

**CUMBERLAND REGIONAL
SCHOOL DISTRICT**

Seabrook, New Jersey

**Auditor's Management Report on Administrative
Findings, Financial, Compliance and Performance
For the Year Ended June 30, 2008**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND REGIONAL
BOARD OF EDUCATION
SEABROOK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Prepared by
Cumberland Regional Board of Education
Finance Department**

**CUMBERLAND REGIONAL BOARD OF EDUCATION
OUTLINE OF CAFR**

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INTRODUCTORY SECTION

CUMBERLAND REGIONAL SCHOOL DISTRICT

P.O. 5115, Seabrook, New Jersey 08302

Phone: 856-451-9400 / Fax: 856-455-9750

October 29, 2008

HONORABLE PRESIDENT AND
MEMBERS OF THE BOARD OF EDUCATION
CUMBERLAND REGIONAL SCHOOL DISTRICT
PO BOX 5115
SEABROOK, NJ 08302

Dear Board Members:

The comprehensive annual financial report of the Cumberland Regional School District for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revision of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non Profit Organization," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Cumberland Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All findings and account groups of the District are included in this report. The Cumberland Regional School District Board of Education and Cumberland Regional High School constitute the District's reporting entity.

The District provides a full range of education services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for handicapped children. The District completed the 2007-2008 fiscal year with a student enrollment of 1,349 students, which is 20 less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2001-02	1,199
2002-03	1,237
2003-04	1,398
2004-05	1,354
2005-06	1,369
2006-07	1,349
2007-08	1,298

2. ECONOMIC CONDITION AND OUTLOOK:

The Cumberland Regional School District, consisting of seven constituent Districts (Deerfield Township, Fairfield Township, Greenwich Township, Hopewell Township, Shiloh Borough, Stow Creek Township, and Upper Deerfield Township) continues to be in a pocket of high unemployment. Even with the continued opening of the new prison, economic indicators are still very poor in this area. We anticipate a minimal increase in enrollment, as new housing continues to be on the increase. However, this increase will not result in a substantial increase in state aid.

3. MAJOR INITIATIVES:

Several major initiatives have been planned for the 2008-2009 school year to assist the district in meeting its curricular goals. The Board of Education endorsed the school administration's planning for the following curricular programs and facility items.

The District continues to be identified by the New Jersey Department of Education as a District in Need of Improvement according to No Child Left Behind (NCLB) guidelines. During the 2007-08 school year, the faculty continued to collaborate in the formulation of a unified approach to be used in all curricular areas to improve writing and focus on strategies to use with non-proficient students. They examined individual and sub-group testing data, developed uniform standards in curricular courses, identified specific skill areas in need of improvement,

and monitored the improvement efforts. To further assist our non-proficient students, additional sections of In Class Support in mathematics and language arts were scheduled and an after-school tutoring program was offered to students who did not meet proficiency standards. Additional curricular changes include the implementation of a standards-based mathematics text series, Core Plus, in the integrated mathematics courses.

First, as a District in Need of Improvement an NCLB Restructuring Plan was submitted to the Department of Education. This action comes after an extensive academic assessment known as the Collaborative Assessment and Planning for Achievement (CAPA) process. A number of fulltime positions were added to the staff as called for by the Plan. They are: Literacy Coach, Supervisor of Curriculum, Guidance Counselor, and Staff Developer. With the addition of staff and programs we anticipate an overall improvement in the academic performance of our students.

Second, the district was focused on a major curriculum revision effort during the 2007-08 school year. Faculty collaborated in either departmental or course-specific groupings during the year to develop essential questions and benchmark assessments to be used in all courses. In addition to developing these aspects of the curriculum, the faculty also revised the current curriculum to ensure all of the courses are aligned to the New Jersey Core Curriculum Content Standards and reflect learning activities designed to meet the standards. Directly related to the curriculum revision initiative is a corresponding one in the use of daily lesson plans. Teachers are also required to submit daily lesson plans electronically for administrative review allowing for increased monitoring of the application of the New Jersey Core Content Standards to instructional goals.

Third, the continuing expansion of the use of technology in all aspects of instruction is another major initiative. Additional software and hardware purchases will assist the district in its efforts to create and maintain wireless technology use throughout the high school building. The Media Center and a number of classrooms have been equipped with electronic projector capabilities and interactive whiteboards. Increasing numbers of faculty will be able to prepare fully integrated presentations for their students and encourage such presentation development from their students. Teachers have been provided with laptop computers and training, and they are expected to record attendance and grades in an electronic student data management software system accessible to parents through the Internet. By providing parents with daily access to attendance and grading data, parents are able to be more directly and routinely involved in the education of their children

During the last few years our professional development efforts have focused on training to help our staff better understand the standards movement, strategies to improve literacy, and the use of technology. Collaborative efforts among the curricular departments has been encouraged to help staff share ideas and strategies designed to address student needs. Literacy skill development in both language arts and mathematics will continue to be the major focus for professional development over the next few years. The District is currently participating in a two professional development partnerships with its seven constituent districts that should promote a more unified curricular program in language arts and mathematics. These partnerships are intended to better align the curriculum programs in all schools and to focus on the use of increased literacy strategies in all schools. In addition to working with the constituent districts,

the district is involved in articulation and staff development efforts with the community college to identify ways to better prepare students for entry to college and career opportunities.

The district continues to work with the representatives of URS and SDA to proceed with a major renovation to the high school. Renovations began in earnest during the summer of 2007. New boilers have been installed and new piping will connect classrooms to the heating and cooling system. All of the exterior windows and window shades were replaced throughout the school. All of the cafeteria areas were completely renovated with new walls, floor tiles, ceiling tiles, and windows. A number of lavatories were demolished and rebuilt and are now wheelchair accessible.

In addition to the general building areas, the main gymnasium, physical education spaces, locker rooms, team rooms, and auxiliary gymnasium have had extensive reconstructive work completed. New wood flooring was installed in both gyms along with new overhead lighting and piping. The main gymnasium has new bleachers and gym curtains. The locker rooms and team rooms have new lockers, showers, and lavatory fixtures. Several outdoor areas were also under construction toward the end of the summer. The outdoor track was resurfaced and relined, and new dugouts were constructed for the softball fields.

At the conclusion of this project, the interior of CRHS will have the appearance of a new school building. Needed replacements of the heating and air-conditioning system will have occurred, sound transmissions among classrooms will be vastly improved, and the high school will be equipped with a sprinkler system and an emergency generator paid for by the state that were not originally included in the project. The school community will be able to take pride in making quality educational improvements for its 9th through 12th grade students who attend CRHS.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchases order commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2008.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

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 schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2008, and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2007</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 9,218,870	42.97%	\$ 477,373	5.46%
State Sources	11,710,317	54.58%	461,689	4.10%
Federal Sources	<u>524,373</u>	<u>2.45%</u>	<u>32,586</u>	6.58%
Total	\$ 21,453,660	100.00%	\$971,648	4.74%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2008, and the percentage of increases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2007</u>	<u>Percent of Increase (Decrease)</u>
CURRENT EXPENSE				
Instruction	\$ 8,047,242	37.75%	\$ (7,912)	(.10%)
Undistributed	12,144,793	56.97%	513,375	4.41%
CAPITAL OUTLAY	78,323	.36%	(8,704)	(10.00%)
SPECIAL SCHOOLS	0	N/A	0	N/A
DEBT SERVICE	<u>1,049,128</u>	<u>4.92%</u>	<u>91</u>	<u>.01%</u>
TOTAL	<u>\$21,319,486</u>	<u>100.00%</u>	<u>\$ 496,850</u>	<u>2.39%</u>

8. DEBT ADMINISTRATION:

At June 30, 2008 the District’s outstanding debt issues included \$ 7,185,000 of general obligation bonds.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 2. The District has adopted a cash management plan which 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

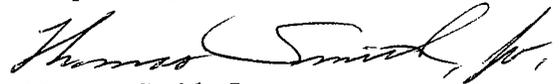
Independent Audit

State statutes require an annual audit by independent certified public accountants, or registered municipal accountants. The accounting firm of Triantos & Delp, CPA's, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Revision of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The Auditor's report on the general purpose financial statement and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully Submitted,



Thomas Smith, Jr
Interim Superintendent



Andrew G. McIlvaine
School Business Administrator

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

**ROSTER OF OFFICIALS
JUNE 30, 2008**

Members of the Board of Education

William Whelan	Upper Deerfield	2009
William Heisroth	Shiloh	2010
Deborah M. Bartley	Fairfield	2008
Todd Casper	Upper Deerfield	2009
Hollis E. Irvine, Jr.	Greenwich	2008
Alison Szoke.	Deerfield	2008
Theresa Hunsberger	Hopewell	2010
Thomas Davis.	Stow Creek	2010
Cynthia Zirkle	Fairfield	2009

Other Officials

Katherine A. Kelk, Superintendent

Andrew G. McIlvaine, School Business Administrator

Susan G. Robostello, Treasurer of School Monies

Gary D. Wodlinger, Esq., Solicitor

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

CONSULTANTS AND ADVISORS

Audit Firm

Triantos & Delp, CPA's, LLC
645 South Main Road
Vineland, NJ 08360

Attorney

Gary D. Wodlinger
110 North Sixth Street
P.O. Box 280
Vineland, N.J. 08362-0280

Official Depositories

Colonial Bank, SLA
85 W. Broad Street
Bridgeton, NJ 08302

Bank of America
Commerce & Laurel Streets
Bridgeton, NJ 08302

TD Banknorth
Bridgeton, NJ 08302

FINANCIAL SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Cumberland Regional School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cumberland Regional School District Board of Education'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Cumberland Regional School District Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof 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 29, 2008 on our consideration of the Cumberland Regional School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 31 through 38 and page 39 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

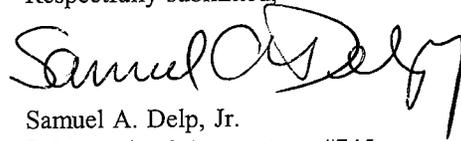
Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by 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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

October 29, 2008

REQUIRED SUPPLEMENTARY INFORMATION-PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland Regional School District Board of Education's (CRSDBOE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities of the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

		<u>Fund Financial Statements</u>		
<u>District-Wide Statements</u>		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; CCBOVE's funds do not currently contain capital assets, although they can

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid
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Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the

additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).

- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (shared business services, outside tuition, etc).
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operation.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousand \$)

Net assets. The District's *combined* net assets are \$27,829 on June 30, 2008 (see Table A-1). Approximately 1% of the total net assets are from business-type activities. The balance of the total net assets, which is in excess of 99%, is attributed to governmental activities.

Changes in net assets. The District's total revenues are \$34,529 for the fiscal period ending June 30, 2008 (see Table A-2). Property taxes and state formula aid accounted for 56% of the District's revenue. 5% is derived from state and federal aid for specific programs, 36% was from a capital grant and the remainder, 3% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students (39%). The purely administrative activities of the District accounted for 8% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total revenues surpassed expenses, increasing net assets approximately \$18,601 last year, primarily in governmental activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$33,942. Total expenses amounted to \$20,986. The increase in net assets in governmental activities was \$12,956 for 2008; \$12,470 increase was from capital grant.

Business-type Activities

Revenues of the District's business-type activities amounted to \$587, and expenses were \$564.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousand \$)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$1,228, including \$0 in the Capital Projects Fund. Tuition and interest revenues exceeded the amounts anticipated in the 2008 budget. The District also controlled expenditures resulting in increased fund balance as well.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were all in the same category:

- Appropriation of prior year encumbrances.
- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$402 in general fund balance and \$131 of prior year encumbrances and legal reserves to fund the appropriation plan for this fiscal period. An increase of \$280 in fund balance was realized.

Actual expenditures for capital outlay amounted to \$78 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$0 was from the Special Revenue Fund and \$22,401 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2008, the District had invested \$46 million in a broad range of capital assets, including school buildings, athletic facilities, computer, audiovisual equipment and \$25,791 construction in progress. (see Table A-3) (more detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$413 while building improvements and additions to equipment and furniture amounted to \$78. There is also additions to construction in progress of \$22,401.

The District's expects to finish in 2009 its ongoing building renovation project. This project has been funded under a Section 13B Local Share Agreement with the New Jersey School Development Authority. The Local share under this agreement is \$6,877 funded by the taxpayers over 20 years.

Long-term Debt

At year-end, the District had outstanding bonds in the amount of \$7,185. There was no other outstanding long-term debt. (More detailed information about long-term debt can be found in Note 7 to the financial statements.)

The State limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$39,636, of which \$31,736 is available for the issuance of debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The ongoing completion of our ongoing facilities project will replace aging systems, including HVAC, electrical, and building envelope, as well as providing better interior soundproofing, computer infrastructure, and security. We anticipate that these improvements when completed will increase our operational efficiency, significantly decreasing operational and maintenance costs, and improve the delivery of our educational program.
- The District originally anticipated substantial growth in our student population based on the demographic study conducted as part of the state mandated Long Range Facilities Plan (2005-2010). This growth did not take place for a variety of reasons. However, due to the age of the building,

several key areas not addressed as part of our ongoing SDA project will need to be addressed in the coming years.

- The District remains concerned by the ongoing instability at the state level of school funding, property taxes, and its ongoing impact on school operations. Pressure on property tax rates which have been an ongoing concern of local taxpayers caused by increasing costs beyond the District's control (energy, transportation, insurance, health benefits, and special education, among others) continue to be a concern in light of the revenue projections and fund balance limitations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Andrew McIlvaine, Business Administrator, Cumberland Regional School District Board of Education, PO Box 5115, Bridgeton, New Jersey 08302.

Table A-1
Cumberland Regional School District Board of Education's Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2007-2008
	2007	2008	2007	2008	2007	2008	
Current and Other Assets	\$ 1,269	\$ 1,319	\$ 184	\$ 276	\$ 1,453	\$ 1,595	9.8%
Noncurrent Assets	13,647	1,008	-	-	13,647	1,008	-92.6%
Capital Assets	17,526	34,097	85	83	17,611	34,180	94.1%
Total Assets	<u>\$ 32,442</u>	<u>\$ 36,424</u>	<u>\$ 269</u>	<u>\$ 359</u>	<u>\$ 32,711</u>	<u>\$ 36,783</u>	<u>12.4%</u>
Current Liabilities	\$ 10,443	\$ 2,032	\$ 82	\$ 148	\$ 10,525	\$ 2,180	-79.3%
Noncurrent Liabilities	7,536	6,774	-	-	7,536	6,774	-10.1%
Total Liabilities	<u>\$ 17,979</u>	<u>\$ 8,806</u>	<u>\$ 82</u>	<u>\$ 148</u>	<u>\$ 18,061</u>	<u>\$ 8,954</u>	<u>-50.4%</u>
Net Assets							
Invested in Capital Assets							
Net of Related Debt	\$ 9,534	\$ 26,912	\$ 85	\$ 83	\$ 9,619	\$ 26,995	180.6%
Restricted	5,188	972	-	-	5,188	972	-81.3%
Unrestricted	(125)	(266)	103	128	(22)	(138)	527.3%
Total Net Assets	<u>\$ 14,597</u>	<u>\$ 27,618</u>	<u>\$ 188</u>	<u>\$ 211</u>	<u>\$ 14,785</u>	<u>\$ 27,829</u>	<u>88.2%</u>

Table A-2
Cumberland Regional School District Board of Education's
Changes in Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2007-2008
	2007	2008	2007	2008	2007	2008	
Revenues							
Program Revenues							
Charges for Services	\$ 167	\$ 180	\$ 353	\$ 359	\$ 520	\$ 539	3.7%
Federal & State Categorical Grants	1,531	1,595	212	228	1,743	1,823	4.6%
State Construction Grant	5,897	12,470			5,897	12,470	111.5%
General Revenues							
Property Taxes	8,420	8,873	-	-	8,420	8,873	5.4%
State Formula Aid	10,210	10,640	-	-	10,210	10,640	4.2%
Other	176	184	-	-	176	184	4.5%
Total Revenues	\$ 26,401	\$ 33,942	\$ 565	\$ 587	\$ 26,966	\$ 34,529	28.0%
Expenses							
Instruction - Related	\$ 8,371	\$ 8,316			\$ 8,371	\$ 8,316	-0.7%
Student Support Services	1,327	2,898	540	564	1,867	3,462	85.4%
Maintenance & Operations	1,708	1,649			1,708	1,649	-3.5%
Transportation	1,468	1,659			1,468	1,659	13.0%
Administration	1,796	1,783			1,796	1,783	-0.7%
Other	5,900	4,681			5,900	4,681	-20.7%
Total Expenses	\$ 20,570	\$ 20,986	\$ 540	\$ 564	\$ 21,110	\$ 21,550	2.1%
Increase/ (decrease) in Net Assets	\$ 5,831	\$ 12,956	\$ 25	\$ 23	\$ 5,856	\$ 12,979	121.6%

Table A-3
 Cumberland Regional School District Board of Education's Capital Assets
 (Net of Depreciation)
 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007-2008</u>
Land	\$ 263	\$ 263	\$ -	\$ -	\$ 263	\$ 263	0.0%
Construction in Progress	8,879	25,791	-	-	8,879	25,791	190.5%
Site Improvements	228	223	-	-	228	223	-2.2%
Buildings & Improvements	7,788	7,508	-	-	7,788	7,508	-3.6%
Machinery & Equipment	368	313	85	83	453	396	-12.6%
Total	<u>\$ 17,526</u>	<u>\$ 34,098</u>	<u>\$ 85</u>	<u>\$ 83</u>	<u>\$ 17,611</u>	<u>\$ 34,181</u>	<u>94.1%</u>

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,035,543.	\$ 251,350.	\$ 1,286,893.
Receivables, net	283,463.	14,513.	297,976.
Inventory		9,754.	9,754.
Total Current Assets	<u>1,319,006.</u>	<u>275,617.</u>	<u>1,594,623.</u>
Noncurrent Assets:			
Bond issuance costs, net	61,136.		61,136.
Restricted Assets:			
Cash and cash equivalents	946,271.		946,271.
Capital reserve account - cash	1.		1.
Capital assets net	34,097,369.	83,138.	34,180,507.
Total noncurrent assets	<u>35,104,777.</u>	<u>83,138.</u>	<u>35,187,915.</u>
Total assets	<u>36,423,783.</u>	<u>358,755.</u>	<u>36,782,538.</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	122,345.	148,304.	270,649.
Other current liability	131,575.		131,575.
Payable to federal government	4,617.		4,617.
Deferred revenue	893,960.		893,960.
Current portion of long-term liabilities	879,147.		879,147.
Total Current Liabilities	<u>2,031,644.</u>	<u>148,304.</u>	<u>2,179,948.</u>
Noncurrent liabilities:			
Bonds payable	6,435,000.		6,435,000.
Accrued compensated absences	339,045.		339,045.
Total noncurrent liabilities	<u>6,774,045.</u>	<u>0.</u>	<u>6,774,045.</u>
Total Liabilities	<u>8,805,689.</u>	<u>148,304.</u>	<u>8,953,993.</u>
NET ASSETS:			
Invested in capital assets, net of related debt	26,912,369.	83,138.	26,995,507.
Restricted for:			
Debt service	3,263.		3,263.
Capital projects	1.		1.
Other purposes	968,872.		968,872.
Unrestricted	(266,411.)	127,313.	(139,098.)
Total Net Assets	<u>\$ 27,618,094.</u>	<u>\$ 210,451.</u>	<u>\$ 27,828,545.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction:		\$	\$	\$	\$	\$	
Regular	\$ 6,574,338.				\$(6,574,338.)		\$(6,574,338.)
Special education	1,029,619.				(1,029,619.)		(1,029,619.)
Other special instruction	110,087.				(110,087.)		(110,087.)
Other instruction	601,667.				(601,667.)		(601,667.)
Support services:							
Tuition	1,680,257.				(1,680,257.)		(1,680,257.)
Student & instruction related services	1,218,117.				(1,218,117.)		(1,218,117.)
School administrative services	1,018,786.				(1,018,786.)		(1,018,786.)
General and business admin services	764,760.				(764,760.)		(764,760.)
Plant operations and maintenance	1,649,149.				(1,649,149.)		(1,649,149.)
Pupil transportation	1,658,630.	157,740.			(1,500,890.)		(1,500,890.)
Employee benefits	4,220,554.		1,594,561.		(2,625,993.)		(2,625,993.)
Claim cost	131,575.				(131,575.)		(131,575.)
Interest on long-term debt	305,850.				(305,850.)		(305,850.)
Internal service fund	18,938.	22,645.			3,707.		3,707.
Amortization of debt issuance cost	3,944.				(3,944.)		(3,944.)
Total governmental activities	20,986,271.	180,385.	1,594,561.	0.	(19,211,325.)	0.	(19,211,325.)
Business-type activities:							
Food service	564,083.	358,549.	228,337.			22,803.	22,803.
Total business-type activities	564,083.	358,549.	228,337.	0.	0.	22,803.	22,803.
Total primary government	\$ 21,550,354.	\$ 538,934.	\$ 1,822,898.	\$ 0.	\$(19,211,325.)	\$ 22,803.	\$(19,188,522.)
General revenues:							
Taxes:							
Prop taxes levied for general purposes, net					\$ 8,094,435.	\$	\$ 8,094,435.
Taxes levied for debt service					778,712.		778,712.
Federal and state aid not restricted					9,627,956.		9,627,956.
Federal and state aid restricted					13,482,211.		13,482,211.
Tuition received					37,679.		37,679.
Investment earnings					53,535.		53,535.
Miscellaneous income					98,351.		98,351.
Adjustment to fixed assets					(5,967.)		(5,967.)
Total general revenues, special items, extraordinary items and transfers					37,656,110.	0.	37,656,110.
Change in net assets					12,955,587.	22,803.	12,978,390.
Prior year adjustment					65,080.		65,080.
Net assets - beginning					14,597,427.	187,648.	14,785,075.
Net assets - ending					\$ 27,618,094.	\$ 210,451.	\$ 27,828,545.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,019,483.	\$ 83,263.	\$ 861,227.	\$ 1,781.	\$	\$ 1,965,754.
Due from other funds	44,737.			1,482.		46,219.
Receivable from other governments	245,272.	22,316.	15,602.			283,190.
Capital reserve	1.					1.
Total assets	\$ 1,309,493.	\$ 105,579.	\$ 876,829.	\$ 3,263.	\$ 0.	\$ 2,295,164.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 72,602.	\$ 49,743.	\$	\$	\$	\$ 122,345.
Other current liability	131,575.					131,575.
Interfund payable			45,946.			45,946.
Payable to federal government		4,617.				4,617.
Deferred revenue		63,077.	830,883.			893,960.
Total liabilities	204,177.	117,437.	876,829.	0.	0.	1,198,443.
Fund Balances:						
Reserved for:						
Encumbrances	81,259.					81,259.
Capital reserve account	1.					1.
Excess surplus	548,868.					548,868.
Excess surplus designated for subsequent year's expenditures	338,745.					338,745.
Unreserved reported in:						
General fund	136,443.					136,443.
Special revenue fund		(11,858.)				(11,858.)
Debt service fund				3,263.		3,263.
Total fund balances	1,105,316.	(11,858.)	0.	3,263.	0.	1,096,721.
Total liabilities and fund balances	\$ 1,309,493.	\$ 105,579.	\$ 876,829.	\$ 3,263.	\$ 0.	

Amounts reported for *government 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 \$51,355,490. and the accumulated depreciation is \$11,768,923.
(See Note 4)

\$ 34,097,369.

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.
(See Note 7)

(7,653,192.)

Bond issuance costs, net

61,136.

Internal service fund net assets

16,060.

Net assets of governmental activities

\$ 27,618,094.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 8,094,435.	\$	\$	\$ 778,712.	\$	\$ 8,873,147.
Tuition charges	37,679.					37,679.
Transportation	157,740.					157,740.
Interest earned	52,053.		1,482.			53,535.
Miscellaneous	98,351.					98,351.
Total local sources	8,440,258.	0.	1,482.	778,712.	0.	9,220,452.
State sources	11,222,517.	218,316.	12,470,038.	269,484.		24,180,355.
Federal sources		524,373.				524,373.
Total revenues	19,662,775.	742,689.	12,471,520.	1,048,196.	0.	33,925,180.
EXPENDITURES:						
Current:						
Regular instruction	5,907,328.	439,844.				6,347,172.
Special education instruction	1,029,619.					1,029,619.
Other special instruction	110,087.					110,087.
Other instruction	560,364.					560,364.
Support services:						
Tuition	1,601,088.	79,169.				1,680,257.
Student & instruction related services	1,071,175.	146,942.				1,218,117.
General administrative services	377,841.					377,841.
School administrative services	967,157.					967,157.
Central services	225,730.					225,730.
Administration information tech	109,560.					109,560.
Plant operations and maintenance	1,607,847.					1,607,847.
Pupil transportation	1,658,630.					1,658,630.
Employee benefits	4,082,807.	85,272.				4,168,079.
Claim cost	131,575.					131,575.
Debt service:						
Principal				715,000.		715,000.
Interest and other charges				334,128.		334,128.
Capital outlay	78,323.		16,911,897.			16,990,220.
Total expenditures	19,519,131.	751,227.	16,911,897.	1,049,128.	0.	38,231,383.
Excess (deficiency) of revenues over exp.	143,644.	(8,538.)	(4,440,377.)	(932.)	0.	(4,306,203.)
OTHER FINANCING SOURCES (USES):						
Transfers in				1,482.		1,482.
Transfers out			(1,482.)			(1,482.)
Total other financing sources (uses)	0.	0.	(1,482.)	1,482.	0.	0.
Net change in fund balances	143,644.	(8,538.)	(4,441,859.)	550.		(4,306,203.)
Fund balance - July 1	961,672.	(3,320.)	4,441,859.	2,713.		5,402,924.
Fund balance - June 30	\$ 1,105,316.	\$(11,858.)	\$ 0.	\$ 3,263.	\$ 0.	\$ 1,096,721.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL 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, 2008

Total net changes in fund balances - governmental funds (from B-2)		\$(4,306,203.)
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	\$ (413,029.)
	Capital outlays	<u>16,990,220.</u>
		16,577,191.
Adjustment to fixed assets		(5,967.)
Repayment of capital lease 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.		
	Total capital lease principal payments	0.
	Less: Amount included in capital outlays above	<u>0.</u>
		0.
In the statement of activities, only the gain (loss) on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		N/A
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(52,475.)
Repayment of bond 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.		715,000.
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.		
	Proceeds of long-term debt	0.
	Capital lease proceeds	0.
Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bond		(3,944.)
Reduction in accrued interest		28,278.
Increase in net assets - internal service fund		<u>3,707.</u>
Change in net assets of governmental activities		<u><u>\$ 12,955,587.</u></u>

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	<u>Business-Type Activities</u> <u>Enterprise-Fund</u>		<u>Governmental</u> <u>Activities -</u>
	<u>Food Service</u> <u>Fund</u>	<u>Totals</u>	<u>Internal</u> <u>Service Fund</u>
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 251,350.	\$ 251,350.	\$ 16,060.
Accounts receivable:			
Federal	13,618.	13,618.	
State	895.	895.	
Inventories	9,754.	9,754.	
Total current assets	<u>275,617.</u>	<u>275,617.</u>	<u>16,060.</u>
Noncurrent assets:			
Furniture, machinery & equipment	164,392.	164,392.	
Less accumulated depreciation	(81,254.)	(81,254.)	
Total noncurrent assets	<u>83,138.</u>	<u>83,138.</u>	<u>0.</u>
Total assets	<u>\$ 358,755.</u>	<u>\$ 358,755.</u>	<u>\$ 16,060.</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 148,304.	\$ 148,304.	\$
Total current liabilities	<u>148,304.</u>	<u>148,304.</u>	<u>0.</u>
Total liabilities	<u>148,304.</u>	<u>148,304.</u>	<u>0.</u>
NET ASSETS:			
Invested in capital assets net of related debt	83,138.	83,138.	
Unrestricted	127,313.	127,313.	16,060.
Total net assets	<u>\$ 210,451.</u>	<u>\$ 210,451.</u>	<u>\$ 16,060.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Fund	Totals	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 172,874.	\$ 172,874.	\$
Daily sales-non-reimbursable programs	172,322.	172,322.	
Special functions	13,353.	13,353.	
Charges for services			22,645.
Total operating revenues	<u>358,549.</u>	<u>358,549.</u>	<u>22,645.</u>
Operating expenses:			
Cost of sales	257,920.	257,920.	
Salaries	181,516.	181,516.	
Employee benefits	37,166.	37,166.	
Management fee	23,200.	23,200.	
Purchased services			17,110.
General supplies	43,268.	43,268.	1,828.
Depreciation	6,992.	6,992.	
Miscellaneous	14,021.	14,021.	
Total operating expenses	<u>564,083.</u>	<u>564,083.</u>	<u>18,938.</u>
Operating income/(loss)	<u>(205,534.)</u>	<u>(205,534.)</u>	<u>3,707.</u>
Nonoperating revenues (expenses):			
State sources:			
State school breakfast program	4,018.	4,018.	
State school lunch program	7,906.	7,906.	
Federal sources:			
National school breakfast program	54,177.	54,177.	
National school lunch program	127,578.	127,578.	
Food distribution program	34,658.	34,658.	
Total nonoperating revenues (expenses)	<u>228,337.</u>	<u>228,337.</u>	<u>0.</u>
Change in net assets	22,803.	22,803.	3,707.
Total net assets - beginning	<u>187,648.</u>	<u>187,648.</u>	<u>12,353.</u>
Total net assets - ending	<u>\$ 210,451.</u>	<u>\$ 210,451.</u>	<u>\$ 16,060.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Fund	Total Enterprise	
CASH FLOWS FROM OPERATING ACT.			
Receipts from customers	\$ 358,549.	\$ 358,549.	\$ 22,645.
Payments to suppliers	(453,583.)	(453,583.)	(18,938.)
Net cash provided by (used for) operating activities	(95,034.)	(95,034.)	3,707.
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State sources	11,502.	11,502.	
Federal sources	175,127.	175,127.	
Net cash provided by (used for) non-capital financing activities	186,629.	186,629.	0.
Cash flows from investing activities:			
Purchase of equipment	(4,989.)	(4,989.)	
Net cash (used) by investing activities	(4,989.)	(4,989.)	0.
Net increase (decrease) in cash and cash equivalents	86,606	86,606	3,707
Balances-beginning of year	164,744.	164,744.	12,353.
Balances-end of year	<u>\$ 251,350.</u>	<u>\$ 251,350.</u>	<u>\$ 16,060.</u>
Reconciliation of operating income (loss)			
to net cash provided (used) by operating activities:			
Operating income (loss)	\$(205,534.)	\$(205,534.)	\$ 3,707.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	6,992.	6,992.	
Federal commodities	34,658.	34,658.	
(Increase) decrease in inventories	2,375.	2,375.	
Increase (decrease) in accounts payable	66,475.	66,475.	
Total adjustments	110,500.	110,500.	0.
Net cash provided by (used for) operating activities	<u>\$(95,034.)</u>	<u>\$(95,034.)</u>	<u>\$ 3,707.</u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Student Activity
ASSETS:				
Cash and cash equivalents	\$ 20,760.	\$ 7,395.	\$ 16,086.	\$ 195,564.
Investments		1,542.		
Receivable from Scholarship Fund				200.
Receivable from Agency	15,813.			
Total assets	<u>\$ 36,573.</u>	<u>\$ 8,937.</u>	<u>\$ 16,086.</u>	<u>\$ 195,764.</u>
LIABILITIES:				
Due to Student Activities	\$	\$ 200.	\$	\$
Due to student groups				195,764.
Interfund payable			273.	
Due to Unemployment			15,813.	
Total liabilities	<u>0.</u>	<u>200.</u>	<u>\$ 16,086.</u>	<u>\$ 195,764.</u>
NET ASSETS:				
Held in trust for unemployment claims	<u>\$ 36,573.</u>			
Reserved for scholarships		<u>\$ 8,737.</u>		

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Plan member	\$ 16,713.	\$
Other		200.
Board contribution	12,500.	
Total contributions	<u>29,213.</u>	<u>200.</u>
Investment earnings:		
Interest	260.	63.
Net investment earnings	<u>260.</u>	<u>63.</u>
DEDUCTIONS:		
Scholarships awarded		1,700.
Unemployment claims	9,681.	
Total deductions	<u>9,681.</u>	<u>1,700.</u>
Change in net assets	19,792.	(1,437.)
NET ASSETS - JULY 1	<u>16,781.</u>	<u>10,174.</u>
NET ASSETS - JUNE 30	<u><u>\$ 36,573.</u></u>	<u><u>\$ 8,737.</u></u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Cumberland Regional School District is a Type II district located in the County of Cumberland, 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 members' terms expire each year. The purpose of the district is to educate students in grades 9-12. The Cumberland Regional School District had an approximate enrollment at June 30, 2008 of 1,375 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
- 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

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

B. Basic Financial Statements-District-Wide Statements:

The District's basic financial statements include both district-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type.

In the district-wide Statement of Net Assets, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The district-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity.

This district-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements:

The financial transactions of the District are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

GOVERNMENTAL FUNDS

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund: The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

Special Revenue Fund: The 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements: (Continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, 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 Funds: The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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 statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	7-15 years

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Private Purpose Scholarship Funds: The Private Purpose Scholarship Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Private Purpose Scholarship Fund account for assets where both the principal and interest may be spent.

Unemployment Compensation Trust: The Unemployment Compensation Trust Fund consists of assets that the District has reserved for possible future unemployment claims.

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting:

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the district-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using economic resources measurement focus as defined below.

In fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus as appropriate.

- All government funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- The proprietary fund utilized an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the district-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”.

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting: (Continued)

All proprietary funds utilized the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

E. 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 for approval 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, except for the special revenue fund as described later. 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.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made certain supplemental budgetary appropriations during the year by appropriating additional fund balance.

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

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

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control: (Continued)

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary) "revenues"	\$ 19,667,130.	\$ 783,166.	\$ 6,148,252.
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary purposes.	425,769.	3,320.	6,323,268.
State Aid Payment not recognized for GAAP purposes until the subsequent year.	(430,124.)	(11,858.)	0.
Adjust for Encumbrances:			
Add Prior Year Encumbrances	0.	0.	0.
Less Current Year Encumbrances	0.	(31,929.)	0.
Total Revenues (GAAP Basis)	<u>\$ 19,662,775.</u>	<u>\$ 742,689.</u>	<u>\$ 12,471,520.</u>
Uses/outflows of resources			
Actual amounts (budgetary) "total outflows"	\$ 19,519,131.	\$ 783,166.	\$ 16,913,379.
Adjustments:			
Add Prior Year Encumbrances	0.	0.	0.
Less Current Year Encumbrances	0.	(31,929.)	0.
Total Expenditures (GAAP Basis)	<u>\$ 19,519,131.</u>	<u>\$ 751,227.</u>	<u>\$ 16,913,379.</u>

F. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

G. 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.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments: (Continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statutes 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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 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.

H. Tuition Receivable:

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

I. Tuition Payable:

Tuition charges for the fiscal year 2007-2008 is based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories:

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2008.

K. Short-Term Interfund Receivables/Payables:

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

L. Fixed Assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations, or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, as determined by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fixed Assets: (Continued)

District-wide Statements (Continued)

Depreciation of all exhaustible fixed assets is recorded as allocated expenses in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Land Improvements	20 years
Building & Building Improvements	20-50 years
Machinery & Equipment	5-20 years

Fund Financial Statements

In the fund financial statements, fixed assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. 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.

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. In the fund financial statements, governmental funds report only the compensated absences that are expected to be liquidated with expendable available financial resources, while the proprietary fund reports the liability as it is incurred.

N. Deferred Revenue:

Deferred revenue in the special revenue and capital projects funds represents cash that has been received but not yet earned.

O. Long-term Debt:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of capital leases and bonds payable, and accrued compensated absences.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permits the Board to purchase the following types of securities:

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)
Investments: (Continued)

As of June 30, 2008 cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Investments	Total
Checking Accounts	\$2,472,970.	\$	\$2,472,970.
Certificates of Deposit		1,542.	1,542.
	<u>\$2,472,970.</u>	<u>\$1,542.</u>	<u>\$2,474,512.</u>

During the period ended June 30, 2008 the District did not hold any investments other than Certificates of Deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2008 was \$2,474,512. and the bank balance was \$2,859,781. Of the bank balance, \$167,292. was covered by federal depository insurance and \$2,692,489. was covered by a collateral pool as required by New Jersey statutes.

NOTE 3.CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Cumberland Regional Board of Education by inclusion of \$1. on October 12, 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 appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23-2.13(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, 2007 to June 30, 2008 fiscal year is as follows:

Beginning balance, July 1, 2007	\$ <u>1.</u>
Interest earnings	<u>0.</u>
Deposits:	
Approved at April, 2007 election	<u>0.</u>
Withdrawals	<u>0.</u>
Ending balance, June 30, 2008	<u>\$ 1.</u>

The June 30, 2008 LRFP balance of local support costs of uncompleted capital projects at June 30, 2008 is \$2,196,012. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Construct. in progress	\$8,878,849.	\$16,911,897.	\$	\$	\$25,790,746.
Land	263,190.				263,190.
Total Capital Assets not being Depreciated	9,142,039.	16,911,897.	0.	0.	26,053,936.
Bldg & Bldg Improve	14,033,544.				14,033,544.
Site Improvements	887,455.	20,288.			907,743.
Machinery & Equip.	4,813,034.	58,035.			4,871,069.
Totals at Historical Cost	19,734,033.	78,323.	0.	0.	19,812,356.
Less: Accum Deprec for:					
Building & Bldg. Improve.	(6,245,204.)	(280,671.)		250.	(6,525,625.)
Site Improvements	(659,034.)	(25,882.)		29.	(684,887.)
Machinery & Equipment	(4,445,689.)	(106,476.)		(6,246.)	(4,558,411.)
Total Accum Deprec	(11,349,927.)	(413,029.)	0.	(5,967.)	(11,768,923.)
Total Capital Assets being Depreciated net of Accum Depreciation	8,384,106.	(334,706.)		(5,967.)	8,043,433.
Governmental Activities Capital Assets, net	\$17,526,145.	\$16,577,191.	\$ 0.	\$(5,967.)	\$34,097,369.
Business-type Activities:					
Equipment	\$159,403.	\$4,988.	\$	\$	\$164,391.
Less Accum Dep for: Equipment	(74,262.)	(6,992.)			(81,254.)
Business-type Activ Capital Assets, net	\$85,141.	\$(2,004.)	\$ 0.	\$ 0.	\$83,137.

***Depreciation Expense was Charged to Governmental Functions as Follows:**

<i>Instruction:</i>	
Regular	\$(227,166.)
Other Instruction	(41,303.)
Support Services:	
School Administrative Services	(51,629.)
General and Business Administration Services	(51,629.)
Plant Operations and Maintenance	(41,302.)
Total Depreciation Expense	<u>\$(413,029.)</u>

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 5. INVENTORY

Inventory in the Food Service Fund at June 30, 2008 consisted of the following:

Food and Supplies	\$5,099.
Commodities	<u>4,655.</u>
	<u>\$9,754.</u>

The value of Federal donated commodities as reflected on Schedule A, The Schedule of Expenditures of Federal Awards is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 6. OPERATING LEASES

The District had operating leases for postage and copying equipment during the year ended June 30, 2008. The total operating lease payments made during the year were \$43,213. The leases expire on various dates. Future minimum payments due on the leases are as follows:

June 30, 2009	\$42,674.
June 30, 2010	33,115.
June 30, 2011	<u>14,077.</u>
	<u>\$89,866.</u>

NOTE 7. LONG-TERM DEBT

Type of Debt	Balance at 6/30/07	Issued	Retired	Balance at 6/30/08	Amounts Due Within 1 Year
Governmental Act.:					
Compen Absen Pay	\$351,350.	\$52,475.	\$	\$403,825.	\$64,780.
Bonds payable	7,900,000.		(715,000.)	7,185,000.	750,000.
Accrued int on bonds	92,645.		(28,278.)	64,367.	64,367.
Total	<u>\$8,343,995.</u>	<u>\$52,475.</u>	<u>\$(743,278.)</u>	<u>\$7,653,192.</u>	<u>\$879,147.</u>

The district has no long-term debt to be repaid from business-type activities.

A. Bonds Payable:

Bonds are authorized in accordance with State laws 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.

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

Year ending June 30,	Principal	Interest	Total
2009	\$750,000.	\$297,842.	\$1,047,842.
2010	780,000.	260,359.	1,040,359.
2011	530,000.	230,552.	760,552.
2012	530,000.	209,619.	739,619.
2013	528,000.	188,409.	716,409.
Thereafter	<u>4,067,000.</u>	<u>1,030,478.</u>	<u>5,097,478.</u>
	<u>\$7,185,000.</u>	<u>\$2,217,259.</u>	<u>\$9,402,259.</u>

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 7.LONG-TERM DEBT (Continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2008, the Board had no authorized but not issued bonds.

C. Capital Leases Payable:

As of June 30, 2008, the District has no liabilities under capital leases.

NOTE 8.PENSION PLANS

Description of Plans – 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 Pensions 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 as of January 1, 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 systems' other related non-contributing 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 as of January 1, 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.

Vesting and Benefit Provisions – The vesting and benefit provisions for 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 60 and are generally determined to be 1/60 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.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 8. PENSION PLANS (Continued)

Vesting and Benefit Provisions (Continued)

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 credit 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 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 Districts' 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.

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

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2008	\$109,521.	20%	\$87,617.
June 30, 2007	83,753.	40%	50,252.
June 30, 2006	65,225.	60%	26,090.

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

Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2008	\$1,018,324.	100%	\$0.
June 30, 2007	973,754.	100%	0.
June 30, 2006	459,840.	100%	0.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 8.PENSION PLANS (Continued)

Contribution Requirements (Continued)

During the fiscal year ended June 30, 2008, the State of New Jersey contributed \$1,018,324. to the TPAF for normal and 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 \$576,237. during the year ended June 30, 2008 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 general purpose 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. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the 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 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of one percent of the active State payroll.

The state made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2007.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS, TPAF, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in Fiscal Year 2007.

NOTE 10.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 are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences 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 liability for vested compensated absences of the proprietary funds is recorded within those funds as the benefits accrue to employees. As of June 30, 2008, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 11.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:

Allen Associates
Thomas Seeley Agency
Vanguard

NOTE 12.RISK MANAGEMENT:

The District is exposed to various types 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 its 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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2005-2006	\$25,000.	\$15,147.	\$102.	\$22,022.	\$40,377.
2006-2007	21,500.	15,525.	423.	61,044.	16,781.
2007-2008	12,500.	16,713.	260.	9,681.	36,573.

NOTE 13.CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District with the following exception. On September 29, 2008 the Third Circuit Court of Appeals rendered a final judgment against the District. The case involved a disputed tuition claim. The adverse decision results in a liability to the District in the amount of \$131,575. which is due immediately. This amount is included in the financial statements as an expense and a current liability.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008**

NOTE 14.INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2008.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$44,737.	\$
Capital Projects Fund		45,946.
Debt Service Fund	1,482.	
Fiduciary Fund		273.
	<u>\$46,219.</u>	<u>\$46,219.</u>

The net general fund receivable of \$44,737. is comprised of (1) \$44,464. due from capital projects fund for expenses paid and for interest earned in the 2003-2004 year; (2) \$273. due from the fiduciary fund for reimbursable expenditures not yet re-paid. The \$1,482. due to the debt service fund resulted from interest earned in the capital project fund during the 2007-2008 year.

NOTE 15.FUND BALANCE APPROPRIATED

General Fund - Of the \$1,105,316. General Fund balance at June 30, 2008, \$81,259. is reserved for encumbrances; \$887,613. is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$338,745. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2009); \$1. has been reserved in the Capital Reserve Account; \$149,790. has been appropriated in the 2008-2009 budget and \$(13,347.) is unreserved and undesignated.

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2008 of \$3,263. and \$0. has been appropriated in the 2008-2009 budget and \$3,263. is unreserved and undesignated.

NOTE 16.CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended, 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, 2008 is \$887,613.

NOTE 17.DEFICIT FUND BALANCES

The District has a deficit fund balance of \$11,858. in the Special Revenue Fund as of June 30, 2008 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2008

NOTE 17.DEFICIT FUND BALANCES (Continued)

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need to corrective action. The District deficit in the GAAP funds statement of \$11,858. is equal to the last state aid payment.

NOTE 18.INTEREST EARNED IN BOND PROCEEDS

Under the terms of the construction contract with the New Jersey School Development Authority, the District is entitled to the interest income earned on the proceeds from the \$6,877,000. bond issue. The interest income is not available for the District's use until completion of the project. During the 2007-2008 year, the District received the interest in the amount of \$830,883. However, since the project is not yet complete, the interest is not yet available for use by the District. The amount of \$830,883. is recorded in the District's Capital Project Fund as cash and deferred revenue.

NOTE 19.PRIOR YEAR ADJUSTMENT

A prior year adjustment has been recorded on the District's district wide financial statements to reflect the balance of unamortized bond issuance cost as of June 30, 2007.

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008.

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local sources:					
Local tax levy	\$ 8,094,435.	\$	\$ 8,094,435.	\$ 8,094,435.	\$ 37,679.
Tuition				37,679.	(12,210.)
Transportation	169,950.		169,950.	157,740.	52,053.
Interest earned				52,053.	48,351.
Miscellaneous	50,000.		50,000.	98,351.	125,873.
Total local sources	8,314,385.	0.	8,314,385.	8,440,258.	
State sources:					
Core curric. standards aid	6,015,130.		6,015,130.	6,015,130.	
School choice aid	1,013,698.		1,013,698.	1,013,698.	
Transportation aid	532,556.		532,556.	532,556.	
Special education aid	772,399.		772,399.	772,399.	
Bilingual education aid	5,876.		5,876.	5,876.	
Stabilization aid	293,475.		293,475.	293,475.	
Consolidated aid	139,674.		139,674.	139,674.	
Additional formula aid	535,595.		535,595.	535,595.	
On behalf TPAF pension contribution (non-budgeted)				1,018,324.	1,018,324.
Reimbursed TPAF social security contribution (non-budgeted)				576,237.	576,237.
High Expectations for learning proficiency	113,592.		113,592.	113,592.	
Extraordinary aid				46,725.	46,725.
Above average growth	149,205.		149,205.	149,205.	
Teacher mentoring				2,825.	2,825.
Additional non-public transportation aid				11,561.	11,561.
Total state sources	9,571,200.	0.	9,571,200.	11,226,872.	1,655,672.
Total revenues	17,885,585.	0.	17,885,585.	19,667,130.	1,781,545.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current expense:					
Regular programs:					
Grades 9-12 instruction:					
Salaries of teachers	\$ 5,031,864.	\$(6,069.)	\$ 5,025,795.	\$ 5,020,875.	\$ 4,920.
Home instruction:					
Salaries of teachers	94,900.	81,115.	176,015.	176,015.	
Other salaries for instruction	246,541.	(221,917.)	24,624.	24,624.	
Other salaries	11,549.	246,606.	246,606.	246,606.	
Purchased professional services		10,352.	21,901.	7,526.	14,375.
Repairs and maintenance		33,241.	33,241.	30,343.	2,898.
Equipment lease purchase		56,524.	56,524.	56,524.	
Other purchased services	162,531.	(162,531.)			
Travel		22,732.	22,732.	20,489.	2,243.
General supplies	257,396.	13,901.	271,297.	266,494.	14,803.
Textbooks	41,344.	17,068.	58,412.	56,042.	2,370.
Other objects	31,182.	(1,705.)	29,477.	11,790.	17,687.
Total regular programs - instruction	5,877,307.	89,317.	5,966,624.	5,907,328.	59,296.
Special education-instruction:					
Learning and/or language disabilities:					
Salaries of teachers	65,385.		65,385.	65,289.	96.
General supplies	1,514.		1,514.	1,494.	20.
Total neurologically impaired	66,899.	0.	66,899.	66,783.	116.
Behavioral disabilities:					
Salaries of teachers	292,178.	44,828.	337,006.	337,006.	
General supplies	3,936.		3,936.	3,753.	183.
Total emotionally disturbed	296,114.	44,828.	340,942.	340,759.	183.
Multiply handicapped:					
Other salaries for instruction	46,196.	97,228.	143,424.	143,424.	
General supplies	2,947.		2,947.	2,569.	378.
Textbooks	454.		454.	395.	59.
Total multiply handicapped	49,597.	97,228.	146,825.	146,388.	437.
Resource room/resource center:					
Salaries of teachers	472,175.	1,851.	474,026.	474,026.	
General supplies	969.		969.	938.	31.
Textbooks	908.		908.	725.	183.
Total resource room/resource center	474,052.	1,851.	475,903.	475,689.	214.
Total special ed - instruction	886,662.	143,907.	1,030,569.	1,029,619.	950.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008.

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Basic skills/remedial-instruction:					
Salaries of teachers	\$ 144,363.	\$(49,831.)	\$ 94,532.	\$ 94,532.	\$ 1,260.
Other objects	9,239.	1,700.	10,939.	9,679.	
Total basic skills/remedial-instruction	153,602.	(48,131.)	105,471.	104,211.	1,260.
Bilingual:					
Other salaries for instruction	5,876.		5,876.	5,876.	
Total bilingual	5,876.	0.	5,876.	5,876.	0.
School sponsored co-curricular act-instruction:					
Salaries	96,849.	7,851.	104,700.	104,700.	
Purchased technical services		3,081.	3,081.	3,000.	81.
Repairs and maintenance		374.	374.	255.	119.
Purchased services		(2,707.)	374.	374.	
Supplies and materials	3,081.	(2,707.)	374.	1,468.	79.
Other objects	1,795.	(248.)	1,547.	38,421.	2,810.
Total school spon co-curricular act-instruction	41,665.	(434.)	41,231.	147,844.	3,463.
	143,390.	7,917.	151,307.		
School sponsored-athletics-instruction:					
Salaries	214,038.	(214,038.)			
Other salaries		215,421.	215,421.	215,421.	
Purchased services	136,667.	(3,420.)	133,247.	124,121.	9,126.
General supplies	52,000.	11,875.	63,875.	62,588.	1,287.
Other objects	15,000.	(3,326.)	11,674.	10,390.	1,284.
Total school sponsored athletics-instruction	417,705.	6,512.	424,217.	412,520.	11,697.
Total instruction	7,484,542.	199,522.	7,684,064.	7,607,398.	76,666.
Undistributed expenditures:					
Instruction:					
Tuition-co voc school district-regular	135,373.	31,694.	167,067.	167,067.	
Tuition-co voc school district-special	91,832.	114,362.	206,194.	206,194.	
Tuition-co special services/reg day schools	376,172.	87,684.	463,856.	463,856.	
Tuition priv schools handicapped w/state	875,750.	(277,901.)	597,849.	299,600.	298,249.
Tuition-priv school disabled & other LEAs	187,647.	5,003.	192,650.	189,722.	2,928.
Tuition-state facilities	237,649.	2,100.	239,749.	237,649.	
Tuition-other	19,337.	17,663.	37,000.	37,000.	
Total undistributed expenditures-education	1,923,760.	(19,395.)	1,904,365.	1,601,088.	303,277.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Attendance and social work services:					
Salaries	\$ 37,942.	\$ 194.	\$ 38,136.	\$ 38,136.	\$
Supplies and materials	462.		462.	388.	74.
Total attendance and social work services	38,404.	194.	38,598.	38,524.	74.
Health services:					
Salaries	71,057.	(25,747.)	45,310.	45,310.	
Purchased professional and technical services	39,253.	(16,690.)	22,563.	22,563.	
Supplies and materials	1,925.	(75)	1,850.	1,639.	211.
Other objects	193.	76.	268.	220.	48.
Total health services	112,428.	(42,437.)	69,991.	69,732.	259.
Other support services-students-related services:					
Salaries	22,431.		22,431.	22,431.	
Total other sup services-students-related services	22,431.	0.	22,431.	22,431.	0.
Other support services-students-regular:					
Salaries of other professional staff	318,606.	(22,391.)	296,215.	296,214.	1.
Salaries of secretarial & clerical assistants	75,250.		75,250.	74,767.	483.
Purchased professional & technical services	15,399.	12,553.	27,952.	27,952.	
Other purchased services	187.		187.		187.
Supplies and materials	12,275.	(200.)	12,075.	10,976.	1,099.
Other objects	6,529.	542.	7,071.	5,287.	1,784.
Total other support services-students-regular	428,246.	(9,496.)	418,750.	415,196.	3,554.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008.

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Other support services-students-special services:					
Salaries of other professional staff	\$ 239,765	\$ 2,310	\$ 242,075	\$ 242,075	\$ 4,309
Salaries of secretarial & clerical assistants	59,025		59,025	54,716	385
Miscellaneous purchased services	385		385		231
Supplies and materials	231		231		
Total other sup services-students-special services	299,406	2,310	301,716	296,791	4,925
Improve of instruct serv/other support serv-instruct staff					
Salaries of supervisors of instruction	78,117		78,117	78,117	0
Total improvement of instructional services	78,117	0	78,117	78,117	0
Educational media services/school library:					
Salaries	117,562		117,562	117,292	270
Other purchased services	683		683	621	62
Supplies and materials	32,355	433	32,788	32,471	317
Total educational media services/school library	150,600	433	151,033	150,384	649
Support services-general administration:					
Salaries	180,000	(180,000)		124,000	378
Salaries of other professional staff	124,000		124,000	53,072	
Salaries of secretarial assistants	53,450		53,450	29,715	
Legal services	4,715		4,715		
Audit fees	25,000	(25,660)			
Other purchased professional services	25,660	25,800	25,800	25,800	
Communications/telephone	110,000	(9,336)	100,664	100,664	
Travel		3,274	3,274	3,000	
BOE other purchased services	2,885	(2,885)			
Other purchased services	13,466	(10,885)	2,581	1,720	
Supplies and materials	770		770		
Miscellaneous expenditures	18,350	22,358	40,708	39,870	
BOE membership dues and fees	13,034	(13,034)			
Total support services-general administration	389,165	(6,203)	380,962	377,841	3,121
Support services school administration:					
Salaries of principals/assst.	505,585	4,292	509,877	509,877	
Salaries of other professional staff	144,634		144,634	144,634	
Salaries of secretarial assistants	301,187		301,187	299,593	1,594
Other purchased services	770		770	374	
General supplies	5,000	393	5,393	5,393	
Other objects	8,000	1,216	9,216	7,286	
Total support services school administration	965,176	5,901	971,077	967,157	3,920

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Central services:					
Salaries	\$ 210,626.	\$(210,626.)	\$	\$	\$
Salaries of other professional staff		100,600.	100,600.	100,600.	
Salaries of secretarial assistants		109,591.	109,591.	109,591.	
Other salaries		4,376.	3,700.	3,700.	676.
Purchased technical services	11,549.		11,549.	7,776.	3,773.
Supplies and materials	3,080.	64.	3,144.	3,081.	63.
Miscellaneous expenses	4,620.	(63.)	4,557.	982.	3,575.
Total central services	229,875.	3,942.	233,817.	225,730.	8,087.
Admin. Information Technology					
Salaries	106,863.	(106,863.)			
Other salaries for instruction		109,560.	109,560.	109,560.	
Total admin. Information technology	106,863.	2,697.	109,560.	109,560.	0.
Maintenance facilities:					
Cleaning, repair and maintenance	50,000.	4,875.	54,875.	53,743.	1,132.
General supplies	70,000.	(4,274.)	65,726.	31,825.	33,901.
Total allowable maintenance for school facilities	120,000.	601.	120,601.	85,568.	35,033.
Facilities other operations					
Salaries	609,108.	(609,108.)		668,939.	1,843.
Other salaries		670,782.	670,782.		
Purchased professional and technical services	193.	(193.)			
Purchased technical services		193.	193.		193.
Cleaning, repair and maintenance of services	95,850.	(7,664.)	88,186.	85,386.	2,800.
Other purchased property services	48,000.		48,000.	47,925.	75.
Insurance	103,000.	(22,638.)	80,362.	79,760.	602.
General supplies	56,654.	8,462.	65,116.	58,034.	7,082.
Energy (heat and electricity)	653,400.	(69,716.)	583,684.	582,235.	1,449.
Total other operation and mainten of plant services	1,566,205.	(29,882.)	1,536,323.	1,522,279.	14,044.
Total operation and maintenance of plant services	1,686,205.	(29,281.)	1,656,924.	1,607,847.	49,077.
Students transportation services:					
Salaries for pupil trans (home/school) spec ed	44,755.	27,383.	72,138.	72,138.	
Salaries-pupil trans(other than home/school)	3,774.	(3,774.)			
Cleaning, repair and maintenance	3,713.	3,251.	6,964.	6,168.	796.
Contracted services home	11,550.	(10,272.)	1,278.		1,278.
Contracted services other	169,615.	88,385.	258,000.	258,000.	
Transportation jointure	697,228.		697,228.	697,165.	63.
Contracted services special ed	1,155.	(1,155.)			
Trans jointure special ed	404,250.	12,461.	416,711.	405,454.	11,257.
Aid in lieu	190,000.	7,022.	197,022.	195,034.	1,988.
Misc purchased services -transportation	1,591.		1,591.		1,591.
Supplies and materials	12,080.	(12,080.)			
General supplies		530.	530.	125.	405.
Energy		24,546.	24,546.	24,546.	
Total student transportation services	1,539,711.	136,297.	1,676,008.	1,658,630.	17,378.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Business support services:					
Social security contribution	\$ 284,350.	\$	\$ 284,350.	\$ 224,171.	\$ 60,179.
Other retirement contributions regular	22,990.	64,627.	87,617.	87,617.	
Unemployment compensation		25,000.	25,000.	12,500.	12,500.
Workmen's compensation	140,360.		140,360.	139,648.	712.
Health benefits	2,303,716.	(269,588.)	2,034,128.	1,959,314.	74,814.
Tuition reimbursement	35,000.	2,736.	37,736.	35,966.	1,770.
Other employee benefits	30,250.		30,250.	29,030.	1,220.
Total business support services	2,816,666.	(177,225.)	2,639,441.	2,488,246.	151,195.
On behalf TPAF pension contributions (non-budgeted)				1,018,324.	(1,018,324.)
Reimbursed TPAF soc sec contributions (non-budgeted)				576,237.	(576,237.)
Claim cost (non-budgeted)				131,575.	(131,575.)
Total undistributed expenditures	10,787,053.	(134,263.)	10,652,790.	11,833,410.	(1,180,620.)
Total expenditures-current expense	18,271,595.	65,259.	18,336,854.	19,440,808.	(1,103,954.)
CAPITAL OUTLAY:					
Equipment:					
Regular programs:					
Grades 9-12 instruction:					
Instructional equipment	6,257.	(2,697.)	3,560.	3,560.	
Special education instruction:					
School sponsored and other instruct pgms	10,091.	(10,091.)			
Undistributed expenditures:					
Operation and maintenance of plant services		72,512.	72,512.	72,512.	
Special schools (all programs)	16,348.	5,805.	5,805.	2,251.	3,554.
Total equipment	16,348.	65,529.	81,877.	78,323.	3,554.
Total capital outlay expenditures	16,348.	65,529.	81,877.	78,323.	3,554.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008.

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Total expenditures	\$ 18,287,943.	\$ 130,788.	\$ 18,418,731.	\$ 19,519,131.	\$(1,100,400.)
Excess (deficiency) of revenues over (under) expenditures	(402,358.)	(130,788.)	(533,146.)	147,999.	681,145.
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(402,358.)	(130,788.)	(533,146.)	147,999.	681,145.
Fund balance, July 1	1,387,441.		1,387,441.	1,387,441.	
Fund balance, June 30	\$ 985,083.	\$(130,788.)	\$ 854,295.	\$ 1,535,440.	\$ 681,145.
Recapitulation of excess (deficiency) of revenues over (under) expenditures	\$ (402,358.)	\$(130,788.)	\$(130,788.)	\$(90,762.)	\$ 40,026.
Reserve for encumbrances			(402,358.)	238,761.	641,119.
Unrestricted fund balance					
Total	\$(402,358.)	\$(130,788.)	\$(533,146.)	\$ 147,999.	\$ 681,145.

CUMBERLAND REGIONAL BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE
FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
State sources	\$ 255,204.	\$	\$ 255,204.	\$ 255,204.	\$
Federal sources	563,719.		563,719.	527,962.	(35,757.)
Total revenues	818,923.	0.	818,923.	783,166.	(35,757.)
EXPENDITURES:					
Instruction:					
Salaries of teachers	255,965.	16,767.	272,732.	269,733.	2,999.
Purchased professional/educational services	29,360.		29,360.	28,739.	621.
Tuition	79,169.		79,169.	79,169.	
Other purchased services	8,400.		8,400.	8,400.	
General supplies	171,902.		171,902.	161,451.	10,451.
Other objects	2,206.		2,206.	2,206.	
Total instruction	547,002.	16,767.	563,769.	549,698.	14,071.
Support Services:					
Salaries of other professional staff	117,870.	(27,600.)	90,270.	78,871.	11,399.
Other salaries	780.		780.	780.	
Personal services - employee benefits	85,272.		85,272.	85,272.	
Purchased professional/educational services	26,358.	10,833.	37,191.	31,982.	5,209.
Travel		1,000.	1,000.	828.	172.
Other purchased services	27,619.	(1,000.)	26,619.	24,372.	2,247.
Supplies and materials	14,022.		14,022.	11,363.	2,659.
Total support services	271,921.	(16,767.)	255,154.	233,468.	21,686.
Total expenditures	818,923.	0.	818,923.	783,166.	35,757.
Total outflows	\$ 818,923.	\$ 0.	\$ 818,923.	\$ 783,166.	\$ 35,757.

CUMBERLAND REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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	\$ 19,667,130.	\$ 783,166.
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:		
Add: Prior year encumbrance	N/A	0.
Less: Current year encumbrance	N/A	(31,939.)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	425,769.	3,320.
State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(430,124.)	(11,858.)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 19,662,775.	\$ 742,689.
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 19,519,131.	\$ 783,166.
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Add: Prior year encumbrance	N/A	0.
Less: Current year encumbrance	N/A	(31,939.)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	0.	0.
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 19,519,131.	\$ 751,227.

SCHOOL LEVEL SCHEDULES

N/A

SPECIAL REVENUE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Title I, Part A Summer 2006-2007	SIA 2007-2008	Title II, Part A Summer 2006-2007	Title II, Part A Summer 2006-2007	Title II, Part A Carryover 2006-2007	Title II, Part D 2007-2008	Title IV 2007-2008	Title V, Part A 2007-2008
Revenues:								
State sources	\$ 1,600.	\$ 22,316.	\$ 37,972.	\$ 6,589.	\$ 1,815.	\$ 736.	\$ 4,557.	\$ 1,506.
Federal sources	\$ 1,600.	\$ 22,316.	\$ 37,972.	\$ 6,589.	\$ 1,815.	\$ 736.	\$ 4,557.	\$ 1,506.
Total revenues	\$ 3,200.	\$ 44,632.	\$ 75,944.	\$ 13,178.	\$ 3,630.	\$ 1,472.	\$ 9,114.	\$ 3,012.
Expenditures:								
Instruction:								
Salaries of teachers	\$ 73,934.	\$ 17,853.	\$ 17,000.	\$ 2,129.	\$	\$	\$	\$ 300.
Purchased prof/educ serv.	275.							
Other purchased services								
Tuition								
General supplies						552.		1,206.
Other objects								
Total instruction	74,209.	17,853.	17,000.	2,129.	0.	552.	0.	1,506.
Support services:								
Salaries of other prof staff				3,181.			3,646.	
Other salaries								911.
Personal serv-employ bene	18,483.	4,463.	3,265.	832.				
Purchased prof/educ serv.	15,140.		2,510.					
Travel			331.					
Other purchased services	548.		12,839.	447.	1,815.	184.		
Supplies and materials			2,027.					
Total support services	34,171.	4,463.	20,972.	4,460.	1,815.	184.	4,557.	0.
Total expenditures	\$ 108,380.	\$ 22,316.	\$ 37,972.	\$ 6,589.	\$ 1,815.	\$ 736.	\$ 4,557.	\$ 1,506.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	I.D.E.A. Part B 2007-2008	I.D.E.A., Part B, I.D.E.A., Part E Summer 2006-2007	Carryover 2005-2006	Perkins Vocational 2007-2008	REBEL 2007-2008	TARA Aid	Instructional Supplemental Aid	Totals 2008
Revenues:								
State sources	\$ 258,187.	\$ 9,188.	\$ 2,706.	\$ 72,410.	\$ 3,000.	\$ 170,750.	\$ 81,454.	\$ 255,204.
Federal sources								527,962.
Total revenues	\$ 258,187.	\$ 9,188.	\$ 2,706.	\$ 72,410.	\$ 3,000.	\$ 170,750.	\$ 81,454.	\$ 783,166.
Expenditures:								
Instruction:	\$ 91,767.	\$	\$	\$ 880.	\$	\$ 67,050.	\$ 27,284.	\$ 269,733.
Salaries of teachers							8,400.	28,739.
Purchased prof/educ serv.								8,400.
Other purchased services								79,169.
Tuition	71,614.	4,849.	2,706.	71,530.	81,200.			161,451.
General supplies	5,930.	2,239.						2,206.
Other objects	1,000.							
Total instruction	170,311.	7,088.	2,706.	72,410.	0.	148,250.	35,684.	549,698.
Support services:								
Salaries of other prof staff	25,274.				1,000.		45,770.	78,871.
Other salaries		780.						780.
Personal serv-employ bene	34,818.					22,500.		85,272.
Purchased prof/educ serv.	12,732.							31,982.
Travel					497.			828.
Other purchased services	8,414.	125.						24,372.
Supplies and materials	6,638.	1,195.			1,503.			11,363.
Total support services	87,876.	2,100.	0.	0.	3,000.	22,500.	45,770.	233,468.
Total expenditures	\$ 258,187.	\$ 9,188.	\$ 2,706.	\$ 72,410.	\$ 3,000.	\$ 170,750.	\$ 81,454.	\$ 783,166.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF INSTRUCTIONAL SUPPLEMENT AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	2008		Variance
	Budgeted	Actual	
Instruction:			
Purchased professional/educ serv.	\$ 27,284.	\$ 27,284.	\$
Other purchased services	8,400.	8,400.	
Total instruction	35,684.	35,684.	0.
Support services:			
Salary-supervisor of instruction	45,770.	45,770.	
Total support services	45,770.	45,770.	0.
Total expenditures	\$ 81,454.	\$ 81,454.	\$ 0.

Calculation of Budget and Carryover

Total revised 2007-2008 Instructional Supplement Aid allocation	\$66,401.
Actual Instructional Supplement Aid carryover - June 30, 2007	15,053.
Total Instructional Supplement Aid available for 2007-2008 budget	<u>81,454.</u>
Less: 2007-2008 budgeted Instructional Supplement Aid (including prior year budgeted carryover)	<u>81,454.</u>
Available and unbudgeted Instructional Supplement Aid funds as of June 30, 2008	0.
Add: 2007-2008 unexpended (overspent) Instructional Supplement Aid	0.
2007-2008 carryover - available for transfer to General Fund	<u>\$0.</u>
2007-2008 carryover budgeted in 2008-2009	<u>\$0.</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF TARGETED AT-RISK AID (TARA)
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>2008</u>		<u>Variance</u>
	<u>Budgeted</u>	<u>Actual</u>	
Instruction:			
Teachers salaries	\$ 67,050.	\$ 67,050.	\$
General supplies	81,200.	81,200.	
	<hr/>		
Total instruction	148,250.	148,250.	0.
	<hr/>		
Support services:			
Employee benefits	22,500.	22,500.	
	<hr/>		
Total support services	22,500.	22,500.	0.
	<hr/>		
Total expenditures	\$ 170,750.	\$ 170,750.	\$ 0.
	<hr/> <hr/>		

Calculation of Budget and Carryover

Total 2007-2008 TARA allocation	\$170,750.
Less: TARA transferred to General Fund - Tax Relief	<u>0.</u>
TARA available for 2007-2008 program budget	170,750.
2007-2008 TARA expended/obligated	<u>170,750.</u>
2007-2008 actual carryover - TARA	<u>0.</u>
2007-2008 TARA carryover budgeted as Unrestricted General Fund Revenue for 2008-2009	<u><u>\$ 0.</u></u>

CAPITAL PROJECTS FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

Revenues and Other Financing Sources:	
State grant	\$ 6,146,770.
Interest	1,482.
Total revenues	<u>6,148,252.</u>
Expenditures and Other Financing Uses:	
Land improvements	0.
Construction in progress	16,911,897.
Total expenditures	<u>16,911,897.</u>
Excess (deficiency) of revenues over (under) expenditures	(10,763,645.)
Other financing sources (uses):	
Transfers out	<u>(1,482.)</u>
Net change in fund balance	(10,765,127.)
Fund balance - beginning	<u>13,646,267.</u>
Fund balance - ending	<u><u>\$ 2,881,140.</u></u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPAIRS AND RENOVATIONS, FURNITURE AND EQUIPMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SCC Grant	\$ 15,647,712.	\$ 6,146,770.	\$ 21,794,482.	\$ 21,794,482.
Bond proceeds	6,877,404.		6,877,404.	6,877,404.
Total revenues	<u>22,525,116.</u>	<u>6,146,770.</u>	<u>28,671,886.</u>	<u>28,671,886.</u>
Expenditures and Other Financing Uses:				
Construction in progress	8,878,849.	16,911,897.	25,790,746.	
Purchased professional & technical services				1,882,427.
Land and improvements				1,533,030.
Construction services				23,398,804.
Equipment purchases				1,857,525.
Total expenditures	<u>8,878,849.</u>	<u>16,911,897.</u>	<u>2,881,140.</u>	<u>28,671,886.</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 13,646,267.</u>	<u>\$(10,765,127.)</u>	<u>\$ 2,881,140.</u>	<u>\$ 0.</u>
Additional project information:				
Project Number	0997-030-02-0926			
Grant Date	08/12/04			
Bond Authorization Date	12/09/03			
Bonds Authorized	\$ 6,877,000.			
Bonds Issued	\$ 6,877,000.			
Original Authorized Cost	\$ 15,923,704.			
Additional Authorized Cost	\$ 12,748,182.			
Revised Authorized Cost	\$ 28,671,886.			
Percentage Increase Over Original Authorized Cost	80.06%			
Percentage Completion	89.95%			
Original Target Completion Date	Unknown			
Revised Target Completion Date	12/24/2008			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2008

Description	Revised Appropriations	Expenditures to Date Prior Year	Current Year	Unexpended Balance June 30, 2008
0097-030-02-0926 Repairs and renovations to Cumberland Regional High School, including on-site and off-site improvements and the purchase of furniture and equipment.	\$ 28,671,886.	\$ 8,878,849.	\$ 16,911,897.	\$ 2,881,140.
Total	\$ 28,671,886.	\$ 8,878,849.	\$ 16,911,897.	\$ 2,881,140.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008

	<u>Food Service Fund</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 251,350.
Accounts receivable:	
State	895.
Federal	13,618.
Inventories	9,754.
Total current assets	<u>275,617.</u>
Fixed assets:	
Equipment	164,392.
Accumulated depreciation	(81,254.)
Total fixed assets	<u>83,138.</u>
Total assets	<u><u>\$ 358,755.</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 148,304.
Total current liabilities	<u>148,304.</u>
Total liabilities	<u>148,304.</u>
NET ASSETS:	
Invested in capital assets	83,138.
Unrestricted	127,313.
Total net assets	<u><u>\$ 210,451.</u></u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs	\$ 172,874.
Daily sales-nonreimbursable programs	172,322.
Special functions	<u>13,353.</u>
Total operating revenues	<u>358,549.</u>
OPERATING EXPENSES:	
Cost of sales	257,920.
Salaries	181,516.
Employee benefits	37,166.
Management fee	23,200.
General supplies	43,268.
Depreciation	6,992.
Miscellaneous	<u>14,021.</u>
Total operating expenses	<u>564,083.</u>
Operating income/(loss)	(205,534.)
Nonoperating revenues:	
State sources:	
State school breakfast program	4,018.
State school lunch program	7,906.
Federal sources:	
National school breakfast program	54,177.
National school lunch program	127,578.
Food distribution program	<u>34,658.</u>
Total nonoperating revenues	<u>228,337.</u>
Change in net assets	22,803.
Net assets - July 1	<u>187,648.</u>
Net assets - June 30	<u><u>\$ 210,451.</u></u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 358,549.
Cash payments to suppliers	(453,583.)
Net cash provided (used) by operating activities	(95,034.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	11,502.
Federal sources	175,127.
Net cash provided by noncapital financing activities	186,629.
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of equipment	(4,989.)
Net cash (used) by investing activities	(4,989.)
Net increase/(decrease) in cash and cash equivalents	86,606.
Cash and cash equivalents - July 1,	164,744.
Cash and cash equivalents - June 30,	\$ 251,350.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:	
Operating income/(loss)	\$(205,534.)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation expense	6,992.
Federal commodities	34,658.
Change in assets and liabilities:	
(Increase)/decrease in inventory	2,375.
Increase/(decrease) in accounts payable	66,475.
Net cash provided by (used) by operating activities	\$ (95,034.)

INTERNAL SERVICE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008

	Curriculum Consortium Internal Service Fund	Total
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 16,060.	\$ 16,060.
Total current assets	16,060.	16,060.
Total assets	\$ 16,060.	\$ 16,060.
LIABILITIES:		
Total liabilities	0.	0.
NET ASSETS:		
Unrestricted	16,060.	16,060.
Total net assets	\$ 16,060.	\$ 16,060.

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Curriculum Consortium Internal Service Fund	Total
OPERATING REVENUES:		
Charges for services	\$ 22,645.	\$ 22,645.
Total operating revenues	22,645.	22,645.
OPERATING EXPENSES:		
Supplies	1,828.	1,828.
Purchased services	17,110.	17,110.
Total operating expenses	18,938.	18,938.
Operating income/(loss)	3,707.	3,707.
Change in net assets	3,707.	3,707.
NET ASSETS - JULY 1	12,353.	12,353.
NET ASSETS - JUNE 30	\$ 16,060.	\$ 16,060.

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Curriculum Consortium Internal Service Fund	Total
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 22,645.	\$ 22,645.
Payments to suppliers	(18,938.)	(18,938.)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	3,707.	3,707.
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	3,707.	3,707.
	<hr/>	<hr/>
Cash and cash equivalents - July 1	12,353.	12,353.
	<hr/>	<hr/>
Cash and cash equivalents - June 30	\$ 16,060.	\$ 16,060.
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities		
Operating income/(loss)	\$ 3,707.	\$ 3,707.
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Increase/(decrease) in deferred revenue	0.	0.
	<hr/>	<hr/>
Net cash provided (used in) operating activities	\$ 3,707.	\$ 3,707.
	<hr/> <hr/>	<hr/> <hr/>

FIDUCIARY FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2008

	Student Activity	Payroll	Private Purpose Scholarship Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash and cash equivalents	\$ 195,564.	\$ 16,086.	\$ 7,395.	\$ 20,760.	\$ 239,805.
Investments			1,542.		1,542.
Due from Scholarship Fund	200.				200.
Due from Agency				15,813.	15,813.
Total assets	\$ 195,764.	\$ 16,086.	\$ 8,937.	\$ 36,573.	\$ 257,360.
LIABILITIES:					
Due to Student Activity	\$ 195,764.	\$	\$ 200.	\$	\$ 200.
Due to student groups					195,764.
Interfund payable		273.			273.
Due to Unemployment		15,813.			15,813.
Total liabilities	\$ 195,764.	\$ 16,086.	\$ 200.	\$ 0.	\$ 212,050.
Net assets	\$ 0.	\$ 0.	\$ 8,737.	\$ 36,573.	\$ 45,310.
Total net assets	\$ 0.	\$ 0.	\$ 8,737.	\$ 36,573.	\$ 45,310.

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Plan member	\$ 16,713.	\$	\$ 16,713.
Other		200.	200.
Board contribution	12,500.		12,500.
Total contributions	<u>29,213.</u>	<u>200.</u>	<u>29,413.</u>
Investment earnings:			
Interest	260.	63.	323.
Net investment earnings	<u>260.</u>	<u>63.</u>	<u>323.</u>
Total additions	<u>29,473.</u>	<u>263.</u>	<u>29,736.</u>
DEDUCTIONS:			
Scholarships awarded		1,700.	1,700.
Unemployment claims	9,681.		9,681.
Total deductions	<u>9,681.</u>	<u>1,700.</u>	<u>11,381.</u>
Change in net assets	19,792.	(1,437.)	18,355.
NET ASSETS, JULY 1	<u>16,781.</u>	<u>10,174.</u>	<u>26,955.</u>
NET ASSETS, JUNE 30	<u>\$ 36,573.</u>	<u>\$ 8,737.</u>	<u>\$ 45,310.</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Cash Balance July 1, 2007	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2008
Cumberland Regional High School	\$ 197,230.	\$ 442,524.	\$ 444,190.	\$ 195,564.
Total	\$ 197,230.	\$ 442,524.	\$ 444,190.	\$ 195,564.

CUMBERLAND REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS:				
Cash and cash equivalents	\$ 14,419.	\$ 11,503,257.	\$ 11,501,590.	\$ 16,086.
Due from General Fund	881.		881.	
Total assets	\$ 15,300.	\$ 11,503,257.	\$ 11,502,471.	\$ 16,086.
LIABILITIES:				
Net payroll	\$	\$ 6,458,179.	\$ 6,458,179.	\$
Payroll deductions and withholdings		5,045,078.	5,045,078.	
Interfund payable		273.		273.
Due to Unemployment	15,300.	513.		15,813.
Total liabilities	\$ 15,300.	\$ 11,504,043.	\$ 11,503,257.	\$ 16,086.

LONG-TERM DEBT

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2008

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2007	Issued	Retired	Balance June 30, 2008
Addition to auditorium and auxiliary gymnasium to existing facilities	10/1/1989	\$3,845,000.	10/1/00-08 10/1/2009	\$ 255,000. 250,000.	7.10%	\$760,000.	\$	\$255,000.	\$505,000.
Improvements to Cumberland Regional High School, including roof renovation, replacement of air conditioning heat absorber, public address system, conversion or replacement of hot water heater facilities, construction of water main hookup, upgrading of ventilation system, improvement of student record computer system, purchase of customized vehicle for transportation of special education students, and site improvements, including refurbishment of the stadium track.	4/1/1998	1,948,000.	4/1/2008 4/1/2009 4/1/10-12 4/1/2013	140,000. 150,000. 160,000. 158,000.	4.70%	928,000.		140,000.	788,000.
Repairs and renovations to Cumberland Regional High School, including on-site and off-site improvements, and the purchase of furniture and equipment.	4/15/2004	6,877,000.	4/15/2007 4/15/2008 4/15/2009 4/15/10-23 4/15/2024	295,000. 320,000. 345,000. 370,000. 367,000.	3.625% 3.625%-4.35% 4.40%	6,212,000.		320,000.	5,892,000.
Total						\$7,900,000.	\$0.	\$715,000.	\$7,185,000.

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 778,712.	\$	\$ 778,712.	\$ 778,712.	\$
State sources:					
Debt service aid - type II	269,484.		269,484.	269,484.	
Total revenues	1,048,196.	0.	1,048,196.	1,048,196.	0.
EXPENDITURES:					
Regular debt service:					
Interest	334,128.		334,128.	334,128.	
Redemption of principal	715,000.		715,000.	715,000.	
Total regular debt service	1,049,128.	0.	1,049,128.	1,049,128.	0.
Total expenditures	1,049,128.	0.	1,049,128.	1,049,128.	0.
Excess (deficiency) of revenues over (under) expenditures	(932.)	0.	(932.)	(932.)	0.
Other financing sources (uses):					
Transfers in				1,482.	1,482.
Total other financing sources (uses)	0.	0.	0.	1,482.	1,482.
Net change in fund balance	(932.)	0.	(932.)	550.	1,781.
Fund balance, July 1	2,713.	0.	2,713.	2,713.	0.
Fund balance, June 30	\$ 1,781.	\$ 0.	\$ 1,781.	\$ 3,263.	\$ 1,781.

STATISTICAL SECTION

FINANCIAL TRENDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,					
	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Invested in capital assets, net of related debt	\$ 6,784,161.	\$ 6,854,132.	\$ 1,302,029.	\$ 1,428,212.	\$ 9,533,500.	\$ 26,912,369.
Restricted	13,906.	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.
Unrestricted	(2,935.)	(37,059.)	(370,430.)	932,499.	(124,603.)	(266,411.)
Total governmental activities net assets	\$ 6,795,132.	\$ 7,059,513.	\$ 16,108,918.	\$ 17,127,289.	\$ 14,597,427.	\$ 27,618,094.
Business-Type Activities:						
Invested in capital assets, net of related debt	\$ 9,214.	\$ 7,167.	\$ 5,120.	\$ 3,073.	\$ 85,141.	\$ 83,138.
Unrestricted	59,654.	91,303.	104,030.	159,962.	102,507.	127,313.
Total business-type activities net assets	\$ 68,868.	\$ 98,470.	\$ 109,150.	\$ 163,035.	\$ 187,648.	\$ 210,451.
District-Wide:						
Invested in capital assets, net of related debt	\$ 6,793,375.	\$ 6,861,299.	\$ 1,307,149.	\$ 1,431,285.	\$ 9,618,641.	\$ 26,995,507.
Restricted	13,906.	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.
Unrestricted	56,719.	54,244.	(266,400.)	1,092,461.	(124,603.)	(139,098.)
Total District Net Assets	\$ 6,864,000.	\$ 7,157,983.	\$ 16,218,068.	\$ 17,290,324.	\$ 14,785,075.	\$ 27,828,545.

CUMBERLAND REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Food service	\$ 272,000.	\$ 298,263.	\$ 311,763.	\$ 347,962.	\$ 353,456.	\$ 358,549.
Operating grants & contributions	113,717.	127,800.	144,142.	209,768.	211,546.	228,337.
Total business type activities program revenues	385,717.	426,063.	455,905.	557,730.	565,002.	586,886.
Total district program revenues	\$ 1,150,905.	\$ 1,985,820.	\$ 1,550,587.	\$ 1,730,182.	\$ 2,262,944.	\$ 2,361,832.
Net (Expense)/Revenue						
Governmental activities	\$(15,096,465.)	\$(15,577,392.)	\$(17,150,178.)	\$(17,400,193.)	\$(18,872,145.)	\$(19,211,325.)
Business-type activities	(1,804.)	7,603.	(19,539.)	26,560.	24,613.	22,803.
Total district-wide net expense	\$(15,098,269.)	\$(15,569,789.)	\$(17,169,717.)	\$(17,373,633.)	\$(18,847,532.)	\$(19,188,522.)
General Revenues & Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 5,600,198.	\$ 5,943,940.	\$ 6,268,390.	\$ 7,259,096.	\$ 7,686,422.	\$ 8,094,435.
Taxes levied for debt service	231,762.	233,327.	709,931.	674,421.	734,005.	778,712.
Grants and contributions	8,770,248.	9,569,991.	19,121,330.	10,495,773.	16,106,653.	23,110,167.
Tuition received		30,264.	26,040.	49,164.	58,533.	37,679.
Investment earnings	6,534.	23,853.	29,187.	58,174.	99,280.	53,535.
Miscellaneous income	83,793.	73,939.	74,924.	12,249.	18,518.	98,351.
Capital assets acquired by fiduciary fund				10,106.		
Adjustment to beginning accrued interest				(113,094.)		
Adjustment to fixed assets						
Transfers	2,320.	(33,541.)	(30,219.)	(27,325.)		(5,967.)
Total governmental activities	14,694,855.	15,841,773.	26,199,583.	18,418,564.	24,703,411.	32,166,912.
Business-type activities:						
Transfers		21,999.	30,219.	27,325.		
Total business-type activities	0.	21,999.	30,219.	27,325.	0.	0.
Total district-wide	\$ 14,694,855.	\$ 15,863,772.	\$ 26,229,802.	\$ 18,445,889.	\$ 24,703,411.	\$ 32,166,912.
Change in net assets						
Governmental activities	\$(401,610.)	\$ 264,381.	\$ 9,049,405.	\$ 1,018,371.	\$ 5,831,266.	\$ 12,955,587.
Business-type activities	(1,804.)	29,602.	10,680.	53,885.	24,613.	22,803.
Total district	\$(403,414.)	\$ 293,983.	\$ 9,060,085.	\$ 1,072,256.	\$ 5,855,879.	\$ 12,978,390.

CUMBERLAND REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 18,626.	\$ 240,077.	\$ 301,341.	\$ 999,310.	\$ 743,958.	\$ 968,873.
Unreserved	304,755.	322,327.	24,870.	265,360.	217,714.	136,443.
Total general fund	<u>\$ 323,381.</u>	<u>\$ 562,404.</u>	<u>\$ 326,211.</u>	<u>\$ 1,264,670.</u>	<u>\$ 961,672.</u>	<u>\$ 1,105,316.</u>
All Other Governmental Funds						
Unreserved, reported in:						
Special revenue fund	\$(5,927.)	\$(3,320.)	\$(3,320.)	\$(3,320.)	\$(3,320.)	\$(11,858.)
Capital projects fund	2,362.	6,863,596.	14,797,239.	14,717,703.	4,441,859.	
Debt service fund	1.	2,363.	37,626.	38,558.	2,713.	3,263.
Permanent fund	11,542.					
Total all other governmental funds	<u>\$ 7,978.</u>	<u>\$ 6,862,639.</u>	<u>\$ 14,831,545.</u>	<u>\$ 14,752,941.</u>	<u>\$ 5,402,924.</u>	<u>\$(8,595.)</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Tax levy	\$ 3,276,378.	\$ 3,952,781.	\$ 4,661,199.	\$ 5,383,649.	\$ 5,831,960.	\$ 6,177,267.	\$ 6,978,321.	\$ 7,933,517.	\$ 8,420,427.	\$ 8,873,147.
Tuition charges	29,097.	65,313.	41,396.	59,394.	704,486.	30,264.	26,040.	49,164.	58,533.	37,679.
Transportation fees	189,876.	172,536.	158,868.	142,203.	147,027.	139,948.	144,642.	150,656.	146,620.	157,740.
Interest earnings	48,174.	32,731.	18,435.	19,148.	6,534.	23,853.	29,187.	58,174.	99,280.	53,535.
Miscellaneous	38,131.	41,383.	53,419.	40,955.	83,793.	73,939.	74,924.	12,249.	18,518.	98,351.
State sources	8,676,345.	8,792,835.	8,375,637.	8,671,404.	8,825,020.	9,655,688.	19,446,828.	10,942,342.	17,145,660.	24,180,355.
Federal sources	362,165.	423,943.	413,899.	533,509.	543,389.	652,541.	505,101.	539,221.	491,787.	524,373.
Total revenue	12,620,166.	13,481,522.	13,722,853.	14,850,262.	15,437,723.	16,753,500.	27,205,043.	19,685,323.	26,380,825.	33,925,180.
Expenditures										
Instruction:										
Regular instruction	4,463,034.	4,676,127.	4,966,356.	5,207,030.	5,397,371.	5,700,600.	6,269,129.	5,928,616.	6,417,331.	6,347,172.
Special education instruction	767,391.	688,609.	801,243.	725,490.	704,486.	847,366.	827,315.	902,063.	984,507.	1,029,619.
Other special instruction				104,788.	67,253.	7,933.	111,533.	106,833.	88,847.	110,087.
School sponsored/other instruction	390,000.	475,792.	516,697.	529,907.	526,516.	564,297.	628,023.	536,461.	564,469.	560,364.
Support Services:										
Tuition	524,794.	422,242.	523,445.	633,898.	867,385.	810,217.	872,726.	1,193,815.	1,478,707.	1,680,257.
Student & instruction related services	775,792.	820,867.	829,939.	800,983.	1,047,491.	849,131.	1,061,593.	1,095,060.	1,326,831.	1,218,117.
General administration	186,210.	218,363.	205,287.	262,098.	305,542.	362,656.	373,151.	720,969.	709,303.	377,841.
School administration services	663,417.	619,078.	658,270.	692,922.	801,129.	829,441.	878,666.	882,320.	965,371.	967,157.
Central services							246,805.			225,730.
Administration information tech										109,560.
Plant operations & maintenance	1,206,651.	1,269,209.	1,380,043.	1,380,091.	1,592,916.	1,429,709.	1,450,280.	1,500,144.	1,659,597.	1,607,847.
Pupil transportation	886,209.	847,059.	945,437.	1,024,751.	1,108,210.	1,146,491.	1,319,914.	1,458,290.	1,467,968.	1,658,630.
Other support services	403,056.	607,719.	453,107.	625,317.	228,989.	410,695.	10,450.			
Employee benefits	1,899,284.	1,646,042.	1,969,290.	2,173,357.	2,446,898.	2,847,401.	3,132,390.	3,360,904.	4,023,641.	4,168,079.
Claim cost										131,575.
Special schools	2,556.	2,800.	4,086.	2,802.	3,269.					
Charter schools	68,140.									
Capital outlay	74,712.	290,040.	543,693.	244,668.	27,761.	192,209.	1,285,911.	153,180.	7,898,775.	16,990,220.
Debt service:										
Principal	290,000.	290,000.	335,000.	335,000.	345,000.	345,000.	550,000.	560,000.	680,000.	715,000.
Interest & other charges	288,096.	269,346.	248,159.	226,293.	204,428.	182,094.	424,225.	399,488.	369,037.	334,128.
Total expenditures	12,889,342.	13,143,293.	14,380,052.	14,969,395.	15,674,644.	16,525,240.	19,442,111.	18,798,143.	28,634,384.	38,231,383.

CUMBERLAND REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Excess (deficiency) of revenues over/(under) expenditures	\$(269,176.)	\$ 338,229.	\$(657,199.)	\$(119,133.)	\$(236,921.)	\$ 228,260.	\$ 7,762,932.	\$ 887,180.	\$(2,253,559.)	\$(4,306,203.)
Other Financing Sources/(Uses):						6,877,000.				
Proceeds from sale of bonds			436,463.	184,914.		21,965.				
Capital leases (non-budgeted)					2,320.	20,637.	7,091.	932.	1,781.	1,482.
Transfers in	(18,809.)	(22,183.)	(14,248.)	(18,596.)		(54,178.)	(37,310.)	(28,257.)	(1,781.)	(1,482.)
Transfers out										
Total other financing sources/(uses)	(18,809.)	(22,183.)	422,215.	166,318.	2,320.	6,865,424.	(30,219.)	(27,325.)	0.	0.
Net change in fund balances	\$(287,985.)	\$ 316,046.	\$(234,984.)	\$ 47,185.	\$(234,601.)	\$ 7,093,684.	\$ 7,732,713.	\$ 859,855.	\$(2,253,559.)	\$(4,306,203.)
Debt Service as a Percentage of Noncapital Expenditures	4.51%	4.35%	4.21%	3.81%	3.51%	3.23%	5.37%	5.15%	5.06%	4.94%

Source: District records

CUMBERLAND REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	Alternative School		Transport. Fees	Interest on Investments	Rentals	Prior Year Refunds	Game Receipts	Book Fines	Latin Class	Other	Total
	Fees	Fees									
1999	\$ 29,097.	\$ 189,876.	\$ 43,512.	\$ 3,615.	\$ 18,716.	\$ 8,326.	\$ 4,411.	\$	\$ 3,063.	\$ 300,616.	
2000	65,313.	172,536.	30,142.		4,533.	8,200.	1,734.		3,505.	285,963.	
2001	41,396.	158,868.	15,334.	1,867.	25,067.	7,543.	4,625.		7,446.	262,146.	
2002	59,394.	142,203.	17,533.		13,363.	5,568.	4,200.		9,169.	255,430.	
2003	71,699.	147,027.	6,003.		2,437.	8,353.		4,000.	604.	236,123.	
2004	30,264.	139,948.	6,021.		49,906.	10,806.			13,188.	250,133.	
2005	26,040.	144,642.	22,096.		5,320.	16,660.			52,944.	267,702.	
2006	49,164.	150,656.	57,242.						12,249.	269,311.	
2007	58,533.	146,620.	99,280.						18,518.	322,951.	
2008	37,679.	157,740.	53,535.		80,105.				18,246.	347,305.	

Source: District Records

REVENUE CAPACITY

CUMBERLAND REGIONAL SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

	Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Deerfield Township	1998	\$ 92,599,958.	\$ 108,361,061.	85.46%
	1999	95,069,196.	112,822,714.	84.26%
	2000	96,869,733.	119,868,650.	80.81%
	2001	99,716,177.	127,619,089.	78.14%
	2002	101,281,863.	129,870,084.	77.99%
	2003	104,410,023.	138,179,414.	75.56%
	2004	171,956,001.	151,941,354.	113.17%
	2005	171,360,347.	165,079,460.	103.80%
	2006	175,514,121.	175,966,921.	99.74%
	2007	181,724,786.	195,082,197.	93.15%
Fairfield Township	1998	101,559,110.	138,821,365.	73.16%
	1999	101,975,445.	147,273,153.	69.24%
	2000	103,031,599.	155,144,863.	66.41%
	2001	155,720,704.	157,799,829.	98.68%
	2002	156,992,369.	157,828,656.	99.47%
	2003	157,780,656.	162,793,713.	96.92%
	2004	157,904,546.	169,100,321.	93.38%
	2005	159,109,561.	174,745,352.	91.05%
	2006	161,019,200.	207,971,432.	77.42%
	2007	165,821,170.	244,093,827.	67.93%
Greenwich Township	1998	35,278,029.	41,065,063.	85.91%
	1999	35,375,029.	42,326,467.	83.58%
	2000	35,829,281.	41,505,114.	86.32%
	2001	36,161,422.	40,343,703.	89.63%
	2002	36,015,491.	44,432,435.	81.06%
	2003	36,451,520.	49,245,352.	74.02%
	2004	62,079,954.	52,707,942.	117.78%
	2005	61,732,103.	52,433,375.	117.73%
	2006	61,795,059.	58,383,194.	105.84%
	2007	62,572,212.	69,173,486.	90.46%
Hopewell Township	1998	146,178,404.	180,532,938.	80.97%
	1999	147,454,921.	177,992,151.	82.94%
	2000	149,651,130.	186,478,156.	80.25%
	2001	214,836,446.	190,189,985.	112.96%
	2002	217,025,434.	205,544,821.	105.59%
	2003	220,152,490.	214,790,949.	102.50%
	2004	222,645,464.	226,962,976.	98.10%
	2005	224,987,536.	245,932,455.	91.48%
	2006	226,734,338.	276,406,251.	82.03%
	2007	229,567,880.	320,914,069.	71.54%

Source: Abstract of Ratables, County Board of Taxation

CUMBERLAND REGIONAL SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

	Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Shiloh Borough	1998	\$ 18,015,518.	\$ 15,655,512.	115.07%
	1999	17,658,700.	15,975,786.	110.53%
	2000	18,061,679.	17,279,009.	104.53%
	2001	18,069,318.	16,647,597.	108.54%
	2002	18,176,425.	18,073,886.	100.57%
	2003	18,627,827.	20,328,235.	91.64%
	2004	18,679,878.	19,970,123.	93.54%
	2005	19,094,488.	21,548,207.	88.61%
	2006	19,357,592.	25,614,565.	75.57%
	2007	19,430,642.	30,578,719.	63.54%
Stow Creek Township	1998	47,382,941.	57,753,696.	82.04%
	1999	47,718,721.	61,664,060.	77.38%
	2000	70,810,130.	64,418,219.	109.92%
	2001	71,805,823.	63,961,099.	112.26%
	2002	72,994,952.	64,319,974.	113.49%
	2003	73,971,704.	71,588,086.	103.33%
	2004	74,470,906.	70,072,723.	106.28%
	2005	76,278,901.	80,587,911.	94.65%
	2006	76,703,027.	86,625,829.	88.55%
	2007	78,598,259.	95,076,364.	82.67%
Upper Deerfield Township	1998	362,800,461.	325,706,583.	111.39%
	1999	360,857,087.	328,515,215.	109.84%
	2000	365,520,364.	340,817,843.	107.25%
	2001	370,083,313.	350,116,855.	105.70%
	2002	376,848,238.	361,431,359.	104.27%
	2003	380,351,093.	368,835,910.	103.12%
	2004	384,445,670.	394,538,896.	97.44%
	2005	391,223,338.	413,492,516.	94.61%
	2006	399,407,924.	464,315,523.	86.02%
	2007	414,074,483.	528,714,356.	78.32%

Source: Abstract of Ratables, County Board of Taxation

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Deerfield Township School Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt Service (a)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist. Township County	Deerfield Township	Cumberland County			
1998	N/A	\$ 1.120	\$ 0.430	\$ 0.050	\$ 1.170		\$ 2.770	
1999	N/A	1.220	0.520	0.030	1.210		2.980	
2000	N/A	1.250	0.620	0.030	1.180		3.080	
2001	N/A	1.429	0.758	0.021	1.217		3.425	
2002	N/A	1.659	0.803	0.019	1.219		3.700	
2003	N/A	1.835	0.783	0.020	1.284		3.922	
2004	N/A	1.099	0.667	0.012	0.858		2.636	
2005	N/A	1.181	0.677	0.012	0.996		2.866	
2006	\$ 1.102	1.251	0.660	0.013	1.048		2.972	
2006	N/A	1.291	0.567	0.010	1.059		2.927	

Fiscal Year Ended June 30,	Fairfield Township School Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation Debt Service (a)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist. Township County	Fairfield Township	Cumberland County			
1998	N/A	\$ 0.560	\$ 0.470	\$ 0.320	\$ 1.370		\$ 2.720	
1999	N/A	0.560	0.630	0.330	1.470		2.990	
2000	N/A	0.554	0.756	0.327	1.440		3.077	
2001	N/A	0.352	0.627	0.219	0.966		2.164	
2002	N/A	0.348	0.641	0.214	0.957		2.160	
2003	N/A	0.365	0.649	0.214	0.999		2.227	
2004	N/A	0.436	0.820	0.215	1.039		2.510	
2005	N/A	0.479	0.832	0.221	1.141		2.673	
2006	N/A	0.577	0.897	0.198	1.332		3.004	
2007	N/A	0.606	0.948	0.412	1.451		3.417	

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Greenwich Township School Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General (From J-6)		Regional School Dist.	Greenwich Township	Cumberland County	Total		
		Obligation	Total Direct					Direct and Overlapping	
1998	\$ 1.010	N/A	\$ 1.010	\$ 0.420	\$ 0.180	\$ 1.170	\$ 2.780		
1999	0.980	N/A	0.980	0.510	0.170	1.220	2.880		
2000	1.485	N/A	1.485	0.586	0.189	1.108	3.368		
2001	1.495	N/A	1.495	0.501	0.314	1.063	3.373		
2002	1.586	N/A	1.586	0.808	0.344	1.177	3.915		
2003	1.806	N/A	1.806	0.848	0.395	1.310	4.359		
2004	1.073	N/A	1.073	0.484	0.256	0.822	2.635		
2005	1.156	N/A	1.156	0.484	0.286	0.883	2.809		
2006	1.207	N/A	1.207	0.522	0.319	0.982	3.030		
2007	1.226	N/A	1.226	0.646	0.379	1.093	3.344		

Fiscal Year Ended June 30,	Hopewell Township School Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General (From J-6)		Regional School Dist.	Hopewell Township	Cumberland County	Total		
		Obligation	Total Direct					Direct and Overlapping	
1998	\$ 0.897	\$ 0.403	\$ 1.300	\$ 0.440	\$ 0.090	\$ 1.240	\$ 3.070		
1999	0.940	0.350	1.290	0.510	0.090	1.240	3.130		
2000	1.037	0.273	1.310	0.590	0.090	1.190	3.180		
2001	0.714	0.216	0.930	0.460	0.070	0.840	2.300		
2002	0.848	0.213	1.061	0.514	0.071	0.903	2.549		
2003	0.930	0.253	1.183	0.527	0.080	0.947	2.737		
2004	1.038	0.183	1.221	0.605	0.074	0.989	2.889		
2005	1.122	0.180	1.302	0.717	0.074	1.137	3.230		
2006	1.147	0.226	1.373	0.736	0.12	1.267	3.496		
2007	N/A	N/A	1.386	0.837	0.151	1.397	3.771		

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Shiloh Borough School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Shiloh Borough	Cumberland County	
1998	\$ 1.150	N/A	\$ 1.150	\$ 0.380	\$ 0.220	\$ 0.840	\$ 2.590
1999	1.150	N/A	1.150	0.420	0.310	0.910	2.790
2000	1.150	N/A	1.150	0.530	0.310	0.920	2.910
2001	1.200	N/A	1.200	0.490	0.350	0.880	2.920
2002	1.430	N/A	1.430	0.463	0.380	0.947	3.220
2003	1.578	N/A	1.578	0.665	0.400	1.058	3.701
2004	1.319	N/A	1.319	0.671	0.390	1.037	3.417
2005	1.280	N/A	1.280	0.751	0.419	1.175	3.625
2006	1.332	N/A	1.332	0.878	0.465	1.375	4.050
2007	0.710	N/A	0.710	0.931	0.470	1.553	3.664

Fiscal Year Ended June 30,	Stow Creek Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Stow Creek Township	Cumberland County	
1998	N/A	N/A	\$ 1.000	\$ 0.450	N/A	\$ 1.220	\$ 2.670
1999	N/A	N/A	1.010	0.570	N/A	1.320	2.900
2000	N/A	N/A	0.660	0.470	N/A	0.870	2.000
2001	N/A	N/A	0.653	0.519	N/A	0.848	2.020
2002	N/A	N/A	0.640	0.550	N/A	0.840	2.030
2003	N/A	N/A	0.690	0.580	0.042	0.939	2.251
2004	N/A	N/A	0.771	0.587	0.091	0.913	2.362
2005	N/A	N/A	0.894	0.737	0.090	1.098	2.819
2006	N/A	N/A	1.007	0.751	0.144	1.172	3.074
2007	N/A	N/A	1.022	0.709	0.144	1.194	3.069

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Upper Deerfield Township School Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Upper Deerfield Township Cumberland County	
1998	\$ 0.829	\$ 0.011	\$ 0.840	\$ 0.350	N/A	\$ 2.090
1999	0.839	0.011	0.850	0.400	N/A	2.200
2000	0.854	0.010	0.864	0.446	N/A	2.215
2001	0.869	0.009	0.878	0.502	N/A	2.294
2002	0.953	0.011	0.964	0.547	N/A	2.435
2003	0.977	0.150	1.127	0.573	N/A	2.696
2004	1.143	0.114	1.257	0.595	N/A	2.878
2005	1.219	0.138	1.357	0.647	N/A	3.214
2006	1.256	0.129	1.385	0.714	N/A	3.425
2007	1.297	0.113	1.410	0.746	N/A	3.532

Source: Municipal Tax Collector

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Individual Taxpayer 1				\$ 1,344,300.	1	1.34%
Individual Taxpayer 2				1,131,800.	2	1.13%
Individual Taxpayer 3				1,238,300.	3	1.24%
Individual Taxpayer 4				581,200.	4	0.58%
Individual Taxpayer 5				535,400.	5	0.53%
Individual Taxpayer 6				494,900.	6	0.49%
Individual Taxpayer 7				449,800.	7	0.45%
Individual Taxpayer 8				406,300.	8	0.41%
Individual Taxpayer 9				343,900.	9	0.35%
Individual Taxpayer 10				342,500.	10	0.33%
Total	\$ 0.		0.00%	\$ 6,868,400.		6.85%

Information Not Available

Source: Municipal Tax Assessor

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1				\$ 1,344,300.		1.34%
Taxpayer 2				1,131,800.		1.13%
Taxpayer 3				1,238,300.		1.24%
Taxpayer 4				581,200.		0.58%
Taxpayer 5				535,400.		0.53%
Taxpayer 6				494,900.		0.49%
Taxpayer 7				449,800.		0.45%
Taxpayer 8				406,300.		0.41%
Taxpayer 9				343,900.		0.35%
Taxpayer 10				342,500.		0.33%
Total	\$ 0.		0.00%	\$ 6,868,400.		6.85%

INFORMATION NOT AVAILABLE

Source: Municipal Tax Assessor

GREENWICH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 3,500,100.	1	5.59%			
Taxpayer 2	978,500.	2	1.56%			
Taxpayer 3	957,900.	3	1.53%			
Taxpayer 4	894,800.	4	1.43%			
Taxpayer 5	798,100.	5	1.28%			
Taxpayer 6	746,200.	6	1.19%			
Taxpayer 7	582,900.	7	0.93%			
Taxpayer 8	575,600.	8	0.92%			
Taxpayer 9	519,400.	9	0.83%			
Taxpayer 10	472,500.	10	0.76%			
Taxpayer 11				1,970,395.		5.59%
Taxpayer 12				593,200.		1.68%
Taxpayer 13				507,500.		1.44%
Taxpayer 14				462,600.		1.31%
Taxpayer 15				437,200.		1.24%
Taxpayer 16				424,400.		1.20%
Taxpayer 17				359,400.		1.02%
Taxpayer 18				336,700.		0.95%
Taxpayer 19				332,000.		0.94%
Taxpayer 20				281,300.		0.80%
Total	\$ 10,026,000.		16.02%	\$ 5,704,695.		16.17%

Source: Municipal Tax Assessor

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 2,648,900.	1	1.15%	\$ 2,031,600.	1	1.39%
Taxpayer 2	1,758,300.	2	0.77%			
Taxpayer 3	1,256,000.	3	0.55%	1,193,500.	2	0.82%
Taxpayer 4	1,014,200.	4	0.44%			
Taxpayer 5	853,900.	5	0.37%			
Taxpayer 6	835,200.	6	0.36%			
Taxpayer 7	775,000.	7	0.34%			
Taxpayer 8	728,000.	8	0.32%			
Taxpayer 9	690,047.	9	0.30%			
Taxpayer 10	611,700.	10	0.27%			
Taxpayer 11				980,800.	3	0.67%
Taxpayer 12				939,721.	4	0.64%
Taxpayer 13				610,400.	5	0.42%
Taxpayer 14				516,300.	6	0.35%
Taxpayer 15				504,400.	7	0.35%
Taxpayer 16				503,200.	8	0.34%
Taxpayer 17				498,300.	9	0.34%
Taxpayer 18				470,000.	10	0.32%
Total	<u>\$ 11,171,447.</u>		<u>4.87%</u>	<u>\$ 8,248,221.</u>		<u>5.64%</u>

Source: Municipal Tax Assessor

BOROUGH OF SHILOH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 510,800.	1	2.63%			
Taxpayer 2	470,800.	2	2.42%			
Taxpayer 3	314,600.	3	1.62%			
Taxpayer 4	250,000.	4	1.29%			
Taxpayer 5	228,000.	5	1.17%			
Taxpayer 6	217,200.	6	1.12%			
Taxpayer 7	207,200.	7	1.07%			
Taxpayer 8	191,600.	8	.99%			
Taxpayer 9	187,900.	9	.97%			
Taxpayer 10	185,600.	10	.96%			
Taxpayer 11				699,600.	1	3.80%
Taxpayer 12				517,500.	2	3.19%
Taxpayer 13				378,100.	3	2.16%
Taxpayer 14				373,200.	4	2.06%
Taxpayer 15				283,900.	5	1.58%
Taxpayer 16				221,300.	6	1.20%
Taxpayer 17				195,100.	7	1.02%
Taxpayer 18				191,600.	8	1.01%
Taxpayer 19				187,900.	9	.97%
Taxpayer 20				185,600.	10	.69%
Total	\$ 2,763,700.		14.22%	\$ 3,233,800.		17.68%

Source: Municipal Tax Assessor

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	INFORMATION NOT AVAILABLE					
Taxpayer 2				\$ 515,100.	1	1.08%
Taxpayer 3				454,700.	2	0.95%
Taxpayer 4				451,700.	3	0.95%
Taxpayer 5				438,821.	4	0.92%
Taxpayer 6				367,500.	5	0.77%
Taxpayer 7				350,300.	6	0.73%
Taxpayer 8				498,900.	7	0.63%
Taxpayer 9				495,600.	8	0.62%
Taxpayer 10				288,400.	9	0.60%
				265,800.	10	0.56%
Total	\$ 0.		0.00%	\$ 4,126,821.		7.81%

Source: Municipal Tax Assessor

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

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 15,701,600.	1	3.72%	\$ 16,249,800.	1	4.95%
Taxpayer 2	7,828,500.	2	1.86%			
Taxpayer 3	7,400,800.	3	1.75%			
Taxpayer 4	5,414,700.	4	1.28%	6,464,100.	3	1.97%
Taxpayer 5	5,133,700.	5	1.22%			
Taxpayer 6	4,355,000.	6	1.03%			
Taxpayer 7	4,020,000.	7	0.95%			
Taxpayer 8	3,964,400.	8	0.94%			
Taxpayer 9	2,496,500.	9	0.59%			
Taxpayer 10	2,193,500.	10	0.52%	4,607,700.	4	1.40%
Taxpayer 11				13,687,500.	2	4.17%
Taxpayer 12				4,488,600.	5	1.36%
Taxpayer 13				4,088,500.	6	1.24%
Taxpayer 14				3,149,200.	7	0.96%
Taxpayer 15				1,993,500.	8	0.61%
Taxpayer 16				1,592,264.	9	0.48%
Taxpayer 17				1,316,300.	10	0.40%
Total	<u>\$ 58,508,700.</u>		<u>13.87%</u>	<u>\$ 57,637,464.</u>		<u>17.54%</u>

Source: Municipal Tax Assessor

CUMBERLAND REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 3,276,378.	\$ 3,276,378.	100.00%	\$
2000	3,952,781.	3,952,781.	100.00%	
2001	4,661,199.	4,661,199.	100.00%	
2002	5,383,649.	5,383,649.	100.00%	
2003	5,831,960.	5,831,960.	100.00%	
2004	6,177,267.	6,177,267.	100.00%	
2005	6,978,321.	6,978,321.	100.00%	
2006	7,933,517.	7,933,517.	100.00%	
2007	8,420,427.	8,420,427.	100.00%	
2008	8,873,147.	8,873,147.	100.00%	

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

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

DEBT CAPACITY

CUMBERLAND REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases							
1999	\$ 4,463,000.	\$	\$ 84,409.	\$	\$ 4,547,409.	0.85%	\$ 211.			
2000	4,173,000.		197,633.		4,370,633.	0.78%	192.			
2001	3,838,000.		474,567.		4,312,567.	0.72%	182.			
2002	3,503,000.		450,262.		3,953,262.	0.62%	178.			
2003	3,158,000.		277,706.		3,435,706.	0.52%	158.			
2004	9,690,000.		121,024.		9,811,024.	1.41%	138.			
2005	9,140,000.		21,092.		9,161,092.	1.31%	383.			
2006	8,580,000.		0.		8,580,000.	1.19%	358.			
2007	7,900,000.		0.		7,900,000.	1.06%	336.			
2008	7,185,000.		0.		7,185,000.	N/A	279.			

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

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1999	\$ 4,463,000.	\$	\$ 4,463,000.	0.84%	\$ 190.
2000	4,173,000.		4,173,000.	0.74%	178.
2001	3,838,000.		3,838,000.	0.64%	162.
2002	3,503,000.		3,503,000.	0.55%	146.
2003	3,158,000.		3,158,000.	0.48%	130.
2004	9,690,000.		9,690,000.	1.39%	388.
2005	9,140,000.		9,140,000.	0.83%	361.
2006	8,580,000.		8,580,000.	0.77%	335.
2007	7,900,000.		7,900,000.	0.69%	309.
2008	7,185,000.		7,185,000.	N/A	279.

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

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Deerfield Township	\$ 420,000.	13.700%	\$ 57,540.
Deerfield Township School District	3,157,000.	13.700%	432,509.
Fairfield Township	4,511,800.	16.000%	721,888.
Fairfield Township School District	4,891,000.	16.000%	782,560.
Greenwich Township	52,046.	4.100%	
Greenwich Township School District		4.100%	
Hopewell Township	400,000.	20.300%	81,200.
Hopewell Township School District	4,076,000.	20.300%	827,428.
Shiloh Borough	19,000.	1.800%	342.
Shiloh Borough School District		1.800%	
Stow Creek Township		4.800%	
Stow Creek Township School District		4.800%	
Upper Deerfield Township	104,612.	39.200%	41,008.
Upper Deerfield Township School District	5,093,546.	39.200%	1,996,670.
Other Debt			
Cumberland County	63,382,523.	18.920%	11,991,973.
Subtotal, Overlapping Debt			16,933,118.
Cumberland Regional School District Direct Debt			<u>7,185,000.</u>
Total Direct & Overlapping Debt			<u><u>\$ 24,118,118.</u></u>

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

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

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit		\$ 25,495,467.	\$ 27,012,028.	\$ 27,875,378.	\$ 29,018,386.	\$ 30,459,595.	\$ 32,347,570.	\$ 26,861,341.	\$ 39,636,130.	\$ 45,672,123.
Total Net Debt Applicable to Limit	4,463,000.	4,173,000.	3,838,000.	3,503,000.	3,158,000.	9,690,000.	9,140,000.	8,580,000.	7,900,000.	7,185,000.
Legal Debt Margin	\$ 21,032,467.	\$ 22,088,775.	\$ 23,174,028.	\$ 24,372,378.	\$ 25,860,386.	\$ 20,769,595.	\$ 23,207,570.	\$ 18,281,341.	\$ 31,736,130.	\$ 38,487,123.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.51%	15.89%	14.21%	12.57%	10.88%	31.81%	28.26%	31.94%	19.93%	15.73%

Legal Debt Margin Calculation for Fiscal Year 2008

Equalized Valuation Basis	
Deerfield Township	\$ 199,232,735.
Fairfield Township	240,684,000.
Greenwich Township	65,599,793.
Hopewell Township	314,691,932.
Shiloh Borough	28,893,286.
Stow Creek Township	87,222,999.
Upper Deerfield Township	586,079,366.
Total 3 year average equalized valuation of taxable property	<u>\$ 1,522,404,111.</u>
Debt Limit (3 % of Average Equalization Value)	45,672,123. (a)
Total Net Debt Applicable to Limit	7,185,000.
Legal Debt Margin	<u>\$ 38,487,123.</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita	
			Personal Income (c)	Unemployment Rate (d)
1998	23,452	\$ 517,140,052.	\$ 22,051.	9.48%
1999	23,665	532,438,835.	22,499.	9.08%
2000	24,033	561,507,012.	23,364.	7.65%
2001	24,296	596,393,912.	24,547.	7.99%
2002	24,978	641,884,644.	25,698.	9.00%
2003	25,344	659,501,568.	26,022.	8.60%
2004	25,617	697,397,208.	27,224.	7.14%
2005	25,567	719,685,483.	28,149.	4.55%
2006	25,729.	741,869,986.	28,834.	5.31%
2007	25,917.	N/A	N/A	6.50%

Source:

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2007		1998	
	Employees	Rank	Employees	Rank (Optional)
Employer	Percentage of Total Municipal Employment			

NO INFORMATION IS AVAILABLE

Source:

OPERATING INFORMATION

CUMBERLAND REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Instruction:										
Regular	107	103	103	109	107	114	116	117	115	114
Other Instruction	19	21	20	20	22	24	24	25	25	22
Support Services:										
Student & Instruction Related Services	8	6	6	4	4	4	4	4	4	4
General Administration	9	8	8	9	9	9	8	8	9	9
Other Administrative Services	16	18	17	18	18	19	17	16	16	15
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	16	14	15	14	15	14	14	14	14	17
Other Support Services	7	6	6	7	6	7	6	6	6	6
Total	183	177	176	182	182	192	190	191	190	188

Source: District Personnel Records

CUMBERLAND REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)(c)	Average Daily Attendance (ADA)(c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Senior High School					
1999	1,173	\$ 12,236,534.	\$ 10,432.	11.17%	110.00	10.67		1,174.0	1,089	0.17%	92.76%
2000	1,217	12,293,907.	10,102.	(3.16)%	110.00	10.56		1,162.0	1,082	(1.02)%	93.12%
2001	1,197	13,253,200.	11,072.	9.60%	110.00	10.48		1,153.0	1,051	(0.77)%	91.15%
2002	1,161	14,163,434.	12,199.	10.18%	111.00	10.80		1,199.0	1,109	3.99%	92.49%
2003	1,241	15,097,455.	12,166.	(0.28)%	111.00	11.14		1,237.0	1,143	3.17%	92.40%
2004	1,352	15,805,937.	11,691.	(3.90)%	111.00	11.81		1,311.0	1,215	5.98%	92.68%
2005	1,410	17,181,975.	12,186.	4.23%	111.00	12.20		1,354.0	1,315	3.28%	97.12%
2006	1,486	17,685,475.	11,901.	(2.33)%	113.00	12.12		1,369.0	1,273	1.11%	92.99%
2007	1,450	19,686,472.	13,577.	14.08%	111.00	12.15		1,349.0	1,254	(1.46)%	92.96%
2008	1,375	20,192,035.	14,685.	8.16%	110.00	11.84		1,302.0	1,213	(3.48)%	93.19%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay;
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CUMBERLAND REGIONAL SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

District Building	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Primary:</u>										
High School	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690
Square Feet	N/A									
Capacity (Students)	1,173	1,217	1,197	1,161	1,241	1,352	1,410	1,486	1,486	1,375
Enrollment										
<u>Other:</u>										
Administration Building	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Square Feet										
Storage	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Square Feet										
Storage	960	960	960	960	960	960	960	960	960	960
Square Feet										

Number of Schools at June 30, 2007:

Senior High School = 1

Other = 3

Source: District Facilities Office

Note: Year of original construction is shown in parentheses.
 Enrollment is based on the annual October district count.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST EIGHT FISCAL YEARS

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

*School Facilities

Project #(s)	Cumberland Regional	Total
2001	N/A	N/A
2002	N/A	N/A
2003	\$ 136,151.	\$ 136,151.
2004	130,173.	130,173.
2005	120,000.	120,000.
2006	129,243.	129,243.
2007	146,298.	146,298.
2008	85,568.	85,568.
Total School Facilities	<u>\$ 747,433.</u>	<u>\$ 747,433.</u>

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

CUMBERLAND REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2008
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-Republic Franklin Insurance Co.		
Property-Blanket Building and Contents	\$35,487,571.	\$ 1,000.
Comprehensive General Liability	3,000,000.	
School District Legal Liability	5,000,000.	7,500.
Comprehensive Crime Coverage	25,000.	
Employee Benefits Program Liability	1,000,000.	1,000.
Commercial Inland Marine	913,864.	250.
 Commercial Automobile-Republic Franklin Insurance Co.	 1,000,000.	 1,000.
 Umbrella Liability - Utica Mutual Insurance Company		
Umbrella Policy	10,000,000.	10,000.
 Workers' Compensation and Employers Liability - Educational Risk Insurance Consortium	 2,000,000.	
 Bonds:		
Treasurer - Susan Robostello	205,000.	
Board Secretary/Business Administrator	10,000.	

Source: District records

SINGLE AUDIT SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-1

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

Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited the financial statements of the Board of Education of the Cumberland Regional School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated October 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cumberland Regional School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Cumberland Regional School District in a separate report entitled *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 29, 2008.

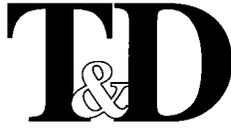
This report is intended for the information and use of the audit committee, management, the Cumberland Regional School District Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

October 29, 2008



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

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MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-2

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

Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Cumberland Regional School District, in the County of Cumberland, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. Cumberland Regional School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Cumberland Regional School District Board of Education's management. Our responsibility is to express an opinion on the Cumberland Regional School District Board of Education's compliance based on our audit.

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

In our opinion, the Board of Education of the Cumberland Regional School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008.

Internal Control Over Compliance

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

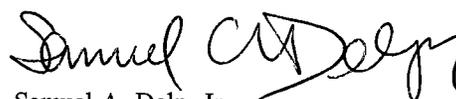
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal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

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

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

This report is intended for the information and use of the audit committee, management, the Cumberland Regional School District Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties..

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

October 29, 2008

CUMBERLAND REGIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance 6/30/2007	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Yrs Balances	Repayment of Prior Balances	Balance at June 30, 2008	
												Accounts Receivable	Deferred Revenue
U.S. Department of Education Passed Through State Dept. of Education: Special Revenue Fund:													
Title I, Part A	84.010	NCLB-099708	108,380.	9/1/07-8/31/08	\$ 1,601.	\$ 108,380.	\$(108,380.)					\$	\$
Title I, Part A	84.010	NCLB-099707		9/1/06-8/31/07			(1,600.)						
Title I, Part A, School Improvement	84.010	NCLB-099708	22,316.	9/1/07-8/31/08			(22,316.)					(22,316.)	
Title II, Part A	84.168	NCLB-099708	44,292.	9/1/07-8/31/08			(37,972.)						6,320.
Title II, Part A, Summer	84.168	NCLB-099707		9/1/06-8/31/07			(6,589.)						
Title II, Part A, Carryover	84.168	NCLB-099708		9/1/07-8/31/08			(1,815.)						
Title II, Part D	84.168	NCLB-099708		9/1/07-8/31/08			736.						
Title IV	84.168	NCLB-099708		9/1/07-8/31/08			4,557.						
Title V	84.151	NCLB-099708		9/1/07-8/31/08			1,506.						
I.D.E.A. Part A Basic	84.027	FT-099708		9/1/07-8/31/08			283,006.						
I.D.E.A. Part A Basic Summer	85.027	FT-099707		9/1/06-8/31/07			9,188.						
I.D.E.A. Part A Basic Carryover	85.027	FT-099706		9/1/07-8/31/08			7,323.						
I.D.E.A. Part A Basic Summer	84.027	FT-099705		9/1/04-8/31/05			180.						
Perkins Vocational	84.027	PERK-099708		7/1/06-6/30/08			72,410.				(180.)		24,819.
U.S. Department of Labor Passed Through Cumberland County Office of Employment and Training: WIA													
Total Special Revenue Fund	17.250			7/1/03-9/30/04	1,490.	0.	514,887.	(527,962.)	(1.)	(1,490.)	(1,490.)	(22,316.)	31,139.
U.S. Department of Agriculture Passed Through State Dept. of Educ. Enterprise Fund:													
Food Distribution Program	10.550	N/A		7/1/07-6/30/08			34,658.	(30,003.)					4,655.
Food Distribution Program	10.550	N/A		7/1/06-6/30/07				(6,466.)					
National School Breakfast Program	10.553	N/A		7/1/07-6/30/08			50,110.	(54,177.)				(4,067.)	
National School Breakfast Program	10.553	N/A		7/1/06-6/30/07			2,381.						
National School Lunch Program	10.553	N/A		7/1/07-6/30/08			118,027.	(127,578.)				(9,551.)	
National School Lunch Program	10.553	N/A		7/1/06-6/30/07			4,609.						
Total Enterprise Fund					1,476.	0.	209,785.	(220,224.)	0.	0.	0.	(13,618.)	4,655.
Total Federal Awards					\$ 29,662.	\$ 0.	\$ 724,672.	\$(748,186.)	\$(1.)	\$(1,670.)	\$(35,934.)	\$ 35,794.	\$ 4,617.

The Accompanying Notes to the Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

State Grantor/Program Title State Dept. of Education:	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2007			Cash Received	Budgetary Expenditures	Adjustments Repayment of Prior Yrs. Bal.
				Deferred Revenue Accs.Rec.	Deferred Revenue	Carryover (Walkover) Amount			
General Fund:				\$	\$	\$		\$	
Core Curric. Standards Aid	08-495-034-5120-022	\$6,015,130.	7/1/07-6/30/08				\$6,015,130.		
School Choices Aid	08-495-034-5068-001	1,013,698.	7/1/07-6/30/08				(1,013,698.)		
Transportation Aid	08-495-034-5120-014	532,556.	7/1/07-6/30/08				(532,556.)		
Special Education Aid	08-495-034-5120-011	772,399.	7/1/07-6/30/08				(772,399.)		
Bilingual Education Aid	08-495-034-5120-008	5,876.	7/1/07-6/30/08				(5,876.)		
Stabilization Aid	08-495-034-5120-030	293,475.	7/1/07-6/30/08				(293,475.)		
Consolidated Aid	08-495-034-5120-057	139,674.	7/1/07-6/30/08				(139,674.)		
Additional Formula Aid	08-495-034-5120-058	535,595.	7/1/07-6/30/08				(535,595.)		
Extraordinary Aid	08-495-034-5120-044	46,725.	7/1/07-6/30/08				(46,725.)		
Extraordinary Aid	07-495-034-5120-044		7/1/06-6/30/07	(37,767.)					
On behalf TPAF Pens Con	08-495-034-5095-001	1,018,324.	7/1/07-6/30/08				(1,018,324.)		
Reimb TPAF Soc Sec Con	08-495-034-5095-002	576,237.	7/1/07-6/30/08				(576,237.)		
Reimb TPAF Soc Sec Con	06-495-034-5095-002	149,205.	7/1/07-6/30/08				(149,205.)		
Above Average Enroll Grow.	08-495-034-5120-063	113,592.	7/1/07-6/30/08				(113,592.)		
HELP	08-495-034-5120-480	2,825.	7/1/07-6/30/08				(2,825.)		
Teacher Mentoring	08-495-034-5120-052	11,561.	7/1/07-6/30/08				(11,561.)		
Additional Non-Public Trans	08-495-034-5120-052			(10,504.)					
Additional Non-Public Trans	07-495-034-5120		7/1/06-6/30/07	(49,271.)	0.	0.	11,143,326.	(11,226,872.)	
Total General Fund								0.	
Special Revenue Fund:									
Targeted At-Risk Aid	08-495-034-5120-005	170,750.	7/1/07-6/30/08				(170,750.)		
Demonstrably Effective Pgm A	05-495-034-5064-002		7/1/04-6/30/05			(15,053.)			
Instructional Supp Aid	07-495-034-5120-029	66,401.	7/1/07-6/30/08			15,053.	66,401.		
Instructional Supp Aid	06-495-034-5120-029		7/1/05-6/30/06	149.				(149.)	
ETTC Program	08-495-034-5120-053		7/1/05-6/30/07	35.				(35.)	
Vocational Agriculture		3,000.	7/1/05-6/30/07		2,000.				
REBEL			7/1/05-6/30/08		1,735.		3,000.		
Non-Public Chapter 192/193	07-100-034-5120-066		7/1/06-6/30/07	15,237.	3,795.	0.	240,151.	(1,735.)	
Total Special Revenue Fund								(3,919.)	
Capital Project Fund:									
Educ Fac Constr & Fin Act		27,698,923.							
School addition & renovat	0997-030-02-0926			(7,657.)			17,959,236.		
Cooling tower project	0997-030-02-0926-01			(6,945.)					
Total Capital Project Fund				(14,602.)	0.	0.	17,959,236.	0.	
Debt Service Fund:									
Debt Service Aid Type II	07-495-034-5120-125	269,484.	7/1/07-6/30/08				(269,484.)		
Total Debt Service Fund				0.	0.	0.	(269,484.)	0.	
State Dept. of Agriculture:									
Enterprise Fund:									
Natl School Lunch Pgm.(State)	08-100-010-3350-023	7,906.	7/1/07-6/30/08				(7,906.)		
Natl School Lunch Pgm.(State)	07-100-010-3350-023		7/1/06-6/30/07	(291.)					
Natl School Break Pgm.(State)	08-100-010-3350-021	4,016.	7/1/07-6/30/08				(4,016.)		
Natl School Break Pgm.(State)	07-100-010-3350-021		7/1/06-6/30/07	(182.)					
Total Enterprise Fund				(473.)	0.	0.	11,501.	(11,924.)	
Total State Financial Assistance									
				\$(48,109.)	\$3,735.	\$0.	\$29,623,698.	\$(29,722,720.)	\$(9,919.)

The Accompanying Notes to the Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

CLIMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

State Grantor/Program Title State Dept. of Education:	Grant or State Project No.	Program or Award Amount	Grant Period From-To	Balance at June 30, 2008		Due to Grantor	MEMO	
				(Accounts Receivable)	Deferred Revenue		Budgetary Receivable	Cumulative Total Expend.
General Fund:				\$	\$	\$	\$	\$
Core Curric. Standards Aid	08-495-034-5120-022	\$6,015,130.	7/1/07-6/30/08				\$265,460.	\$ 6,015,130.
School Choice Aid	08-495-034-5068-001	1,013,698.	7/1/07-6/30/08				50,685.	1,013,698.
Transportation Aid	08-495-034-5120-014	532,556.	7/1/07-6/30/08				26,628.	532,556.
Special Education Aid	08-495-034-5120-011	772,399.	7/1/07-6/30/08				38,620.	772,399.
Bilingual Education Aid	08-495-034-5120-008	5,876.	7/1/07-6/30/08				294.	5,876.
Stabilization Aid	08-495-034-5120-030	293,475.	7/1/07-6/30/08				14,674.	293,475.
Consolidated Aid	08-495-034-5120-057	159,674.	7/1/07-6/30/08				6,984.	139,674.
Additional Formula Aid	08-495-034-5120-056	535,595.	7/1/07-6/30/08				26,780.	535,595.
Extraordinary Aid	08-495-034-5120-044	46,725.	7/1/07-6/30/08	(46,725.)				46,725.
Extraordinary Aid	07-495-034-5120-044		7/1/06-6/30/07					
On behalf TPAF Pens Con	08-495-034-5095-001	1,018,324.	7/1/07-6/30/08					1,018,324.
Reimb TPAF Soc Sec Con	08-495-034-5095-001	576,237.	7/1/07-6/30/08	(73,531.)				576,237.
Reimb TPAF Soc Sec Con	06-495-034-5095-002		7/1/07-6/30/08					
Above Average Enroll Grow.	08-495-034-5120-053	149,205.	7/1/07-6/30/08					149,205.
HELP	08-495-034-5120-480	113,592.	7/1/07-6/30/08					113,592.
Teacher Mentoring	08-495-034-5120-052	2,825.	7/1/07-6/30/08					2,825.
Additional Non-Public Trans	08-495-034-5120	11,561.	7/1/07-6/30/08	(11,561.)				11,561.
Additional Non-Public Trans	08-495-034-5120		7/1/06-6/30/07					
Total General Fund				(131,817.)	0.	0.	430,124.	11,226,872.
Special Revenue Fund:								
Targeted At-Risk Aid	08-495-034-5120-005	170,750.	7/1/07-6/30/08				8,538.	170,750.
Demonstrably Effective Pgm A	05-495-034-5064-002		7/1/04-6/30/05					
Instructional Supp Aid	08-495-034-5120-029	66,401.	7/1/07-6/30/08				3,320.	81,454.
Instructional Supp Aid	08-495-034-5120-029		7/1/06-6/30/07					
Character Education	06-495-034-5120-053		7/1/05-6/30/06					
ETTC Program			7/1/06-6/30/07					
Vocational Agriculture			7/1/06-6/30/07					
REBEL		3,000.	7/1/07-6/30/08					3,000.
Non-Public Chapter 192/193	07-100-034-5120-066		7/1/06-6/30/07					
Total Special Revenue Fund				0.	0.	0.	11,858.	255,204.
Capital Project Fund:								
Educ Fac Const & Fin Act		27,698,923.						
School addition & renovat	0987-030-02-0926							
Cooling tower project	0987-030-02-0926-01							
Total Capital Project Fund				(7,657.)				24,402,540.
				(6,945.)				138,900.
				(14,602.)	0.	0.	0.	24,541,440.
Debt Service Fund:								
Debt Service Aid Type II	07-495-034-5120-125	269,484.	7/1/07-6/30/08					269,484.
Total Debt Service Fund				0.	0.	0.	0.	269,484.
State Dept. of Agriculture:								
Enterprise Fund:								
Natl School Lunch Pgm.(State)	08-100-010-3350-023	7,906.	7/1/07-6/30/08	(243.)				7,906.
Natl School Lunch Pgm.(State)	07-100-010-3350-023		7/1/06-6/30/07					
Natl School Break Pgm.(State)	08-100-010-3350-021	4,018.	7/1/07-6/30/08	(653.)				4,018.
Natl School Break Pgm.(State)	07-100-010-3350-021		7/1/06-6/30/07					
Total Enterprise Fund				(896.)	0.	0.	0.	11,924.
Total State Financial Assistance				\$(147,315.)	\$ 0.	\$ 0.	\$441,981.	\$ 36,304,924.

The Accompanying Notes to the Schedules of Expenditures of State Awards
and Financial Assistance are an Integral Part of this Schedule

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2008

NOTE 1.GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Cumberland Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2.BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3.RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(4,355.) for the general fund and \$(40,477.) for the special revenue fund. See Note 1 (*The Notes to Required Supplementary Information*) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 0.	\$11,222,517.	\$11,222,517.
Special Revenue Fund	524,373.	218,316.	742,689.
Debt Service Fund		269,484.	269,484.
Food Service Fund	216,413.	14,924.	231,337.
Total Financial Assis.	<u>\$740,786.</u>	<u>\$11,725,241.</u>	<u>\$12,466,027.</u>

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2008

NOTE 4.RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5.OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2008. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- | | | | |
|----|---|--------|------------------------|
| 1. | Material weakness(es) identified? | __ Yes | <u>x</u> No |
| 2. | Reportable condition(s) identified that are not considered to be material weaknesses? | __ Yes | <u>x</u> None Reported |

Noncompliance material to general purpose financial statements noticed?	__ Yes	<u>x</u> No
---	--------	-------------

Federal Awards

Internal Control over major programs:

- | | | | |
|----|---|--------|------------------------|
| 1. | Material weakness(es) identified? | __ Yes | <u>x</u> No |
| 2. | Reportable condition(s) identified that are considered to be material weaknesses? | __ Yes | <u>x</u> None Reported |

Type of auditor’s report issued on compliance for major programs?	<u>Unqualified</u>
---	--------------------

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	__ Yes	<u>x</u> No
---	--------	-------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	NCLB, Title I, Part A
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000.</u>
--	-------------------

Auditee qualified as low-risk auditee?	<u>x</u> Yes	__ No
--	--------------	-------

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)

Section I – Summary of Auditor’s Results
(Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:

\$571,348.

Auditee qualified as low risk auditee?

Yes No

Type of auditor’s report issued on compliance for major programs:

Unqualified

Internal Control over major programs:

- | | | | |
|----|---|------------------------------|---|
| 1. | Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. | Reportable condition(s) identified that are not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

Yes No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-022	Core Curriculum Standards Aid
495-034-5120-011	Special Education Aid
495-034-5095-002	Reimbursed TPAF Social Security Contrib.
495-034-5068-001	School Choice Aid
	Educational Facilities Construction

Section II – Financial Statement Findings

None.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

None.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

STATUS OF PRIOR YEAR FINDINGS

None

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE

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Elementary and Secondary Education Act (E.S.E.A.), Improving America's Schools Act (I.A.S.A.) of 1994, as Re-Authorized by the No Child Left Behind Act of 2001	6
Other Special Federal and/or State Projects	6
I.D.E.A. Part B/J.T.P.A.	N/A
Instructional Supplemental Aid	N/A
T.P.A.F. Reimbursement	6
DEPA Accounting	N/A
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	6-7
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Student Body Activities	8
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Application for State School Aid	9
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Miscellaneous	N/A
Follow-up on Prior Years' Findings	9
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Schedule of Audited Enrollments	11-13
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Tax ID# 22-2056992



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Cumberland Regional School District in the County of Cumberland for the year ended June 30, 2008 and have issued our report thereon dated October 29, 2008.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Cumberland Regional School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant #745
Triantos & Delp, CPA, LLC
Certified Public Accountants

October 29, 2008

ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
REPORTING

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Andrew McIlvaine	Board Secretary/School Business Administrator	\$ 10,000.
Susan Robostello	Treasurer	205,000.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. (Exhibit H-2)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-2.4*. As a result of the procedures performed, a transaction error rate of 0.17% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings:

Finding:

During our test of transactions it was noted that the district mis-classified and mis-budgeted required maintenance and other facility operating costs. The expenditure and related appropriation was reclassified for financial statement presentation purposes.

Recommendation:

The district should reference *The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition* and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with *N.J.A.C. 6A:23-2.2(f)*.

B. Administrative Classification Findings:

None

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes each month.

Finding:

The minutes from Board meetings beginning with the January, 2008 meeting were not filed in a permanent binder. The pages for these minutes were not numbered. The minutes from the meetings of April 10, 2008, April 24, 2008, and May 8, 2008 were not signed. The minutes from the June 12, 2008 meeting did not include the approved bill list.

Recommendation:

Minutes from all Board meetings should be maintained in a permanent binder. All pages in the minute book should include a page number. The minutes from all Board meetings should be signed by the responsible school official. All approved bill lists should be included as part of the permanent minute book.

Treasurer's Records

The following items were noted during our review of the records of the Treasurer:

The Treasurer performed cash reconciliations for the general operating account, payroll account, and payroll agency account (N.J.S.A. 18A:17-36).

Cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.), as Re-Authorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I, Title II, Title IV, and Title V of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. indicated no areas of noncompliance.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no areas of noncompliance:

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

SCHOOL PURCHASING PROGRAM

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

- a. Any purchase, contract or agreement for the performance of any work or the furnishing or hiring of materials or supplies, the cost or price of which, together with any other sums expended or foreseeably to be expended for the performance of any work or services in connection with the same project or the furnishing of similar materials or supplies during the same fiscal year paid with or out of school funds, does not exceed the total sum of \$7,500. or the amount determined pursuant to subsection b. of this section, in the fiscal year or, in the case of purchases that are not annually recurring, in a period of one year may be made, negotiated and awarded by a contracting agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore.
- b. Commencing January 1, 1983 and every two years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount set forth in subsection a. of this section in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and Philadelphia area as reported by the United States Department of Labor. The Governor shall notify all local school districts of the adjustment. The adjustment shall become effective on July 1 of the year in which is it reported.

SCHOOL PURCHASING PROGRAM

(Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

N.J.S.A. 18A:18A-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price thereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$21,000. and \$15,000. respectively.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of my examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies, "in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. School records indicated that reimbursement vouchers were timely filed

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served were compared to the number of valid applications on file, times the number of operating days. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

School Food Service (Continued)

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. These records were maintained independently by the contractor, Sodexho.

Payroll records were maintained on all School Food Services employees authorized by the Board of Education. These records were maintained independently by the contractor, Sodexho.

The cash disbursement records reflected expenditures for program related goods and services. The district utilizes a food service management company and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1 The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposits.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. These records were maintained independently by the contractor, Sodexho.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

Finding:

Cafeteria personnel did not promptly receive updates of changes to free and reduced student enrollments throughout the year.

Recommendation:

Better communication should be established between the attendance personnel and the cafeteria personnel to insure that the cafeteria personnel be promptly notified of all changes to free and reduced student enrollments.

Student Body Activities

During our review of the student activity fund, the following items were noted:

Cash receipts and disbursements records and a general ledger are maintained.

The records are reconciled monthly.

All cash receipts tested were promptly deposited.

Dual signatures are required for all disbursements.

Scholarship Accounts

During our audit we reviewed various scholarship accounts under the auspices of the Board.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2007 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers. The information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2007-2008 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchase of goods and services.

Facilities and Capital Assets

Our procedures included a review of the School Construction Corporation capital project.

Finding:

Documentation supporting the SDA construction project was not available for audit.

Recommendation:

That supporting documentation for construction expenditure be available for audit.

Follow-Up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings that are within the District's control.

Acknowledgment

We received the complete cooperation of all the officials of the school district and I greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



Samuel A. Delp, Jr.
Licensed Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

October 29, 2008

Schedule of Meal Count Activity

CUMBERLAND REGIONAL SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate (a)</u>	<u>(Over)/Under Claim</u>
National School Lunch (Regular Rate)	Paid	84,636	10,555	10,555	0	\$.27	\$ 0.
	Reduced	8,850	1,078	1,078	0	2.17	0.
	Free	36,353	4,332	4,332	0	2.57	0.
	Total	129,839	15,965	15,965	0		\$ 0.
National School Breakfast (Regular Rate)	Paid	54	0	0	0	0.34	\$ 0.
	Reduced	25	0	0	0	1.15	0.
	Free	40,102	5,358	5,358	0	1.45	0.
	Total	40,181	5,358	5,358	0		0.
Total Net Underclaim							\$ 0.

SCHEDULE OF AUDITED ENROLLMENTS

CUMBERLAND REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2007

	Private Schools for Disabled				Priv. Schools-Rel. Serv.				Low Income				
	Reported on A.S.S.A. as Private Schools	Sample For Verific.	Sample Verified	Sample Errors	Sample For Verific.	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Errors Reduced	Errors			
Full Day Kindergarten													
One													
Two													
Three													
Four													
Five													
Six													
Seven													
Eight													
Nine													
Ten													
Eleven													
Twelve													
Subtotal	0	0	0	0	0	0	0	169	169	0	58	58	0
Tier II-Elementary													
Tier II-Middle School													
Tier II-High School													
Tier III-Elementary	1	1	1				36	36		9	9		
Tier III-Middle School													
Tier III-High School	4	4	4		1	1	16	16		3	3		
Tier IV-Elementary													
Tier IV-Middle School													
Tier IV-High School	7	7	7		17	17	2	2					
Subtotal	12	12	12	0	18	18	0	54	54	0	12	12	0
Totals	12	12	12	0	18	18	0	223	223	0	70	70	0
Percentage Error							0%			0%			0%

SCHEDULE OF AUDITED ENROLLMENTS

CUMBERLAND REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2007

	Sample for Verification				Transportation				
	Sample Selected From Free Register	Verified to Application and Free Register	Sample from Workpaper: Reduced Errors	Verified to Application and Register	Reported by DOE	Reported by District	Tested	Verified	Errors
Full Day Kindergarten									
One					1,191	1,191	254	254	
Two					14.5	14.5	12	12	
Three					0	0	0	0	
Four					19.5	19.5	17	17	
Five					1,225	1,225	0	283	283
Six									0%
Seven									
Eight									
Nine	37	38	(1)	7					6
Ten	26	25	1	9					10
Eleven	18	18		6					6
Twelve	17	17		7					7
Subtotal	98	98	0	29					29
Tier II-Elementary									
Tier II-Middle School									
Tier II-High School									
Tier III-Elementary	21	21		8					8
Tier III-Middle School									
Tier III-High School	10	10		2					2
Tier IV-Elementary									
Tier IV-Middle School	2	2							
Tier IV-High School									
Subtotal	33	33	0	10					10
Totals	131	131	0	39					39
Percentage Error									0%

	Reported	Re-Calculated
Average Mileage-Regular Including Grade PK Students (Part A)	7.1	7.1
Average Mileage-Regular Excluding Grade PK Students (Part B)	7.1	7.1
Average Mileage-Special Ed with Special Needs	19.2	19.2

	Sample Selected From Free Register	Verified to Application and Free Register	Sample from Workpaper: Reduced Errors	Verified to Application and Register
Bilingual Education				
Repld. On A.S.S.A. as Bil. Education	4	4	0	4
Wkpapers Selected From Workpaper: Errors				
Score and Register Errors				
Subtotal	4	4	0	4
Totals	4	4	0	4
Percentage Error				0%

	Reported	Re-Calculated
Average Mileage-Regular Including Grade PK Students (Part A)	7.1	7.1
Average Mileage-Regular Excluding Grade PK Students (Part B)	7.1	7.1
Average Mileage-Special Ed with Special Needs	19.2	19.2

CUMBERLAND REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2007-08 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>19,519,131.</u> (B)
Increased by:	
Transfer to Food Service Fund	\$ <u>0.</u> (B1a)
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>0.</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>0.</u> (B1c)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,594,561.</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>0.</u> (B2b)
Adjusted 2007-08 General Fund Expenditures (B)+(B1s)-(B2s)	\$ <u>17,924,570.</u> (B3)
2% of Adjusted 2007-08 General Fund Expenditures (B3) times .02	\$ <u>358,491.</u> (B4)
Enter Greater of (B4) or \$250,000.	\$ <u>358,491.</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>58,286.</u> (K)
Maximum Unreserved/Undesignated Fund Balance (B5)+(K)	\$ <u>416,777.</u> (M)

SECTION 2

Total General Fund – Fund Balances at June 30, 2008 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,535,440.</u> (C)
Decreased by:	
Reserved for Encumbrances	\$ <u>81,259.</u> (C1)
Legally Restricted – Designated for Subsequent Year’s Expend.	\$ <u>0.</u> (C2)
Excess Surplus-Designated for Subsequent Year’s Expenditures**	\$ <u>338,745.</u> (C3)
Other Reserved Fund Balances****	\$ <u>1.</u> (C4)
Unreserved-Designated for Subsequent Year’s Expenditures	\$ <u>149,790.</u> (C5)
Total Unreserved/Undesignated Fund Balance (C)-(C1)-(C2)-(C3)-(C4)-(C5)	\$ <u>965,645.</u> (U1)

CUMBERLAND REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

SECTION 3

Reserved Fund Balance–Excess Surplus*** (U1)-(M)
 IF NEGATIVE ENTER –0- \$ 548,868.(E)

Recapitulation of Excess Surplus as of June 30, 2008

Reserved Excess Surplus – Designated for Subsequent Year’s Expenditures** \$ 338,745.(C3)
 Reserved Excess Surplus (E)*** \$ 548,868.(E)
 Total (C3)+(E) \$ 887,613.(D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable). Sale and Lease-Back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$ _____ 0.(H)
Sale & Lease-back	\$ _____ 0.(I)
Extraordinary Aid	\$ <u>46,725.</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>11,561.</u> (J2)
Higher Expectations for Learning and Proficiency Aid	\$ _____ 0.(J3)
 Total Adjustments (H)+(I)+(J1)+(J2)+(J3)	 \$ <u>58,286.</u> (K)

** This amount represents the June 30, 2007 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2008 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculations of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ _____ 0.
Capital outlay for a district with a capital outlay SGLA	\$ _____ 0.
Sale/lease-back reserve	\$ _____ 0.
Capital reserve	\$ _____ 1.
Maintenance reserve	\$ _____ 0.
Emergency reserve	\$ _____ 0.
Tuition reserve	\$ _____ 0.
Other state/government mandated reserve	\$ _____ 0.
(Other Reserved Fund Balance not noted above)****	\$ _____ 0.
 Total Other Reserved Fund Balance	 \$ _____ 1.(C4)



 Samuel A. Delp, Jr.
 Licensed Public School Accountant #745
 Triantos & Delp
 Certified Public Accountants, LLC

REPORT OF INDEPENDENT AUDITORS

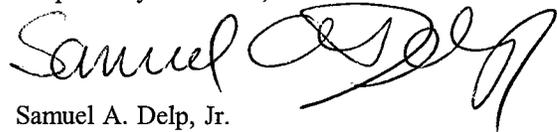
Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Cumberland Regional School District in the County of Cumberland for the year ended June 30, 2008 and have issued our report thereon dated October 29, 2008.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Cumberland Regional School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant #745
Triantos & Delp, CPA, LLC
Certified Public Accountants

