Municipal Finance Commission must be obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board.

Reference to the Bankruptcy Code or the State statute should not create any implication that the Board expects to utilize the benefits of their provisions.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Bonds, by certificates signed by the Board President and Business Administrator/Board Secretary.

All other information has been obtained from sources that the Board considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

The Auditor has participated in the preparation of this Official Statement on behalf of the Board, but has not independently verified the accuracy, completeness or fairness thereof and, accordingly, takes no responsibility and express no opinion with respect thereto.

McManimon & Scotland, L.LC. has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

FINANCIAL ADVISOR

Capital Financial Advisors, Mount Laurel, New Jersey served as financial advisor to the Board of Education with respect to the issuance of the Bonds. This Official Statement has been prepared on behalf of the Board of Education with the assistance of the financial advisor. The information set forth herein has been obtained from the Board of Education and other sources which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. Capital Financial Advisors, Inc. is a financial advisor and consulting organization, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

RATING

Standard and Poor's Rating Service (the "Rating Agency") has assigned a rating of "___ to the Bonds based on the New Jersey School Bond Reserve Act and an underlying rating of "___" to the Bonds.

The rating will reflect only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board furnished to the Rating Agency certain information and materials concerning the Bonds and the Board. There can be no assurance that the rating will continue for any given period of time or that the rating will not be revised downward entirely by the Rating Agency if, in their judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Bonds.

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Board shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to February 1 of each year, beginning February 1, 2010, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the SEC to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Board consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Board and certain financial information and operating data consisting of (1) Board and overlapping indebtedness including a schedule of outstanding debt issued by the Board; (2) the Board's most current adopted budget; (3) property valuation information; and (4) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) in a timely to EMMA, notice of the following events with respect to the Bonds, if material (herein "Material Events"):

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions or events affecting the tax-exempt status of the security;
(7) Modifications to rights of security holders;
(8) Bond calls;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the securities; and
(11) Rating changes.

(c) in a timely manner to EMMA, notice of failure of the Board to provide required annual financial information on or before the date specified in this resolution.

(d) Any filing made pursuant to (a), (b) or (c) above shall be made as required by the Rule to the Municipal Securities Rulemaking Board and to provide such information in an electronic format and accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board or by compliance with any such other procedure as may be authorized by the Securities and Exchange Commission.

In the event that the Board fails to comply with the above-described undertaking and covenants, the Board shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Board from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Board may affect the future liquidity of the Bonds.

The Board is in compliance with the Rule with respect to its prior undertakings.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Esther R. Pennell, Business Administrator/Board Secretary, at (856) 223-2764.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one of its authorized officials to the effect that she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of her knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Bonds there has been no material adverse change in the affairs (financial or other), financial condition or results or operations of the Board except as set forth in or contemplated by the Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

THE BOARD OF EDUCATION OF THE CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT IN THE COUNTY OF GLOUCESTER, NEW JERSEY

By: ____________________________

Esther R. Pennell, Business Administrator/Board Secretary

APPENDIX A

Economic and Demographic Information Relating to the Clearview Regional High School District and the Constituent Municipalities

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Information

The Township of Mantua occupies 16.3 square miles in the central part of the County. Mantua Township was a part of Greenwich Township until 1853. Mantua Township is bounded by the Townships of East Greenwich and West Deptford to the north, the Townships of Deptford and Washington and the Borough of Wenonah to the east, the Borough of Pitman to the south, and Harrison Township to the west.

Employment and Unemployment Comparisons

For the years 2004 to 2008, the New Jersey Department of Labor reported the following annual average employment information for the Township of Mantua, the County of Gloucester and the State of New Jersey:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township of Mantua				
2008	9,497	9,014	482	5.10%
2007	9,525	9,074	451	4.70%
2006	9,477	8,988	488	5.20%
2005	9,169	8,733	436	4.80%
2004	8,884	8,485	399	4.50%
County of Gloucester				
2008	155,446	146,971	8,475	5.50%
2007	154,602	147,942	6,659	4.30%
2006	154,111	146,871	7,240	4.70%
2005	149,415	142,859	6,556	4.40%
2004	146,003	139,082	6,921	4.70%
State of New Jersey				
2008	4,496,700	4,251,500	245,500	5.50%
2007	4,466,300	4,276,600	189,700	4.20%
2006	4,492,800	4,283,600	209,200	4.70%
2005	4,430,373	4,235,937	194,436	4.40%
2004	4,388,000	4,176,200	211,800	4.80%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics.

Money Income (1)

	Median Household Income(2)(6)	Median Family Income(3)(6)	Median Nonfamily Income(4)(6)	Per Capita Income(5)
Township of Mantua	$58,256	$63,391	$32,199	$24,147
County of Gloucester	54,273	62,482	28,880	22,708
State of New Jersey	55,146	65,370	27,006	35,215

(1) Estimates for 1999 based upon the 2000 Census (updated data has not been released)
(2) Household includes all the persons who occupy a household.
(3) Family includes a householder and one or more persons living in the same household who are related to the householder by birth, marriage or adoption.
(4) Nonfamily includes a householder living alone or with non-relatives only.
(5) Per capita income is the mean income computed by dividing the total income of a particular group by the total population in that group.
(6) Median divides the income distribution into two equal parts, one halving incomes above the median and the other halving incomes below the median.

Source: New Jersey State Data Center, Money Income.

Population

The following tables summarize population increases and decreases for the Township of Mantua, the County of Gloucester, and the State of New Jersey.

	TOWNSHIP OF MANTUA		COUNTY OF GLOUCESTER		STATE OF NEW JERSEY	
Year	Population	Percent Change	Population	Percent Change	Population	Percent Change
1970	9,964	--- %	172,681	--- %	7,171,112	--- %
1980	9,193	(7.74%)	199,917	15.77%	7,365,001	2.70%
1990	10,074	9.58%	230,082	15.09%	7,730,188	4.96%
2000	14,217	41.13%	254,673	10.69%	8,414,350	8.85%
2008	15,177	6.75%	287,860	13.03%	8,682,661	3.19%

Source: United States Department of Commerce, Bureau of the Census, 1970, 1980, 1990 and 2000 Census of the Population: New Jersey.

Comparisons of Tax Levies and Collections

Current Fund	Year	Tax Levy	Current Year Collection	Current Year Percentage of Collection
	2008	36,667,352	35,746,396	97.49%
	2007	34,783,900	33,902,927	97.46%
	2006	32,511,478	31,492,418	96.86%
	2005	29,529,215	28,872,087	97.77%
	2004	26,872,176	26,225,036	97.59%

Source: Comprehensive Annual Financial Report of the Township of Mantua on file at the Division of Local Government Services.

Largest Taxpayers

The ten largest taxpayers in the Township of Mantua and their assessed valuations are listed below:

	Taxpayers	2009 Assessed Valuation
1)	Home Depot	$6,535,800
2)	Belina Development	5,535,900
3)	Lowes Home Center, Inc.	5,322,200
4)	Electric Mobility	4,637,200
5)	Kohl's Department Store	4,334,000
6)	Wilkins Industrial Park	4,264,800
7)	Timberline Plaza	3,313,400
8)	Spirit Master Funding	3,193,600
9)	Paparone Housing	2,997,000
10)	K-tron Corporation	2,754,500
	Total	**$42,887,600**

Percentage of Total Net Valuation: 5.60%

Source: Comprehensive Annual Financial Report of the Clearview Regional School District

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	% of Tax Levy
2008	$586,546	$877,551	$1,464,098	3.99%
2007	545,937	834,974	1,360,912	3.97%
2006	504,535	942,265	1,446,800	4.45%
2005	472,998	607,915	1,080,914	3.66%
2004	426,157	620,951	1,047,168	3.90%

Source: Annual Audit Reports of the Township of Mantua on file at the Division of Local Government Services.

Property Tax Rates

	School District	Mantua Township	Gloucester County	Total Tax Rate
2009	1.094	2.608	1.040	4.908
2008	1.101	2.515	1.165	4.781
2007	1.110	2.450	1.078	4.638
2006	1.124	1.711	1.038	4.419
2005	1.023	2.124	0.980	4.127

Source: Annual Audit Reports of the Clearview Regional School District

Assessed Valuation of Real Property by Classification[1] (in dollars)

	Vacant Land	Farm Land	Residential	Apartment	Commercial	Industrial	Total Real Property
2009	16,329,000	15,606,500	644,079,700	1,672,000	78,278,400	7,187,200	763,152,800
2008	17,614,100	15,668,400	636,102,700	1,672,000	74,828,800	7,217,800	753,103,500
2007	16,885,400	15,416,000	617,292,200	1,914,100	74,808,500	7,217,800	733,534,000
2006	17,752,100	15,522,000	600,727,300	1,914,100	71,000,200	7,790,800	714,706,500
2005	11,191,800	15,633,400	595,248,800	2,088,800	70,010,400	7,790,800	701,964,000

Ratio of Assessed Valuation to Estimated Full Cash Value[2]

Year	Aggregate Assessed Valuation Real Property	Aggregate True Value Real Property	Average Ratio Assessed to True Value
2009	763,152,800	1,557,772,607	48.99%
2008	753,103,500	1,536,318,846	49.02%
2007	733,534,000	1,443,690,378	50.81%
2006	701,964,000	1,141,219,314	61.51%
2005	679,229,600	965,363,275	70.36%

[1] Source: Borough Tax Assessor.
[2] Source: State of New Jersey Table of Equalized Valuations.

Township of Mantua

Debt Statement (1)
June 30, 2009

General Purpose Debt	$15,577,392	
Regional School District Debt (2)	13,782,269	
Local School District Debt	12,940,000	
TOTAL GROSS DEBT		**$42,299,661**
Less: Statutory Deductions		
Regional School District Debt	13,782,269	
Local School District Debt	12,940,000	
Other Bonds and Notes	0	
TOTAL NET DEBT		**$15,577,392**

(1) Source: Annual and Supplemental Debt Statements of the Township of Mantua filed with the Division of Local Government Services.

(2) School District debt is paid by the District out of its operating budget and not by the Township. The Township collects taxes on behalf of the School District, acting as the School District's agent.

Debt Limit

Average Equalized Valuation Basis (2008, 2007, 2006)	**$1,425,780,888**
Permitted Debt Limitation (3.5%)	**49,902,331**
Less: Net Debt of the Borough	**15,577,392**
Remaining Borrowing Power	**$34,324,939**
Percentage of Net Debt to Average Equalized Valuation:	**1.09%**
Gross Debt Per Capita (based on 2008-population census of 15,177):	**$2,787**
Net Debt Per Capita (based on 2008-population census of 15,177):	**$1,026**

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Information

The Township of Harrison is located in the central portion of Gloucester County, approximately 25 miles south of Camden, New Jersey. Harrison Township is bordered by the municipalities of East Greenwich Township, Mantua Township, the Borough of Glassboro, Elk Township, South Harrison Township and Woolwich Township.

Employment and Unemployment Comparisons

For the years 2004 to 2008, the New Jersey Department of Labor reported the following annual average employment information for the Township of Harrison, the County of Gloucester and the State of New Jersey:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township of Harrison				
2008	5,217	4,989	227	4.40%
2007	5,235	5,022	212	4.10%
2006	5,205	4,975	230	4.40%
2005	5,039	4,834	205	4.10%
2004	4,884	4,697	188	3.80%
County of Gloucester				
2008	155,446	146,971	8,475	5.50%
2007	154,602	147,942	6,659	4.30%
2006	154,111	146,871	7,240	4.70%
2005	149,415	142,859	6,556	4.40%
2004	146,003	139,082	6,921	4.70%
State of New Jersey				
2008	4,496,700	4,251,500	245,500	5.50%
2007	4,466,300	4,276,600	189,700	4.20%
2006	4,492,800	4,283,600	209,200	4.70%
2005	4,430,373	4,235,937	194,436	4.40%
2004	4,388,000	4,176,200	211,800	4.80%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics.

Money Income (1)

	Median Household Income(2)(6)	Median Family Income(3)(6)	Median Nonfamily Income(4)(6)	Per Capita Income(5)
Township of Harrison	$77,143	$84,374	$31,442	$28,645
County of Gloucester	54,273	62,482	28,880	22,708
State of New Jersey	55,146	65,370	27,006	35,215

(1) Estimates for 1999 based upon the 2000 Census (updated data has not been released)
(2) Household includes all the persons who occupy a household.
(3) Family includes a householder and one or more persons living in the same household who are related to the householder by birth, marriage or adoption.
(4) Nonfamily includes a householder living alone or with non-relatives only.
(5) Per capita income is the mean income computed by dividing the total income of a particular group by the total population in that group.
(6) Median divides the income distribution into two equal parts, one halving incomes above the median and the other halving incomes below the median.

Source: New Jersey State Data Center, Money Income.

Population

The following tables summarize population increases and decreases for the Township of Harrison, the County of Gloucester, and the State of New Jersey.

	TOWNSHIP OF HARRISON		COUNTY OF GLOUCESTER		STATE OF NEW JERSEY	
Year	Population	Percent Change	Population	Percent Change	Population	Percent Change
1970	2,611	--- %	172,681	--- %	7,171,112	--- %
1980	3,585	37.30%	199,917	15.77%	7,365,001	2.70%
1990	4,715	31.52%	230,082	15.09%	7,730,188	4.96%
2000	8,788	86.38%	254,673	10.69%	8,414,350	8.85%
2008	12,436	41.51%	287,860	13.03%	8,682,661	3.19%

Source: United States Department of Commerce, Bureau of the Census, 1970, 1980, 1990 and 2000 Census of the Population: New Jersey.

Largest Taxpayers

The ten largest taxpayers in the Township of Harrison and their assessed valuations are listed below:

Taxpayers	2009 Assessed Valuation
1) AEW SCT Mullica Hill, LLC	$8,786,600
2) Mullica West	4,095,000
3) Mantec Assoc	3,105,200
4) Mullica Hill Self Storage, LLC	1,640,900
5) Mullica Hill Self Storage II, LLC.	1,431,200

6)	Mullica Hill Commons, LLC	1,429,000
7)	Mullica Assoc., C/O CVS Pharmacy	990,400
8)	Levco Interprises, LLC	971,500
9)	Madison/Canuso C/O Thomas-K. Fahey	910,800
10)	Taxpayer #3.	875,800
	Total	**$24,236,400**

Percentage of Total Net Valuation: 2.94%

Source: Comprehensive Annual Financial Report of the Clearview Regional School District

Comparisons of Tax Levies and Collections

Current Fund	Year	Tax Levy	Current Year Collection	Current Year Percentage of Collection
	2008	$32,986,706	32,413,429	98.26%
	2007	32,469,792	32,019,725	98.61%
	2006	29,667,604	29,390,958	99.07%
	2005	27,223,242	26,992,011	99.15%
	2004	23,415,592	23,261,016	99.34%

Source: Comprehensive Annual Audit Reports of the Township of Harrison on file at the Division of Local Government Services.

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	% of Tax Levy
2008	$195,863	580,706	776,569	2.35%
2007	178,264	473,800	652,064	2.01%
2006	168,324	267,457	435,782	1.47%
2005	162,387	176,252	338,639	1.24%
2004	152,711	163,765	316,477	1.35%

Source: Annual Audit Reports of the Township of Harrison on file at the Division of Local Government Services.

Assessed Valuation of Real Property by Classification[3] (in dollars)

	Vacant Land	Farm Land	Residential	Apartment	Commercial	Total Real Property
2009	27,824,900	20,371,800	728,280,000	4,531,500	42,036,700	823,044,900
2008	27,451,400	22,294,300	706,145,500	4,531,500	41,229,100	801,651,800
2007	31,226,000	22,919,300	664,202,700	4,531,500	40,081,600	762,961,100
2006	34,589,800	24,197,000	606,152,600	4,531,500	36,465,600	705,936,500
2005	26,494,200	22,840,400	561,065,400	4,532,900	29,169,500	644,102,400

Ratio of Assessed Valuation to Estimated Full Cash Value[4]

Year	Aggregate Assessed Valuation Real Property	Aggregate True Value Real Property	Average Ratio Assessed to True Value
2009	823,044,900	1,485,104,475	55.42%
2008	801,651,800	1,497,015,500	53.55%
2007	762,961,100	1,433,059,917	53.24%
2006	644,102,400	1,031,719,366	62.43%
2005	605,443,300	869,015,789	69.67%

---

3 Source: Borough Tax Assessor.
4 Source: State of New Jersey Table of Equalized Valuations.

Township of Harrison

Debt Statement (1)
June 30, 2009

General Purpose Debt	**$31,027,820**	
Local School District Debt (2)	12,718,000	
Regional School District Debt	13,754,732	
Self-Liquidating Debt	11,039,491	
TOTAL GROSS DEBT		**$68,540,043**
Less: Statutory Deductions		
Local School District Debt	12,718,000	
Regional School District Debt	13,754,732	
Self Liquidating Debt	11,039,491	
TOTAL NET DEBT		**$31,027,820**

(1) Source: Annual and Supplemental Debt Statements of the Township of Harrison filed with the Division of Local Government Services.
(2) School District debt is paid by the District out of its operating budget and not by the Township. The Township collects taxes on behalf of the School District, acting as the School District's agent.

Debt Limit

Average Equalized Valuation Basis (2008, 2007, 2006)	$1,400,143,603
Permitted Debt Limitation (3.5%)	49,005,026
Less: Net Debt of the Borough	31,027,820
Remaining Borrowing Power	17,977,206
Percentage of Net Debt to Average Equalized Valuation:	2.22%
Gross Debt Per Capita (based on 2008-population census of 12,436):	$5,511
Net Debt Per Capita (based on 2008-population census of 12,436):	$2,495

APPENDIX B

Financial Statements of the Clearview Regional High School District

Holman & Frenia, P.C.
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Clearview Regional High School District
County of Gloucester
Mullica Hill, New Jersey 08062

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 Clearview Regional High School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2009, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Board of Education of the Clearview Regional High School District, County of Gloucester, State of New Jersey, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2009, on our consideration of the Clearview Regional High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information and budgetary comparison information as listed in the table of contents is not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We

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have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

Mike Holt

Michael Holt
Public School Accountant
No. 1148

Medford, New Jersey
October 5, 2009

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
Mullica Hill, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2009

UNAUDITED

The District's management discussion and analysis of financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2009. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in connection with this document in order to enhance and clarify their understanding of the finances of the District.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (G.A.S.B.) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Comparative information between the current year (2008-2009) and the prior year (2007-2008) is required to be present in the MD& A.

Financial Areas of Interest for 2008/2009

- **Overview**
  The School Funding Reform Act of 2008 provided for an increase in State Aid to our district in the 2008/09 year. This additional state funding allowed for a tax decrease in both sending communities. In recent prior years, the lack of state aid created a financial crisis in many school districts across the State of New Jersey, including Clearview. This caused communities, especially growing ones like ours, to increase local property taxes to meet the needs of the District. The number of students attending Clearview Regional over the past seven years increased by approximately 410, which is a 20% increase in the student population.

School Year	Students
2002/2003	2044
2003/2004	2112
2004/2005	2248
2005/2006	2323
2006/2007	2392
2007/2008	2399
2008/2009	2454

As stated in the prior year, the increased student enrollment has had a significant impact on a number of school operations.

<u>**New Finance Law - 1701**</u>
The State of New Jersey passed a new school finance law effective July 1, 2004. This law was intended to achieve two objectives: (1) to provide short-term property tax relief; and (2) greater accountability to the local voters. The major changes included:

- Reduction of surplus to 3% in 2004-05 and 2% in 2005-06
- Annual budget cap of 2.5% or the CPI
- New restriction of line item transfers
- Limited appropriation of surplus
- Limited Administrative spending

Delay in State Aid Payments

The Commissioner of Education announced on May 14, 2009 that in order to close a $1.2 billion revenue gap in the state's current budget that they planned to delay the June 8th state aid payment to schools. This resulted in both the June 8th and June 22nd state aid payments being delayed until July. This measure along with S1701 (reduction of surplus to 2%) resulted in severe cash flow issues for all New Jersey School Districts.

Staffing

The need for additional staff continues to have a substantial impact on the District budget. The District is committed to meeting the staffing needs in order to accommodate the growing student population.

Due to the increase in state aid, the District was able to hire several new staff members during 2008-09 to fill gaps that have been needed for several years now. There were four teaching staff members, one High School assistant principal, one teaching supervisor, two security personnel, one facilities position, one part-time director of student activities and one part-time support staff member.

Special Education

The costs for the out-of-district placements continued to rise. The District incurred costs of $1,828,114 for tuition. This does not include the cost for the transportation related to these students. The District continues to closely monitor these costs as they represent a substantial portion of the budget.

Transportation

The District's growth in student population continues to impact the transportation department. Additional drivers, buses, activity routes, and outside contracted routes resulted in considerable expenditure increases. The increase in staff time required to perform the tasks of transporting approximately 2,454 students is significant and costly. The Transportation Department expenditures for operations and salaries were approximately $1,477,110 which is $139,956 less than 2007/08. The reduction in costs is due to the retirement of the transportation supervisor and the elimination of a secretarial position in the transportation office. The District continues to provide transportation services to the Mantua Township School District. This adds another 1,650 students to the daily responsibilities of the Transportation Department. We continue to realize cost efficiencies in this area by maximizing fleet utilization. The 2008-09 transportation efficiency rating was 2.497.

- **State Aid**

  While State Aid has been approximately level for the prior eight fiscal years (2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08), due to the School Funding Reform Act of 2008, the district received an increase in State Aid for 2008-09. This 20% increase totaled $2,443,365. These additional funds enabled the tax rate to decrease in both of the sending communities.

On March 31, 2009, school districts were informed that they could either defer 50% of their 2008/09 regular PERS pension liability or accept a reduction in state aid in the amount of the allowable PERS deferred amount. The Clearview Board of Education opted to accept the reduction in state aid totaling $115,424.

- **Tax Rate and Base**

  The final budget resulted in a tax decrease of 1.1 cents per hundred of assessed value for Mantua Township residents and decreased .6 cents per hundred of assessed value for Harrison Township residents.

  The increase in the ratable base in Harrison Township was $38,678,710 (5.05%) and increase in Mantua was $19,471,549 (2.60%). The municipal tax is shared between the towns with Harrison's absorbing 49.95% while Mantua's is 50.05% during the 2008-09 school year.

- **Surplus**

  The District has again infused a considerable amount of surplus into the budget. In 2007-08, $690,965 was anticipated as Budgeted Fund Balance. In comparison, the District anticipated $860,592 in Budgeted Fund Balance in 2008-09 and $884,000 in the 2009-10 year.

  The District made substantial "deposits" into surplus in 2008-09. There was a total of $2,320,395 from unspent appropriations and $94,590 from unanticipated revenues. The "deposit" into surplus was a result of savings in several areas including breakage from retiring staff members, health benefits, transportation expenses, energy and insurance refunds. The miscellaneous income was also bolstered due to the receipt of an insurance dividend in the amount of $33,214. The revenues may not be realized in future years.

Using this Comprehensive Annual Financial Report (C.A.F.R.)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole, looks at all of the financial transactions and asks the question, "How did we do financially during 2008-2009?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses.

These bases of accounting take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District and whether it has improved or diminished. The causes of this change may be the result of many factors, some financial and some non-financial. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and School Store enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements
Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

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

Enterprise Fund
The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 47-68 of this Report.

The School District as a Whole
The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for FY 2009 compared to FY2008.

Table 1

Clearview Regional High School District's Net Assets

	2009		2008			
	Governmental	Business-Type	Governmental	Business-Type	Total 2009	Total 2008
Assets						
Current and Other Assets	6,694,071	432,960	3,427,760	366,913	7,127,031	3,794,673
Capital Assets	47,760,433	23,418	48,614,259	38,939	47,783,851	48,653,198
Total Assets	**54,454,504**	**456,378**	**52,042,019**	**405,852**	**54,910,882**	**52,447,871**
Liabilities						
Current Liabilities	5,680,242	66,186	2,911,636	17,570	5,746,428	2,929,206
Noncurrent Liabilities	27,092,936	59,994	28,783,388	61,074	27,152,930	28,844,462
Total Liabilities	**32,773,178**	**126,180**	**31,695,024**	**78,644**	**32,899,358**	**31,773,668**
Net Assets						
Invested in Capital Assets, Net of Related Debt	20,055,146	23,418	19,201,338	38,939	20,078,564	19,240,277
Restricted	2,991,103		2,228,328		2,991,103	2,228,328
Unrestricted	(1,364,923)	306,780	(1,082,671)	288,269	(1,058,143)	(794,402)
Total Net Assets	**21,681,326**	**330,198**	**20,346,995**	**327,208**	**22,011,524**	**20,674,203**

The District's combined net assets were $22,011,524 on June 30, 2009.

Table 2 shows changes in net assets for fiscal year 2009.

Table 2	Governmental	Business-type	Governmental	Business-type		
	Activities		Activities		Total	Total
	2009	2009	2008	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services	945,124	785,389	923,955	774,164	1,730,513	1,698,119
Operating Grants & Contributions	1,271,400	141,561	809,989	124,086	1,412,961	934,075
General Revenues:						
Property Taxes	16,621,295		16,105,251		16,621,295	16,105,251
Grants and Entitlements	15,307,883		15,084,865		15,307,883	15,084,865
Other	473,418	7,371	468,141	15,497	480,789	483,638
Total Revenues	34,619,120	934,321	33,392,201	913,747	35,553,441	34,305,948
Program Expenses:						
Instruction	13,070,524		13,488,376		13,070,524	13,488,376
Support Services:						
Tuition	1,545,688		1,394,985		1,545,688	1,394,985
Student & instructional related	2,421,124		2,322,905		2,421,124	2,322,905
School administrative services	1,396,326		1,281,321		1,396,326	1,281,321
General administration	535,255		547,617		535,255	547,617
Central services	343,512		318,293		343,512	318,293
Administrative info technology	288,704		211,271		288,704	211,271
Plant operations & maintenance	2,505,800		3,088,083		2,505,800	3,088,083
Pupil transportation	2,285,153		2,373,346		2,285,153	2,373,346
Employee benefits	6,160,832		6,426,994		6,160,832	6,426,994
Special schools	91,834		69,370		91,834	69,370
Interest on long-term debt	1,266,312		1,351,969		1,266,312	1,351,969
Capital outlay	15,803				15,803	
Unallocated depreciation	1,463,037		503,386		1,463,037	503,386
Reduction of Capital Leases	(217,634)				(217,634)	
Amortization of Debt Issuance	38,677				38,677	
Unallocated Comp. Absences	(162,703)				(162,703)	
Food service		869,871		919,370	869,871	919,370
Other business-type activities		91,963		39,851	91,963	39,851
Total expenses	33,048,244	961,834	33,377,916	959,221	34,010,078	34,337,137

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 46.75 percent of revenues for governmental activities for the fiscal year 2009. Property tax revenues, increased by, $516,044, which equates to a 3.2% increase over the prior year Governmental Fund tax revenues. The increase was needed to fund the additional expenditures associated with an increase in enrollment, higher operating costs, and maintenance projects. The District's total governmental revenues were $34,619,120 including the Capital Projects fund. The revenue breakout for all funds is as follows:

Revenues for Governmental Funds for Fiscal Year 2009

	Percentage
State aid unrestricted	44.21%
Property taxes	48.01%
State aid restricted	1.98%
Federal aid	1.70%
Transportation services	2.73%
Miscellaneous (Adult school, interest, other)	1.37%
	100.00%

Expenses for Governmental Funds for Fiscal Year 2009 compared to 2008

	2009 Percentage	2008 Percentage
Instruction	39.55%	39.33%
Student support services	12.00%	10.82%
School administration	4.22%	3.73%
General administration	1.62%	1.59%
Central administration	1.04%	0.92%
Administrative info. Technology	0.87%	0.61%
Operations & maintenance	7.58%	8.99%
Transportation	6.92%	6.91%
Employee benefits	18.64%	18.71%
Special schools	0.28%	0.20%
Interest on debt	3.83%	3.93%
Depreciation	4.43%	1.46%
Other	-0.98%	2.80%
	100.00%	100.00%

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service, summer camp, the Little Pioneers Preschool Program and school store expenses exceeded revenues by $27,513.
Charges for services represent $785,389 of revenue. This represents amounts paid by patrons for daily food service, summer camps, the Little Pioneers Preschool Program and school store sales.
Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was $141,293.

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

Table 3

Table 3	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental	2009	2009	2008	2008
Instruction	13,070,524	12,627,935	13,488,376	12,926,960
Support services:				
Student & instructional staff	3,966,812	3,744,186	3,717,890	3,490,601
School administrative services	1,396,326	1,396,326	1,281,321	1,281,321
General administration	535,255	535,255	547,703	547,703
Central services	343,512	343,512	318,293	318,293
Administrative info. Technology	288,704	288,704	211,271	211,271
Plant operations & maintenance	2,505,800	2,505,800	3,088,083	3,088,083
Pupil transportation	2,285,153	1,475,291	2,373,346	1,584,474
Employee benefits	6,160,832	6,025,570	6,427,000	6,270,633
Special schools	91,834	91,834	69,278	69,278
Interest on long-term debt	1,266,312	660,127	1,351,969	1,351,969
Capital outlay	15,803	15,803		
Other	(341,660)	(341,660)		
Depreciation	1,463,037	1,463,037	503,386	503,386
Total governmental expenses	33,048,244	30,831,720	33,377,916	31,643,972
Business-type				
Food Service	869,871	27,444	919,370	59,412
Other business-type activities	91,963	7,440	39,851	1,559
Total business-type expenses	961,834	34,884	959,221	60,971
Total expenses	34,010,078	30,866,604	34,337,137	31,704,943

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

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

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

Operation and maintenance of facilities 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.

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

"Other" includes special schools and unallocated depreciation and amortization.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $33,673,996 and expenditures were $33,109,057. The net change in fund balance for the year was most significant in the General Fund, an increase of $678,413. The schedules (see Exhibit B-2) included in the financial section of this Report demonstrate that the District continues to meet its responsibility for sound financial management.

As demonstrated by the various statements and schedules included in the financial section of this Report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

Revenue	Amount	Percent of Total	Increase (Decrease) from 2008	Percent of Increase (Decrease)
Local sources	17,094,713	50.77%	513,331	3.10%
State sources	15,994,794	47.50%	821,015	5.41%
Federal sources	584,489	1.74%	(136,586)	-18.94%
	33,673,996	100.00%	1,197,760	3.69%

The increase in revenue was due to a tax increase in the amount of $516,044 and a state aid increase of $821,015 offset by a decrease in interest revenue of $57,440.

The following schedules present a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2008	Percent of Increase (Decrease)
Current expense:				
Instruction	13,070,524	39.61%	62,652	0.05%
Undistributed	16,539,089	50.13%	363,164	2.25%
Capital Outlay	511,539	1.55%	162,276	46.46%
Special Schools	91,834	0.28%	22,556	32.56%
Debt Service:				
Principal	1,490,000	4.52%	145,000	10.78%
Interest	1,292,596	3.92%	(59,373)	-4.39%
	32,995,582	100.00%	696,275	2.30%

The largest portion of General Fund expenditures is for salaries and benefits. The District is a service entity and as such is labor intensive. This is typical for a service industry in both the public sector and private industry.
Expenditures are up $696,275 over the prior year mostly due to new personnel, fringe benefits, maintenance projects, out-of-district tuition, property & casualty insurance and negotiated salary increases.

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 is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. The major areas are addressed below.

- **Cost Savings Initiated**
  The Clearview Regional Board of Education continued to implement cost savings initiatives throughout 2008-09, including but not limited to:

  Special Education Alternative Program
  The aforementioned self-contained educationally handicapped component was continued at the alternative high school program. This program reduced the number of students in need of out of District placement by providing the environment and special services needed on campus.

- **Cost Savings Initiated (Continued)**
  Health Benefits
  The "Opt-out" program allowed the District to realize additional savings in this area. The "Opt-out" program enables employees to receive cash in-lieu-of benefits under the Section 125 Plan.

  In May 28, 2009, the Board of Education approved to join the Southern NJ Regional Employee Benefits Fund for provision of health benefits effective August 1, 2009. This joint insurance fund will enable the district to more accurately and timely budget health benefits costs for the subsequent budget year.

Split School Staffing
Teachers were assigned to deliver instructional services at both schools, thereby negating the need for some additional staff.

Tiered Bus Schedules
There are two bus runs which enabled to utilize the buses twice for pickup and twice for dropoff. Clearview also transports all Mantua Elementary children.

- **Interest Income**
  The District realized a decrease of $54,491 in interest income during the 2008-2009 school year. This was due to decreasing interest rates throughout the country.

- **Grants**
  The District continues to pursue competitive grants. In 2008-2009, the District took advantage of the Perkins Technology grant in the amount of $66,233.

- **Financial Concerns**
  The budget will continue to be impacted by the increasing costs in the following areas: workers compensation insurance, property/casualty insurance, medical costs and salaries.

  The areas of transportation, maintenance, substitute teachers, home-instruction, athletic and energy all continue to increase as the size of the District increases. These areas are often overlooked when reviewing the true impact of a growing District. The Business Office continues to monitor every line item in an effort to contain costs in every area.

- **Prior Recommendations**

  None

Adequate Yearly Progress
The district is pleased with the performance of its students for the 2008-09 school year. Both the Middle School and the High School achieved Adequate Yearly Progress (AYP) in both Language Arts Literacy and Math for our total and general education populations and achieved Safe Harbor for any applicable subgroups. Both schools met 41 of 41 possible indicators to make AYP for the 2009-10 school year.

High School Report
The 2008-2009 school year was successful. Our students continued to excel in many areas including academic, athletic and co-curricular. Developing and supporting the "whole student" continues to be the objective.

In the area of academics there was a great deal of positive success. Many of our students excelled in their courses, and the colleges and universities that our seniors were admitted to provided testimony to the quality of our academic programs, our staff, and our student body. The results of the district's SAT scores continue to be strong.

In the area of athletics and extra-curricular activities; the 2008-09 school year was also very successful. Our athletic teams were very competitive, with several teams during each season qualifying for tournaments and/or winning their division.

Athletics & Student Activities

The Department of Athletics and Student Activities saw many successes throughout the 2008-2009 school year. The department oversaw 42 high school clubs/activities, 14 middle school clubs/activities both with 72 advisors, 26 varsity sports, and 31 sub-varsity sports with a total of 71 coaches.

Middle School

The middle school provides excellent academic and extra curricular programs. Of particular note, is our Anti-Bullying program, which is a classroom curriculum instructed by the Assistant Principal, Mr. Michael Vicente and our Guidance Counselors.

We continue to stress reading, math and language arts literacy skills to all of our students including several remedial programs.

Extra-curricular activities continue to be a large part of the middle school program. This year approximately one hundred and fifty athletes participated in field hockey, girls and boys cross country, girls and boys basketball and wrestling. Other clubs include several choirs, jazz band, art club, German Club, helping hands, student council and an excellent school yearbook.

Capital Assets

At the end of the fiscal year 2009 the School District had $47,760,433, invested in land, construction in progress, buildings, and machinery and equipment. Table 5: shows fiscal year 2009 and 2008 balances.

Table 5

	Governmental Funds		Business-type	
	2009	2008	2009	2008
Land	1,556,708	1,577,052		
Construction in progress				
Site Improvements	190,448	212,189		
Building and Building Improvements	44,119,963	44,996,082		
Machinery and Equipment	1,893,314	1,828,936	23,418	38,939
	47,760,433	48,614,259	23,418	38,939

Debt

Administration

At June 30, 2009, the School District had $28,839,567 of outstanding debt. Of this amount, $1,134,280 is for compensated absences; $168,287 for various capital leases; and $27,537,000 of serial bonds for school construction.

Table 6

Outstanding Debt at June 30

	2009
1997 General obligation bonds	6,420,000
2003 General obligation bonds	21,117,000
Total	27,537,000

For the Future

The Clearview Regional High School District is currently in sound financial condition. The District appreciates the support of our communities and understands the financial pressure placed on the taxpayers as taxes continue to rise. We will continue to become more effective and efficient as we continue to balance the needs of the students with the resources of the community. We will continue to be a community center and will offer facilities and services that will be a source of pride for our communities. The explosive building growth continues to concern the Board and Administration. We are being proactive with facilities, financial resources and personnel in an effort to stay ahead of the building growth curve.

- **2002 Referendum Capital Building Project**
  The District has completed all of the renovation work inside the buildings for the 2002 referendum project. The District included $264,404 in it's 2009/2010 budget to transfer to the capital projects fund to finish the improvements to the athletic fields behind the Middle School.. In addition, $98,277 of the capital reserve fund balance has been reserved for the improvement of these athletic fields.

- **Roof Project**
  The District applied for and was awarded a State grant to complete renovations to both school roofs during the 2009/10 year. The total projected costs of $1,734,163 are funded by a transfer of $575,000 from the capital reserve, $279,414 budgeted in 2009/10 and a State Facilities Grant of $879,749 (50.2878% of the project).
- **Solar Project**
  A bid was awarded on August 27, 2009 to Ray Angelini, Inc. in the amo9unt of $760,761 for installation of solar photovoltaic panels on the Middle School roof. The projected completion date is March 2010.

- **Other Capital Projects**
  The District is committed to appropriating funds in order to keep our facilities up to date and safe for our students and staff. Preventive maintenance will continue to be our insurance policy that will ensure that we continue to have quality facilities to offer our public.

- **NCLB Implications**
  The District is currently monitoring the No Child Left Behind, Federal legislation to ensure compliance with all of these new regulations.

Contacting the School District's Financial Management

This financial report is designed to provide the taxpayers, bondholders, creditors and other interested parties with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, please contact Mr. John Horchak III, Superintendent or Esther R. Pennell, Business Administrator at the address below or visit our web site at www.clearviewregional.edu.

Clearview Regional Board of Education
Administration Building
420 Cedar Road
Mullica Hill, NJ 08062
856-223-2760

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

			TOTALS (MEMORANDUM ONLY)	
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2009	JUNE 30, 2008
Cash & Cash Equivalents	$3,887,103	408,456	4,295,559	1,905,479
Receivables, Net	1,448,117	6,695	1,454,812	1,219,538
Interfunds Accounts Receivable	68,441	3,202	71,643	22,432
Inventory		14,607	14,607	10,041
Unamortized Bond Issuance Costs	45,716		45,716	
Unamortized Loss on Early Retirement of Debt	237,618		237,618	
Restricted Assets:				
Restricted Cash & Cash Equivalents				165,387
Capital Reserve Account - Cash	1,007,076		1,007,076	471,796
Capital Assets:				
Nondepreciation	1,591,761		1,591,761	1,577,052
Assets Net of Depreciation	46,168,672	23,418	46,192,090	47,076,146
Total Assets	54,454,504	456,378	54,910,882	52,447,871
LIABILITIES				
Cash Deficit	919,375		919,375	713,509
Accounts Payable	203,503	146	203,649	190,086
Accrued Interest Payable	481,003		481,003	
Unamortized Bond Premium	51,269		51,269	
Interfund Accounts Payable		63,288	63,288	19,833
Payable to Federal Government				11,231
Payable to State Government	24,080		24,080	17,717
Deferred Revenue	2,314,375	2,752	2,317,127	110,308
Noncurrent Liabilities (Note 7):				
Due Within One Year	1,686,637		1,686,637	1,866,522
Due Beyond One Year	27,092,936	59,994	27,152,930	28,844,462
Total Liabilities	32,773,178	126,180	32,899,358	31,773,668
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	20,055,146	23,418	20,078,564	19,240,277
Restricted For:				
Debt Service	(481,002)		(481,002)	
Capital Projects	1,133,290		1,133,290	711,485
Other Purposes	2,338,615		2,338,615	1,516,843
Unrestricted	(1,364,723)	306,780	(1,057,943)	(794,402)
Total Net Assets	$21,681,326	330,198	22,011,524	20,674,203

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
						TOTALS (MEMORANDUM ONLY)	
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2009	JUNE 30, 2008
Governmental Activities:							
Instruction:							
Regular	$9,724,632			(9,724,632)		(9,724,632)	(10,022,531)
Special Education	2,403,481		442,589	(1,960,892)		(1,960,892)	(1,974,788)
Other Instruction	942,411			(942,411)		(942,411)	(929,641)
Support Services:							
Tuition	1,545,688			(1,545,688)		(1,545,688)	(1,394,985)
Student & Instruction Related Services	1,983,246		222,626	(1,760,620)		(1,760,620)	(2,095,616)
Health Services	190,890			(190,890)		(190,890)	
Educational Media Services/School Library	246,988			(246,988)		(246,988)	
School Administrative Services	1,396,326			(1,396,326)		(1,396,326)	(1,281,321)
General Administration	535,255			(535,255)		(535,255)	(547,617)
Central Services	343,512			(343,512)		(343,512)	(318,293)
Administrative Information Technology	288,704			(288,704)		(288,704)	(211,271)
Plant Operations & Maintenance	2,505,800			(2,505,800)		(2,505,800)	(3,088,083)
Pupil Transportation	2,285,153	809,862		(1,475,291)		(1,475,291)	(1,584,474)
Employee Benefits	6,160,832	135,262		(6,025,570)		(6,025,570)	(6,270,627)
Special Schools	91,834			(91,834)		(91,834)	(69,370)
Adjustment to Capital Assets	15,803			(15,803)		(15,803)	
Interest on Long-Term Debt	1,266,312		606,185	(660,127)		(660,127)	(1,351,969)
Unallocated Depreciation	1,463,037			(1,463,037)		(1,463,037)	(503,386)
Reduction of Capital Leases	(217,634)			217,634		217,634	
Amortization of Debt Issuance Costs	38,677			(38,677)		(38,677)	
Unallocated Compensated Absences	(162,703)			162,703		162,703	

EXHIBIT A-2
(Page 2 of 2)

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
						TOTALS (MEMORANDUM ONLY)	
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2009	JUNE 30, 2008
Total Governmental Activities	33,048,244	945,124	1,271,400	(30,831,720)		(30,831,720)	(31,643,972)
Business-Type Activities:							
Food Service	869,871	701,134	141,293		(27,444)	(27,444)	(59,412)
Other Activities	91,963	84,255	268		(7,440)	(7,440)	(1,559)
Total Business-Type Activities	961,834	785,389	141,561		(34,884)	(34,884)	(60,971)
Total Primary Government	$34,010,078	1,730,513	1,412,961	(30,831,720)	(34,884)	(30,866,604)	(31,704,943)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				14,444,883		14,444,883	14,036,426
Taxes Levied for Debt Service				2,176,412		2,176,412	2,068,825
Federal & State Aid Not Restricted				15,307,883		15,307,883	15,084,865
Tuition Charges				171,444		171,444	145,057
Investment Earnings				75,769	7,371	83,140	148,706
Miscellaneous Income				226,205		226,205	197,865
Loss on Disposal of Assets							(7,990)
Total General Revenues, Special Items, Extraordinary Items & Transfers				32,402,596	7,371	32,409,967	31,673,754
Change In Net Assets				1,570,876	(27,513)	1,543,363	(31,189)
Net Assets - Beginning, as Previously Stated				20,346,995	327,208	20,674,203	20,705,392
Prior Period Adjustment				(236,545)	30,503	(206,042)	
Net Assets July 1, Restated				20,110,450	357,711	20,468,161	20,705,392
Net Assets - Ending				$21,681,326	$330,198	$22,011,524	$20,674,203

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

CLEAVEW REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY) JUNE 30, 2009	JUNE 30, 2008
Cash & Cash Equivalents	$2,799,420			1,087,683	3,887,103	1,715,891
Receivables from Other Governments	333,496	331,449	417,686		1,082,631	927,795
Interfund Accounts Receivable	68,441				68,441	22,432
Restricted Cash & Cash Equivalents	1,007,076				1,007,076	471,796
Total Assets	$4,208,433	331,449	417,686	1,087,683	6,045,251	3,137,914
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Overdraft		278,833	291,472		570,305	433,557
Accounts Payable	$163,297	26,968			190,265	180,378
Interfund Accounts Payable						3,436
Intergovernmental Payable:						
State		24,080			24,080	17,717
Federal						11,231
Deferred Revenue	1,225,125	1,568		1,087,682	2,314,375	110,308
Total Liabilities	1,388,422	331,449	291,472	1,087,682	3,099,025	756,627
Fund Balances:						
Reserved:						
For Encumbrances	158,480				158,480	98,714
Maintenance Reserve	175,200				175,200	200
Capital Reserve Account	1,007,076				1,007,076	471,796
Excess Surplus - Designated for Subsequent Year's Expenditures	656,051				656,051	776,679
Excess Surplus	1,345,706				1,345,706	656,051
Unreserved:						
Designated for Subsequent Year's Expenditures	227,949				227,949	83,913
General Fund Undesignated	(750,451)				(750,451)	54,245
Capital Projects Fund			126,214		126,214	239,689
Debt Service Fund				1	1	
Total Fund Balances	2,820,011		126,214	1	2,946,226	2,381,287
Total Liabilities & Fund Balances	$4,208,433	331,449	417,686	1,087,683		

Amounts reported for *governmental activities* in the statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $64,674,644 and the accumulated depreciation is $16,914,211.	47,760,433	48,614,259
Accrued interest payable is not recorded in the fund financial due to the fact that payable is not due in the current period.	(481,003)	
Unamortized bond issuance costs/loss on refunding net of Bond Premium is not recorded in the fund financials But is recorded on the district wide financials	232,065	
Internal service funds are used by management to charge the costs of certain activities, such as transportation and food service to other governments. Assets and liailities of the internal service funds of $3,178 are included in governmental activities in the the Statement of Net Assets.	3,178	1,359
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(28,779,573)	(30,649,910)
Net assets of Governmental Activities	$21,681,326	20,346,995

See accompanying notes to the financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY) JUNE 30, 2009	TOTALS (MEMORANDUM ONLY) JUNE 30, 2008
Revenues:						
Local Sources:						
Local Tax Levy	$14,444,883			2,176,412	16,621,295	16,105,251
Tuition	171,444				171,444	145,057
Transportation	8,037				8,037	
Interest Earned on Investments	74,471				74,471	128,962
Interest Earned on Capital Reserve Funds	1,298				1,298	4,247
Miscellaneous	218,168				218,168	197,865
Total Local Sources	14,918,301			2,176,412	17,094,713	16,581,382
State Sources	15,307,883	80,726		606,185	15,994,794	15,173,779
Federal Sources		584,489			584,489	721,075
Total Revenues	30,226,184	665,215		2,782,597	33,673,996	32,476,236
Expenditures:						
Current Expense:						
Regular Instruction	9,724,632				9,724,632	9,573,755
Special Education Instruction	1,960,892	442,589			2,403,481	2,506,885
Other Instruction	942,411				942,411	927,232
Support Services:						
Tuition	1,545,688				1,545,688	1,394,985
Student & Instruction Related Services	1,760,620	222,626			1,983,246	2,275,949
Health Services	190,890				190,890	
Educational Media Services/ School Library	246,988				246,988	
Instructional Staff Training	18,601				18,601	
General Administrative	516,654				516,654	517,043
School Administrative Services	1,396,326				1,396,326	1,258,848
Central Services	343,512				343,512	317,997
Administrative Information Technology	288,704				288,704	216,815
Plant Operations & Maintenance	2,505,800				2,505,800	2,309,565
Pupil Transportation	1,477,110				1,477,110	1,617,066
Employee Benefits	6,025,570				6,025,570	6,267,565
Special Schools	91,834				91,834	69,370
Debt Service:						
Principal				1,490,000	1,490,000	1,345,000
Interest & Other Charges				1,292,596	1,292,596	1,351,969
Capital Outlay	511,539		113,475		625,014	349,263
Total Expenditures	29,547,771	665,215	113,475	2,782,596	33,109,057	32,299,307
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	678,413		(113,475)	1	564,939	176,929
Fund Balances July 1, 2008	2,141,598		239,689		2,381,287	2,204,358
Fund Balances June 30, 2009	$2,820,011		126,214	1	2,946,226	2,381,287

See accompanying notes to the financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$564,939
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	($1,463,037)	
Capital Outlays Adjustments	(15,803)	
Capital Outlays	625,014	(853,826)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Bond Principal Payments	1,490,000	
Capital Lease Obligation Principal Payments	217,634	1,707,634
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
Prior year	507,287	
Current Year	(481,003)	26,284
Amortization of losses on early extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.		
Prior year	(270,742)	
Current Year	232,065	(38,677)
Internal service funds are used by management to charge the costs of certain activities, such as shared business services. The operating gain of $1,819, are included in the governmental activities and Statement of Net Assets (see Exhibit G-5).		1,819
In the statement of activities, certain operating expenses, e.g., compensated abscenses and special termination benefits are measured by the amounts earned during the year. In 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 reconcilation.		162,703
Change in Net Assets of Governmental Activities		$1,570,876

See accompanying notes to the financial statements.

EXHIBIT B-4

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL (MEMORANDUM ONLY)	
ASSETS	FOOD SERVICE FUND	OTHER FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	JUNE 30, 2009	JUNE 30, 2008
Current Assets:					
Cash & Cash Equivalents	$381,045	27,411		408,456	354,975
Accounts Receivable					3,195
Receivables from Other Governments	6,695		365,486	372,181	288,548
Interfund Receivable		3,202		3,202	
Inventories	9,049	5,558		14,607	10,041
Total Current Assets	396,789	36,171	365,486	798,446	656,759
Fixed Assets:					
Equipment	298,220			298,220	298,220
Accumulated Depreciation	(274,802)			(274,802)	(259,281)
Total Fixed Assets	23,418			23,418	38,939
Total Assets	420,207	36,171	365,486	821,864	695,698
LIABILITIES					
Current Liabilities:					
Cash Overdraft			349,070	349,070	279,952
Accounts Payable	146		13,238	13,384	9,708
Deferred Revenue		2,752		2,752	
Interfund Payable	63,088	200		63,288	16,397
Total Current Liabilities	63,234	2,952	362,308	428,494	306,057
Noncurrent Liabilities:					
Compensated Absences	59,994			59,994	61,074
Total Noncurrent Liabilities	59,994			59,994	61,074
Total Liabilities	123,228	2,952	362,308	488,488	367,131
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	23,418			23,418	38,939
Reserved for Encumbrances					70
Unrestricted	273,561	33,219	3,178	309,958	289,558
Total Net Assets	$296,979	33,219	3,178	333,376	328,567

See accompanying notes to the financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE FUND	OTHER FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	JUNE 30, 2009	JUNE 30, 2008
Operating Revenue:					
Daily Sales - Reimbursable Programs	$377,443			377,443	375,931
Daily Sales - Nonreimbursable Programs	305,235	32,271		337,506	378,430
Transportation Fees			945,124	945,124	923,955
Special Functions					11,838
Miscellaneous Income	18,456	51,984		70,440	7,965
Total - Daily Sales - Reimbursable Programs	701,134	84,255	945,124	1,730,513	1,698,119
Operating Expenses:					
Salaries	430,391	60,014	432,439	922,844	879,518
Employee Benefits	29,200	4,286	135,262	168,748	167,889
Supplies and Materials	27,433	4,062	7,174	38,669	25,341
Other Purchased Professional & Technical Services			332	332	483
Other Purchased Services	12,528		28,855	41,383	40,786
Cleaning, Repair & Maintenance Services			67,795	67,795	74,896
Depreciation	15,521			15,521	15,831
Miscellaneous Other Expenses		4,681	733	5,414	10,697
Cost of Sales	354,798	18,920		373,718	400,468
Contracted Services (Between Home & School Vendors			122,006	122,006	80,826
Contracted Services (Special Education (Students) - Joint Agreements			26,348	26,348	38,841
Aid in Lieu			81,788	81,788	76,343
Energy			39,275	39,275	71,196
Total Operating Expenses	869,871	91,963	942,007	1,903,841	1,883,115
Operating (Loss)/Gain	(168,737)	(7,708)	3,117	(173,328)	(184,996)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	8,056			8,056	8,215
Federal Sources:					
National School Lunch Program	86,623			86,623	74,227
Food Distribution Program	46,614			46,614	41,644
Interest Revenue	7,371	268		7,639	15,497
Transfer to General Fund			(1,298)	(1,298)	
Total Nonoperating Revenues	148,664	268	(1,298)	147,634	139,583
Change in Net Assets	(20,073)	(7,440)	1,819	(25,694)	(45,413)
Total Net Assets - Beginning, As Previously Stated	317,052	10,156	1,359	328,567	373,980
Prior Period Adjustment:					
To Reclass Student Activities to Little Pioneers Fund		30,503		30,503	
Net Assets - Beginning of Year, As Restated	317,052	40,659	1,359	359,070	718,140
Total Net Assets - Ending	$296,979	33,219	3,178	333,376	328,567

See accompanying notes to the financial statements.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE FUND	OTHER FUNDS		JUNE 30, 2009	JUNE 30, 2008
Cash Flows From Operating Activities:					
Receipts from Customers	$699,836	84,005	868,186	1,652,027	1,675,050
Payments to Employees	(351,188)	(60,014)	(432,439)	(843,641)	(841,639)
Payments for Employee Benefits	(431,471)	(4,286)	(135,262)	(571,019)	(563,933)
Payments to Suppliers	(29,200)	(32,174)	(369,603)	(430,977)	(388,019)
Net Cash Provided/(Used) by Operating Activities	(112,023)	(12,469)	(69,118)	(193,610)	(118,541)
Cash Flows From Noncapital Financing Activities:					
Cash Received From State & Federal Reimbursements	139,091			139,091	82,296
Payments to Operating Fund			(1,298)	(1,298)	(84,213)
Net Cash Provided by Noncapital Financing Activities	139,091		(1,298)	137,793	(1,917)
Cash Flows From Investing Activities:					
Interest & Dividends	7,371	268		7,639	15,497
Net Cash Provided by Investing Activities	7,371	268		7,639	15,497
Net Increase/(Decrease) in Cash & Cash Equivalents	34,439	(12,201)	(70,416)	(48,178)	(104,961)
Cash and Cash Equivalents, July 1, Previously Stated	346,606	7,071	(278,654)	75,023	179,984
Prior Period Adjustment:					
To Reclass Student Activities to Little Pioneers Fund		32,541		32,541	
Cash and Cash Equivalents, July 1 As Restated	346,606	39,612	(278,654)	107,564	
Cash & Cash Equivalents, June 30	$381,045	27,411	(349,070)	59,386	75,023

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

	FOOD SERVICE FUND	OTHER FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	JUNE 30, 2009	JUNE 30, 2008
Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	($168,737)	(7,708)	3,117	(173,328)	(184,996)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	15,521			15,521	15,831
Food Distribution Program					41,644
Change in Assets & Liabilities:					
Increase (decrease) in Accounts Receivable	(1,298)	(3,202)	(76,938)	(81,438)	(23,069)
(Increase)/Decrease in Inventory	(2,093)	(2,473)		(4,566)	(2,424)
Increase/(Decrease) in Deferred Revenue		2,752		2,752	
(Decrease) in Accounts Payable	45,664	(1,838)	4,703	48,529	8,868
Increase in Compensated Absences	(1,080)			(1,080)	25,605
Total Adjustments	56,714	(4,761)	(72,235)	(20,282)	66,455
Net Cash Provided/(Used) by Operating Activities	($112,023)	(12,469)	(69,118)	(193,610)	(118,541)

See accompanying notes to the financial statements.

EXHIBIT B-7

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	PRIVATE PURPOSE				TOTALS (MEMORANDUM ONLY)	
ASSETS	HALL OF HONOR	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS	JUNE 30, 2009	JUNE 30, 2008
Cash & Cash Equivalents	$1,064	6,238	134,280	423,778	565,360	920,994
Interfund Receivables:						
General Fund						3,436
Total Assets	1,064	6,238	134,280	423,778	565,360	924,430
LIABILITIES						
Payroll Deductions & Withholdings				143,933	143,933	429,090
Accounts Payable			6,182		6,182	
Due to Student Groups				271,490	271,490	347,100
Deferred Revenue						2,565
Interfund Accounts Payable				8,355	8,355	2,327
Total Liabilities			6,182	423,778	429,960	781,082
NET ASSETS						
Reserved:						
Unemployment Claims			128,098		128,098	142,759
Reserved for Scholarships	1,064	6,238			7,302	
Unreserved Fund Balance						589
Total Net Assets	$1,064	6,238	128,098		135,400	143,348

See accompanying notes to the financial statements.

EXHIBIT B-8

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	PRIVATE PURPOSE			TOTALS (MEMORANDUM ONLY)	
	HALL OF HONOR	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2009	JUNE 30, 2008
ADDITIONS:					
Contributions:					
Plan Member			31,588	31,588	27,947
Other	$2,565	250		2,815	
Total Contributions	2,565	250	31,588	34,403	27,947
Investment Earnings:					
Interest on Investments		45	2,613	2,658	4,671
Total Investment Earnings		45	2,613	2,658	4,671
Total Additions	2,565	295	34,201	37,061	32,618
DEDUCTIONS:					
Sure Payments	2,090			2,090	
Unemployment Claims			48,862	48,862	26,751
Scholarship Payments		1,500		1,500	
Total Deductions	2,090	1,500	48,862	52,452	26,751
Change in Net Assets	475	(1,205)	(14,661)	(15,391)	5,867
Net Assets - Beginning of Year, As Previously Stated	589		142,759	143,348	137,481
Prior Period Adjustment: To Account of Scholarship Fund		7,443		7,443	
Net Assets - Beginning of Year As Restated	589	7,443	142,759	150,791	137,481
Net Assets - End of Year	$1,064	6,238	128,098	135,400	143,348

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Clearview Regional High School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 Basic *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards for the fiscal year-ending June 30, 2003. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues;* Statement 37 - Basic *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section.*

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2009 and for the year then ended with comparative totals as of and for the year ended June 30, 2008 (Memorandum Only).

A. Reporting Entity:

The Clearview Regional High School District is a Type II district located in the County of Gloucester, 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. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades 7-12 received from the Townships of Harrison and Mantua. The Clearview Regional High School District has an approximate enrollment at June 30, 2009 of 2,454 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:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board

Note 1. Summary of Significant Accounting Policies (continued):

- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 29, *Determining Whether Certain Organizations are Component Units.*

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1. Summary of Significant Accounting Policies (continued):

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 – The 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 year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting:

The accounts of the Clearview Regional High School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

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

Note 1. Summary of Significant Accounting Policies (continued):

As required by the New Jersey Department of Education Clearview Regional High School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) 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, interest earnings 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 Special Revenue Fund is used to account for the proceeds of specific revenue 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.

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).

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.

Internal Service Fund – Internal service funds are cost accounting and distribution entities, and are intended to "break even" annually and/or over a period of years. The use of an internal service fund does not provide additional revenue or expenses to the district but acts as a means to document the sharing of the costs.

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided

Note 1. Summary of Significant Accounting Policies (continued):

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, Summer Camps Fund, School Store Fund, and the Little Pioneers Fund.

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

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

Machinery and Equipment	5-20 years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Note 1. Summary of Significant Accounting Policies (continued):

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Clearview Regional High School District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The Clearview Regional High School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1.* All budget amendments must be approved by School Board resolution.

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

Note 1. Summary of Significant Accounting Policies (continued):

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.

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

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

Notes to Required Supplementary Information.
Budgetary Comparison Schedule

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$31,007,200	$665,215
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	553,979	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(1,334,995)	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$30,226,184	$665,215

Note 1. Summary of Significant Accounting Policies (continued):

	General Fund	Special Revenue Fund
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$29,547,771	$665,215
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$29,547,771	$665,215

G. 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 Clearview Regional High School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash, 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless

Note 1. Summary of Significant Accounting Policies (continued):

such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings 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.

I. Tuition Receivable/Payable

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.

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2009, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2005-2006 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2009.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of $2,000 at the date of acquisition and a useful life of

Note 1. Summary of Significant Accounting Policies (continued):

one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Site Improvements	20 Years
Building & Improvements	20-50 Years
Machinery and Equipment	5–20 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2009 for such salaries.

N. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

P. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

Note 1. Summary of Significant Accounting Policies (continued):

Q. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2009, and reported at fair value are as follows:

Type	**Carrying Value**
Deposits:	
Demand Deposits	$4,948,620
Total Deposits & Investments	$4,948,620
Reconciliation of Statements of Net Assets:	
Governmental Activities	$4,323,874
Business-Type Activities	59,386
Fiduciary Funds	565,360
Total Cash and Cash Equivalents	$4,948,620

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of $5,985,045 at June 30, 2009. Of the bank balance $250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and $5,735,045 as secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2009, are provided in the above schedule.

Note 2. Cash and Cash Equivalents and Investments (continued):

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2009 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4.

A. Capital Reserve Account

A capital reserve account was established by the Board of Education by inclusion of $5,000 on September 28, 2000, 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 district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g),* the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2008 to June 30, 2009 fiscal year is as follows:

Beginning Balance, July 1, 2008	$ 471,796
Transfer from Budget	200,000
Deposits Approved by Board Resolution	325,000
Interest Earned	10,280
Ending Balance, June 30, 2009	$1,007,076

The June 30, 2009 the LRFP balance of local support costs for uncompleted capital projects at June 30, 2009 is $5,063,361. As of June 30, 2009, $98,277 of the capital reserve balance has been reserved for the improvement of athletic fields behind the Middle School as approved by the Board in June 2002. There were no withdrawals from the capital reserve account during the current year.

B. Maintenance Reserve

During June of 2009 the District increased their Maintenance Reserve account by passage of a board resolution in the amount of $175,000 to increase the existing reserve from its $200 balance. See exhibit B-1.

Note 5. Fixed Assets

The following schedule is a summarization of the capital fixed assets by source for the fiscal year ended June 30, 2009:

Note 5. Fixed Assets (continued):

	June 30, 2008	Additions	Deletions	Transfers/ Adjustments	June 30, 2009
Land	$ 1,577,052	$ 14,709			$ 1,591,761
Land Improvements	482,408				482,408
Buildings & Improvements	56,459,286	239,583			56,698,869
Machinery & Equipment	5,668,699	354,919	$(122,013)		5,901,605
Subtotal	64,187,445	609,211	(122,013)		64,674,643
Accumulated Depreciation	(15,573,186)	(1,468,294)	122,013	$5,257	(16,914,210)
Total	$48,614,259	$ (859,083)	$ -	$5,257	$47,760,433

The following is a summary of proprietary fund type fixed assets at June 30, 2009:

	Balance as of June 30, 2008	Additions	Deletions	Balance as of June 30, 2009
Machinery Equipment	$298,220		$ -	$298,220
Less: Accumulated Depreciation	(259,281)	$(15,521)		(274,802)
Total	$ 38,939	$(15,521)	$ -	$ 23,418

Note 6. Long-Term Debt

Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All Bonds are retired in serial installments within the statutory period of usefulness. Bonds Issued by the Board are General Obligation Bonds.

A. Defeased Debt:

On December 1, 1997, the District issued General Obligation Bonds of $10,105,000 (par value) with interest rates ranging from 3.70% to 5.375% to advance refund 1994 General Obligation Bonds with an interest rate of 6.10% and a par value of $9,255,000. Maturities of the 1994 Bonds range from 2005 to 2015 and they are callable, at par, on or after August 1, 2005. The 1997 General Obligation Bonds were issued with a net bond premium of $153,806 that was used, in part, to pay issuance costs of $137,147. The net proceeds from the issuance of the General Obligation Bonds were used to purchase U.S. Government securities and those securities were placed on deposit in an irrevocable trust with an escrow

Note 6. Long-Term Debt (continued):

agent to provide debt service payments on the 1994 Bonds. The advance refunding met the requirements of an in-substance defeasance and the 1994 Bonds were removed from the District's debt.

As a result of the advance refunding, the District reduced its total debt service requirements by $399,191, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $295,453.Also as a result of the refunding the district incurred an accounting loss of $712,853 which is being amortized over the remaining life of the defeased bond issue.

On February 15, 2005, the District issued General Obligation Bonds of $23,868,000 (par value) with interest rates ranging from 3% to 4 ½%. Maturities of the 2005 Bonds range from 2005 to 2023 and they are callable, at par, on or after February 1, 2023.

The proceeds from the sale of the Bond will be used to undertake the construction of additions and renovations to the Clearview Regional High School and the Clearview Regional Middle School and to make the necessary onsite and offsite improvements and purchase of the necessary furniture and equipment associated with the construction and renovations in these facilities.

The total amount received was $23,878,337.95 (Bonds of $23,867,000 & accrued interest of $11,337.95).

B. Long-Term Obligation Activity:

During the fiscal year ended June 30, 2009 the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 6/30/08	Additions	Retired/ Refunded	Balance 6/30/09	Due Within One Year
Bonds Payable	$29,027,000	$ -	$(1,490,000)	$27,537,000	$1,585,000
Capital Leases	385,921		(217,634)	168,287	101,638
Special Termination Benefits	317,776		(158,888)	158,888	158,888
Compensated Absences					
Governmental	919,213		(3,815)	915,398	
Business-Type	61,074		(1,080)	59,994	
Total	$30,710,984	$ -	$(1,871,417)	$28,839,567	$1,845,526

C. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Note 6. Long-Term Debt (continued):

Principal and interest due on serial bonds outstanding is as follows:

Year-ending June 30,	Principal	Interest	Total
2010	$ 1,585,000	$1,224,123	$ 2,809,123
2011	1,685,000	1,151,384	2,836,384
2012	1,675,000	1,073,009	2,748,009
2013	1,670,000	993,284	2,663,284
2014	1,715,000	912,093	2,627,093
2015-2019	9,640,000	3,346,356	12,986,356
2020-2023	9,567,000	1,085,010	10,652,010
Total	$27,537,000	$9,785,259	$37,322,259

D. Capital Leases Payable:

The District has entered into lease purchase agreements for the acquisition of school buses, computers, instructional equipment and lighting and retrofit energy conservation equipment. The lease agreements are for five year, ten years for the lighting and retrofit energy conservation equipment, and carry interest rates ranging from 2.5% to 5.8%.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2009 are:

Year Ending June 30,	Principal	Interest	Total
2010	$101,638	$6,820	$108,458
2011	66,649	2,733	69,382
Total	$168,287	$9,553	$177,840

Note 7. Operating Leases

The District has commitments to lease copiers under noncancellable operating leases for five years. Total lease payments made during the year ended June 30, 2009 amounted to $13,781. Future minimum lease payments are as follows:

Note 7. Operating Leases (continued):

Year-ending June 30,	
2010	$ 73,902
2011	72,459
2012	50,533
2013	44,543
2014	25,715
Total Minimum Lease Payments	$267,152

Note 8. Pension Plans

Plan Descriptions - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Note 8. Pension Plans (continued):

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:6C* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development 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. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.
New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66,* and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living

Note 8. Pension Plans (continued):

adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	$270,904	100%	$ - 0 -
6/30/08	253,754	80%	203,003
6/30/07	178,678	60%	107,207

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	$ 816,985	100%	$ -0-
6/30/08	1,615,552	100%	-0-
6/30/07	5,543,344	100%	-0-

During the year ended June 30, 2009 the State of New Jersey contributed $816,985 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District $956,035 for the year ended June 30, 2009 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the

Note 9. Post-Retirement Benefits (continued):

State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State made post-retirement (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2008.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

Note 10. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2008-2009	None	$ 31,588	$48,862	$128,098
2007-2008	None	27,947	26,751	142,759
2006-2007	None	27,191	57,267	136,892

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

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 11. Contingent Liabilities

In the opinion of the Administration and Legal Counsels, there are no material litigation or contingent liabilities that are pending against the Clearview Regional High School District.

Note 12. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2009:

Fund	Interfund Receivable	Interfund Payable
General Fund	$68,441	
Payroll		$ 744
Payroll Agency		1,152
School Store		200
Student Activities		6,459
Little Pioneers	3,202	
Food Service		63,088
Total	$71,643	$71,643

Note 14. Fund Balance Appropriated

General Fund – of the $2,820,011 General Fund fund balance at June 30, 2009, $158,480 is reserved for encumbrances; $1,007,076 is reserved for the Capital Reserve Account; $175,200 is reserved for the Maintenance Reserve Account; $656,051 is reserved excess surplus designated for Subsequent Years Expenditures; $1,345,706 is excess surplus; $227,949 is unreserved, unrestricted designated for subsequent year's expenditures and $(750,451) is unreserved and undesignated.

Note 15. 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, permits 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 Investment Planning, Inc.	AXA Equitable
Met Life	Franklin Templeton Bank
Fiserv, Inc.	The Omni Group

Note 16. Compensated Absences

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

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. Employees who are employed for twelve months are entitled to twelve paid sick days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. However, an employee must have 25 years of service or their contract must specifically allow the payment of unused sick leave. District employees are entitled to two personal days, which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2009 is $915,398.

CLEARVIEW REGIONAL HIGH SCHOOL DISTRICT

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Note 17. Special Termination Benefits

Special termination benefits totaling $317,776 are to be budgeted and expended in installments on or before January 15, 2010. Actuarial calculations were not performed since the payout period is relatively short and the difference between an actuarial cost method and the actual payout amounts would not be significant. All special termination benefits liability has been included in the long-term debt. The future payments are due as follow:

2010	$158,888

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.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, 2009 is $1,345,706.

Note 19. Prior Period Adjustments

The following prior period adjustments were made to the financial statements.

1. This adjustment was made due to proprietary fund net assets being recorded as part of the student activities fund.

Students Activities balance June 30, 2008	$347,100
Prior Period Adjustment	(30,503)
Balance Restated	$316,597
Little Pioneers Net Assets June 30, 2008	$ -0-
Prior Period Adjustment	30,503
Net Assets Restated	$30,503

2. This adjustment was made due to the district's scholarship account not being accounted for in the financial statements.

Scholarship Fund Net Assets June 30, 2008	$ -0-
Prior Period Adjustment	7,443
Net assets restated	$7,443

Note 19. Prior Period Adjustments (continued):

3. This adjustment was made due to the prior year statement of net assets not including the adjustments for the 1997 Bond Refunding, the liability for accrued interest payable and net assets from proprietary fund from prior period adjustment number 1 above.

Net assets (Exhibit A-2) June 30, 2008	$20,674,203
Prior Period Adjustment	(206,042)
Net Assets (Exhibit A-2) Restated	$20,468,161

The total adjustment above includes the adjustment for the prior year liability of accrued interest on bonds of ($507,287), the additional nets assets as explained in prior period adjustment number 1 above of 30,503, and the adjustment for the 1997 refunding of $270,742 for a total net adjustment of $(206,042).

Note 20. Subsequent Events

1. Clearview Regional High School District issued of a Grant Anticipation Note in the amount of $879,749 dated August 12, 2009 bearing interest at the rate of 1.55% per annum payable with maturity on 8/12/10. The note was issued to fund the state grant share of the school roof project which must be paid for up front by the district and is then reimbursed by the state. The project is now complete and the district expects to start receiving reimbursement in October of 2009.

2. A bid was awarded for the Middle School Solar Project on August 27, 2009 to Ray Angelini, Inc. in the amount of $760,761. The project will begin in September of 2009 with a projected completion date of February 2010.

3. The District applied for and was awarded a State grant to complete renovations to both school roofs during the 2009/10 year. The total projected costs of $1,734,163 are funded by a transfer of $575,000 from the capital reserve, $279,414 budgeted in 2009/10 and a State Facilities Grant of $879,749 (50.2878% of the project).

APPENDIX C

Form of Approving Tax Exempt School Bond Legal Opinion

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The Board of Education of the
Clearview Regional High School
District in the County of Gloucester, New Jersey

Dear Board Members:

We have examined a record of proceedings relating to the issuance of $1,303,000* School Bonds (Direct Pay) (the "Bonds") of The Board of Education of the Clearview Regional High School District in the County of Gloucester, a school district of the State of New Jersey (the "Board of Education"). The Bonds are dated December 23, 2009, mature in the principal amounts on January 15 in each of the years and bear interest payable semiannually on the fifteenth days of January and July in each year, commencing July 15, 2010 until maturity at the rates per annum described on the following schedule:

Year	**Amount**	**Interest Rate**	**Year**	**Amount**	**Interest Rate**
2011	$70,000	%	2019	$90,000	%
2012	75,000		2020	90,000	
2013	75,000		2021	95,000	
2014	80,000		2022	95,000	
2015	80,000		2023	100,000	
2016	80,000		2024	100,000*	
2017	85,000		2025	103,000*	
2018	85,000				

The Bonds are not subject to redemption prior to their stated maturities as set forth therein.

The Bonds will be issued in the form of one certificate for each year of maturity registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository.

The Bonds are issued pursuant to (i) Title 18A, Education, Chapter 24 of the New Jersey

* Preliminary, subject to change

Statutes, (ii) a proposal adopted by the Board of Education on January 26, 2009 and approved by the affirmative vote of a majority of the legal voters present and voting at the school district election held on April 21, 2009 and (iii) a resolution duly adopted by the Board of Education on November 19, 2009. The Bonds are secured under the provisions of the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c.72 , approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003).

In our opinion, except insofar as the enforcement thereof may be limited by any applicable ankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligation of the Board of Education and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable property within the school district without limitation as to rate or amount.

If the Bonds are issued as tax-exempt obligations (the “Tax-Exempt School Bonds”), the Board of Education has covenanted to comply with any continuing requirements that may be necessary to preserve tax exemption under the Internal Revenue Code of 1986, as amended (the "Code"). Assuming that the Board of Education continuously complies with its covenant, it is our opinion that interest on the Tax-Exempt School Bonds is not includable in gross income for federal income tax purposes under the current law. In our opinion, interest on the Tax-Exempt School Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Tax-Exempt School Bonds held by corporate taxpayers is not included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of interest on the Tax-Exempt School Bonds not being included in "adjusted current earnings."

Further, in our opinion, interest on the Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act. We express no opinion regarding other federal or State tax consequences arising with respect to the Bonds.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,