

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND REGIONAL
BOARD OF EDUCATION
SEABROOK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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

65 Love Lane, Seabrook, New Jersey 08302

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

October 12, 2012

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, 2012 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 2010-2012 fiscal year with a student enrollment of 1,291 students, which is 53 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Avg. Daily Enrollment</u>
2005-06	1,369
2006-07	1,349
2007-08	1,298
2008-09	1,322
2009-10	1,224
2010-11	1,197
2011-12	1,239

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:

Cumberland Regional High School District continues to focus on initiatives developed in the summer of each ensuing school year. Each summer the Chief Educational Officer reports out to the Board of Education on the progress made with each goal. On this occasion the BOE provides feedback and input. In September of each year when the staff returns the Chief Educational Officer addresses the staff outlining progress made on goals and the focus for the coming year. Our focus and vision remain the same. Specifically, the vision for CRSD is:

All Students Achieving through:

- Exemplary Instructional **Programs** and Practices
- A **Safe and Secure** School
- A School **Community** Involved in Meaningful Ways
- Effective and Efficient **Management and Operations**

Our initiatives fall under the broad umbrella of four focus areas. The four focus areas are:

- A. Programs and Practices**
- B. Safety and Security**
- C. Community Involvement**
- D. Management and Operations**

The Board of Education endorsed the school administration's planning for these initiatives.

- A. In the area of **Programs and Practices** several key initiatives have been identified.

Focus:

- The implementation of DI strategies in instruction
- The training of staff on new district certified staff evaluation model.
- Investigation of STEM program

Thursday Workshops

These 45-minute sessions will take place every Thursday during preparation periods and participants will earn professional development hours. Most sessions will allow staff to showcase DI strategies they have incorporated into their instruction. This is an opportunity for staff to share best practices.

Vertical Articulation Team(s)

Expansion of VAT

Mathematics and English VAT's have been established. Focus for 2012-13 is in the areas of Social Studies.

B. In the area of Safety and Security :

Refine and improve safety and security procedures in our District to enhance school climate.

Engage in emergency management planning to assure school/district is prepared for any and all emergencies.

Evacuation exercise will take place in Fall of 2012. Logistics discussed during administrative retreat when we will conduct a table top exercise.

Revisit policies and procedures on HIB. Create workshops for staff and students

Work with Upper Deerfield School District on a plan to use our facilities in case of evacuation at one of their schools.

C. In the area of Community Engagement:

Foster continued two-way communication and involvement with our stakeholders.

- Using Text Messaging to communicate with parents
- Create a student Portal for Parent Access. This portal will allow students to view their grades, assignments, attendance and discipline records.

D. In the area of management and Operations

Refine and improve management practices and procedures to ensure the effective and efficient operation of the District.

- Administrative responsibilities were revisited and adjustments made for greater curriculum & management oversight.
 - Addition of Dean of students. This position will be held by a faculty member. The teacher will work closely with administration in managing the High School. This is a way to include faculty in managing facilities and people.
- Form a committee to be co-chaired by Mr. Mitchell & Mr. Dilks to develop, based on state guidelines, a new teacher and principal evaluation instrument.
- Sharing Curriculum Coordinator across all constituent districts.
- Revisit CST services and look to create sharing of CST services with some of the constituent districts.
- Re-form budget advisory committee
- In anticipation of preparing our 12-13 budget, we will continue to look at ways that will allow us to maintain programs.

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, 2012.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. 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, 2012, 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 2011</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 8,268,758	35.95%	46,910	0.57%
State Sources	13,499,893	58.69%	820,668	6.47%
Federal Sources	<u>1,232,405</u>	<u>5.36%</u>	<u>198,775</u>	19.23%
Total	\$ 23,001,056	100.00%	\$1,066,373	4.86%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2012, 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 2011</u>	<u>Percent of Increase (Decrease)</u>
CURRENT EXPENSE				
Instruction	\$ 7,925,926	34.67%	\$(242,225)	(2.97)%
Undistributed	13,407,274	58.65%	362,259	2.78%
CAPITAL OUTLAY	219,521	0.96%	(84,386)	(27.77)%
DEBT SERVICE	<u>1,308,443</u>	<u>5.72%</u>	<u>547,891</u>	<u>72.04 %</u>
TOTAL	\$22,861,164	100.00%	\$ 583,539	2.62%

8. DEBT ADMINISTRATION:

At June 30, 2012 the District's outstanding debt issues included \$ 10,772,000 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,



William J. Stonis
Superintendent



Andrew G. McIlvaine
School Business Administrator

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

ROSTER OF OFFICIALS
JUNE 30, 2012

Members of the Board of Education

Paul Jacques	Upper Deerfield	2012
William Heisroth	Shiloh	2013
Claude Rucker	Fairfield	2014
Andrew Benfer	Upper Deerfield	2012
Hollis E. Irvine, Jr.	Greenwich	2014
Vacant	Deerfield	2014
Theresa Hunsberger	Hopewell	2013
Thomas Davis.	Stow Creek	2013
Cynthia Zirkle	Fairfield	2012

Other Officials

William J. Stonis, Superintendent

Andrew G. McIlvaine, School Business Administrator

Susan G. Robostello, Treasurer of School Monies

John G. Geppert, Esq., Solicitor

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

CONSULTANTS AND ADVISORS

Audit Firm

Triantos & Delp, CPAs, LLC
645 South Main Road
Vineland, NJ 08360

Attorney

John G. Geppert
SSEC&K
44 Whippany Road
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PO Box 2355
Morristown, New Jersey 07962

Official Depositories

Colonial Bank, SLA
85 W. Broad Street
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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 and Regulatory Compliance, 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, 2012, 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 12, 2012 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 33 through 45 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



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

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 12, 2012

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, 2012. 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

	District-Wide Statements	<u>Fund Financial Statements</u>		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
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; the district'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 the 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 \$37,513 on June 30, 2012 (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 \$24,787 for the fiscal period ending June 30, 2012 (see Table A-2). Property taxes and state formula aid accounted for 89% of the District's revenue. 7% is derived from state and federal aid for specific programs, and the remainder, 4% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students (55%). The purely administrative activities of the District accounted for 9% 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 \$402 last year, primarily in governmental activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$24,142. Total expenses amounted to \$23,701. The increase in net assets in governmental activities was \$441 for 2012.

Business-type Activities

Revenues of the District's business-type activities amounted to \$645, and expenses were \$684.

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 \$5,638, including \$3,926 in the Capital Projects Fund. Actual miscellaneous revenues were less than the amounts anticipated in the 2012 budget. The District controlled expenditures.

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 \$559 in unrestricted general fund balance and \$519 of prior year encumbrances and legal reserves to fund the appropriation plan for this fiscal period. A increase of \$629 in unrestricted fund balance was realized.

Actual expenditures for capital outlay amounted to \$220 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$0 was from the Special Revenue Fund and \$1,800 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2012, the District had invested \$59 million in a broad range of capital assets, including school buildings, athletic facilities, computer, audiovisual equipment and \$810 construction in progress. (see Table A-3) (More detailed information about capital assets can be found in Note 6 to the financial statements.) Total depreciation expense for the year was \$1,830 while building improvements and additions to equipment and furniture amounted to \$1,872.

Long-term Debt

At year-end, the District had outstanding bonds in the amount of \$10,772. (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 \$53,141, of which \$42,369 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:

- While the facilities project conducted under the supervision of the Schools Development Authority is substantially complete, there are a number of remaining issues. The district has identified a number of problems with the completed work under the primary contract, including potentially costly repairs to HVAC equipment. In addition, there are issues related to work approved by the New Jersey Department of Education that was omitted from the project. We have made the SDA aware of these issues, and are awaiting a formal response..
- 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 (2005-2011). 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 are being addressed in a roof replacement and solar energy project approved by the voters in 2009. Work on the roof was completed in the fall of 2011. Installation of solar panels in was begun in the spring of 2012, and will be completed by the fall.
- 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, 65 Love Lane, 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 2011-2012
	2011	2012	2011	2012	2011	2012	
Current and Other Assets	\$ 2,300	\$ 2,076	\$ 213	\$ 224	\$ 2,513	\$ 2,300	-8.5%
Noncurrent Assets	4,691	3,949	-	-	4,691	3,949	-15.8%
Capital Assets	42,731	42,772	95	104	42,826	42,876	0.1%
Total Assets	<u>\$ 49,722</u>	<u>\$ 48,797</u>	<u>\$ 308</u>	<u>\$ 328</u>	<u>\$ 50,030</u>	<u>\$ 49,125</u>	<u>-1.8%</u>
Current Liabilities	\$ 1,611	\$ 1,114	\$ 46	\$ 105	\$ 1,657	\$ 1,219	-26.4%
Noncurrent Liabilities	11,262	10,393	-	-	11,262	10,393	-7.7%
Total Liabilities	<u>\$ 12,873</u>	<u>\$ 11,507</u>	<u>\$ 46</u>	<u>\$ 105</u>	<u>\$ 12,919</u>	<u>\$ 11,612</u>	<u>-10.1%</u>
Net Assets							
Invested in Capital Assets							
Net of Related Debt	\$ 31,129	\$ 32,001	\$ 95	\$ 104	\$ 31,224	\$ 32,105	2.8%
Restricted	6,808	5,819	-	-	6,808	5,819	-14.5%
Unrestricted	(1,088)	(530)	167	119	(921)	(411)	-55.4%
Total Net Assets	<u>\$ 36,849</u>	<u>\$ 37,290</u>	<u>\$ 262</u>	<u>\$ 223</u>	<u>\$ 37,111</u>	<u>\$ 37,513</u>	<u>1.1%</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 2011-2012
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	
Revenues							
Program Revenues							
Charges for Sevices	\$ 139	\$ 112	\$ 342	\$ 342	\$ 481	\$ 454	-5.6%
Federal & State Categorical Grants	1,138	1,406	281	302	1,419	1,708	20.4%
State Construction Grant	-	-			-	-	0.0%
General Revenues							
Property Taxes	8,034	8,034	-		8,034	8,034	0.0%
State Formula Aid	14,746	14,017	-		14,746	14,017	-4.9%
Other	524	573	2	1	526	574	9.1%
Total Revenues	<u>\$ 24,581</u>	<u>\$ 24,142</u>	<u>\$ 625</u>	<u>\$ 645</u>	<u>\$ 25,206</u>	<u>\$ 24,787</u>	<u>-1.7%</u>
Expenses							
Instruction - Related	\$ 9,288	\$ 9,115	\$ -	\$ -	\$ 9,288	\$ 9,115	-1.9%
Student Support Services	3,498	3,712	666	684	4,164	4,396	5.6%
Maintenance & Operations	2,154	2,134			2,154	2,134	-0.9%
Transportation	1,746	1,694			1,746	1,694	-3.0%
Administation	2,056	2,134			2,056	2,134	3.8%
Other	4,830	4,912			4,830	4,912	1.7%
Total Expenses	<u>\$ 23,572</u>	<u>\$ 23,701</u>	<u>\$ 666</u>	<u>\$ 684</u>	<u>\$ 24,238</u>	<u>\$ 24,385</u>	<u>0.6%</u>
Increase/ (decrease) in Net Assets	<u>\$ 1,009</u>	<u>\$ 441</u>	<u>\$ (41)</u>	<u>\$ (39)</u>	<u>\$ 968</u>	<u>\$ 402</u>	<u>-58.5%</u>

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 2011-2012
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	
Land	\$ 263	\$ 263	\$ -	\$ -	\$ 263	\$ 263	0.0%
Construction in Progress	3,568	810	-	-	3,568	810	-77.3%
Site Improvements	156	140	-	-	156	140	-10.3%
Buildings & Improvements	38,475	41,286	-	-	38,475	41,286	7.3%
Machinery & Equipment	269	274	95	104	364	378	3.8%
Total	<u>\$ 42,731</u>	<u>\$ 42,773</u>	<u>\$ 95</u>	<u>\$ 104</u>	<u>\$ 42,826</u>	<u>\$ 42,877</u>	<u>0.1%</u>

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,147,274.	\$ 195,465.	\$ 1,342,739.
Receivables, net	928,877.	16,744.	945,621.
Inventory		11,610.	11,610.
Total Current Assets	<u>2,076,151.</u>	<u>223,819.</u>	<u>2,299,970.</u>
Noncurrent Assets:			
Bond issuance costs, net	99,189.		99,189.
Restricted Assets:			
Cash and cash equivalents	3,550,827.		3,550,827.
Capital reserve account-cash	297,930.		297,930.
Capital assets net	<u>42,772,537.</u>	<u>104,298.</u>	<u>42,876,835.</u>
Total noncurrent assets	<u>46,720,483.</u>	<u>104,298.</u>	<u>46,824,781.</u>
Total assets	<u>48,796,634.</u>	<u>328,117.</u>	<u>49,124,751.</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	140,293.	105,423.	245,716.
Deferred revenue	145,442.		145,442.
Current portion of long-term liabilities	828,000.		828,000.
Total Current Liabilities	<u>1,113,735.</u>	<u>105,423.</u>	<u>1,219,158.</u>
Noncurrent liabilities:			
Bonds payable	9,944,000.		9,944,000.
Accrued compensated absences	351,274.		351,274.
Accrued interest	97,411.		97,411.
Total noncurrent liabilities	<u>10,392,685.</u>	<u>0.</u>	<u>10,392,685.</u>
Total Liabilities	<u>11,506,420.</u>	<u>105,423.</u>	<u>11,611,843.</u>
NET ASSETS:			
Invested in capital assets, net of related debt	32,000,537.	104,298.	32,104,835.
Restricted for:			
Capital projects	4,223,520.		4,223,520.
Other purposes	1,595,659.		1,595,659.
Unrestricted	(529,502.)	118,396.	(411,106.)
Total Net Assets	<u>\$ 37,290,214.</u>	<u>\$ 222,694.</u>	<u>\$ 37,512,908.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 6,718,516.				\$ (6,718,516.)		\$ (6,718,516.)
Special education	1,524,815.				(1,524,815.)		(1,524,815.)
Other special instruction	117,980.				(117,980.)		(117,980.)
Other instruction	754,075.				(754,075.)		(754,075.)
Support services:							
Tuition	1,936,348.				(1,936,348.)		(1,936,348.)
Student & instruction related services	1,775,396.				(1,775,396.)		(1,775,396.)
School administrative services	1,090,146.				(1,090,146.)		(1,090,146.)
General and business admin services	655,603.				(655,603.)		(655,603.)
Central services	266,763.				(266,763.)		(266,763.)
Admin info tech.	121,486.				(121,486.)		(121,486.)
Plant operations and maintenance	2,133,769.				(2,133,769.)		(2,133,769.)
Pupil transportation	1,693,695.	109,822.			(1,583,873.)		(1,583,873.)
Employee benefits	4,367,967.		1,405,498.		(2,962,469.)		(2,962,469.)
NJ Debt Service Assessment	148,479.				(148,479.)		(148,479.)
Interest on long-term debt	382,352.	2,550.			(382,352.)		(382,352.)
Internal service fund	5,049.				(2,499.)		(2,499.)
Amortization of debt issuance cost	7,938.				(7,938.)		(7,938.)
Total governmental activities	23,700,377.	112,372.	1,405,498.	0.	(22,182,507.)	0.	(22,182,507.)
Business-type activities:							
Food service	684,314.	341,700.	302,150.		(40,464.)	(40,464.)	(40,464.)
Total business-type activities	684,314.	341,700.	302,150.	0.	0.	(40,464.)	(40,464.)
Total primary government	\$ 24,384,691.	\$ 454,072.	\$ 1,707,648.	\$ 0.	\$(22,182,507.)	\$(40,464.)	\$(22,222,971.)

General revenues:

Taxes:

Prop taxes levied for general purposes, net	\$ 7,369,435.	\$	\$ 7,369,435.
Taxes levied for debt service	664,875.		664,875.
Federal and state aid not restricted	12,251,438.		12,251,438.
Federal and state aid restricted	1,765,372.		1,765,372.
Tuition received	43,904.		43,904.
Investment earnings	476,043.	1,537.	477,580.
Miscellaneous income	52,481.		52,481.

Total general revenues, special items, extraordinary items and transfers
Change in net assets

	22,623,548.	1,537.	22,625,085.
	441,041.	(38,927.)	402,114.

Net assets - beginning
Net assets - ending

	36,849,173.	261,621.	37,110,794.
	\$ 37,290,214.	\$ 222,694.	\$ 37,512,908.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,586,989.	\$(142,543.)	\$ 3,506,336.	\$ 44,491.	\$	\$ 4,995,273.
Due from other funds	2,690.			22,392.		25,082.
Receivables from other governments	234,402.	241,046.	451,673.	2,510.		929,631.
Total assets	\$ 1,824,081.	\$ 98,503.	\$ 3,958,009.	\$ 69,393.	\$ 0.	\$ 5,949,986.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 74,132.	\$ 56,134.	\$ 10,027.	\$	\$	\$ 140,293.
Interfund payable	3,444.		22,392.			25,836.
Deferred revenue	103,073.	42,369.				145,442.
Total liabilities	180,649.	98,503.	32,419.	0.	0.	311,571.
Fund Balances:						
Restricted for:						
Excess surplus-current year	670,835.					670,835.
Excess surplus-designated for subsequent year's expenditures	596,343.					596,343.
Maintenance reserve	328,481.					328,481.
Capital reserve	297,930.					297,930.
Capital projects			3,925,590.			3,925,590.
Assigned to:						
Debt service				69,393.		69,393.
Other purposes	433,211.					433,211.
Unassigned:						
General fund	(683,368.)					(683,368.)
Total fund balances	1,643,432.	0.	3,925,590.	69,393.	0.	5,638,415.
Total liabilities and fund balances	\$ 1,824,081.	\$ 98,503.	\$ 3,958,009.	\$ 69,393.	\$ 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 \$59,576,649. and the accumulated depreciation is \$16,804,112.
(See Note)

\$ 42,772,537.

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)

(11,220,685.)

Internal service fund balance
Bond issuance costs, net

758.

99,189.

Net assets of governmental activities

\$ 37,290,214.

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 7,369,435.	\$	\$	\$ 664,875.	\$	\$ 8,034,310.
Tuition charges	43,904.					43,904.
Transportation	109,822.					109,822.
Interest earned	28,241.		447,802.			476,043.
Miscellaneous	48,518.	3,963.				52,481.
Total local sources	7,599,920.	3,963.	447,802.	664,875.	0.	8,716,560.
State sources	13,207,214.	2,500.	690,010.	290,179.		14,189,903.
Federal sources	449,722.	782,683.				1,232,405.
Total revenues	21,256,856.	789,146.	1,137,812.	955,054.	0.	24,138,868.
EXPENDITURES:						
Current:						
Regular instruction	5,712,050.					5,712,050.
Special education instruction	870,414.	471,407.				1,341,821.
Other special instruction	117,980.					117,980.
Other instruction	754,075.					754,075.
Support services:						
Tuition	1,920,348.	16,000.				1,936,348.
Student & instruction related services	1,551,287.	224,109.				1,775,396.
School administrative services	861,404.					861,404.
Other administrative services	426,861.					426,861.
Central services	266,763.					266,763.
Administration information tech	121,486.					121,486.
Plant operations and maintenance	1,950,775.					1,950,775.
Pupil transportation	1,693,695.					1,693,695.
Employee benefits	4,296,916.	77,630.				4,374,546.
Debt service:						
Principal				830,000.		830,000.
Interest and other charges				478,443.		478,443.
Capital outlay	219,521.		1,800,426.			2,019,947.
Total expenditures	20,763,575.	789,146.	1,800,426.	1,308,443.	0.	24,661,590.
Excess (deficiency) of revenues over exp.	493,281.		(662,614.)	(353,389.)		(522,722.)
OTHER FINANCING SOURCES (USES):						
Transfers in	80,693.			367,109.		447,802.
Transfers out			(447,802.)			(447,802.)
Total other financing sources (uses)	80,693.	0.	(447,802.)	367,109.	0.	0.
Net change in fund balances	573,974.		(1,110,416.)	13,720.		(522,722.)
Fund balance - July 1	1,069,458.		5,036,006.	55,673.		6,161,137.
Fund balance - June 30	\$ 1,643,432.	\$ 0.	\$ 3,925,590.	\$ 69,393.	\$ 0.	\$ 5,638,415.

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, 2012

Total net changes in fund balances - governmental funds (from B-2)		\$(522,722.)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	Depreciation expense \$ (1,829,938.) Capital outlays <u>1,871,468.</u>	41,530.
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 (+).		6,579.
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.		830,000.
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		(7,938.)
Decrease in accrued interest		96,091.
Decrease in net assets - internal service fund		<u>(2,499.)</u>
Change in net assets of governmental activities		<u><u>\$ 441,041.</u></u>

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>Business-Type Activities</u> <u>Enterprise-Fund</u>		<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Fund</u>
	<u>Food Service</u> <u>Fund</u>	<u>Totals</u>	
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 195,465.	\$ 195,465.	\$ 758.
Accounts receivable:			
State	308.	308.	
Federal	12,992.	12,992.	
Interfund	3,444.	3,444.	
Inventories	11,610.	11,610.	
Total current assets	<u>223,819.</u>	<u>223,819.</u>	<u>758.</u>
Noncurrent assets:			
Furniture, machinery & equipment	214,994.	214,994.	
Less accumulated depreciation	(110,696.)	(110,696.)	
Total noncurrent assets	<u>104,298.</u>	<u>104,298.</u>	<u>0.</u>
Total assets	<u>\$ 328,117.</u>	<u>\$ 328,117.</u>	<u>\$ 758.</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 105,423.	\$ 105,423.	\$
Total current liabilities	<u>105,423.</u>	<u>105,423.</u>	<u>0.</u>
Total liabilities	<u>105,423.</u>	<u>105,423.</u>	<u>0.</u>
NET ASSETS:			
Invested in capital assets net of related debt	104,298.	104,298.	
Unrestricted	118,396.	118,396.	758.
Total net assets	<u>\$ 222,694.</u>	<u>\$ 222,694.</u>	<u>\$ 758.</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, 2012

	Business-Type Activities Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Fund	Totals	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 158,962.	\$ 158,962.	\$
Daily sales-non-reimbursable programs	182,738.	182,738.	
Charges for services			2,550.
Total operating revenues	<u>341,700.</u>	<u>341,700.</u>	<u>2,550.</u>
Operating expenses:			
Cost of sales	249,549.	249,549.	
Salaries	210,587.	210,587.	
Employee benefits	49,759.	49,759.	
Management fee	50,985.	50,985.	
Repair and maintenance	1,418.	1,418.	
Purchased service			5,049.
General supplies	44,481.	44,481.	
Office expense	1,615.	1,615.	
Energy	38,102.	38,102.	
Depreciation	8,890.	8,890.	
Miscellaneous	28,928.	28,928.	
Total operating expenses	<u>684,314.</u>	<u>684,314.</u>	<u>5,049.</u>
Operating income/(loss)	<u>(342,614.)</u>	<u>(342,614.)</u>	<u>(2,499.)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	6,689.	6,689.	
Federal sources:			
National school breakfast program	51,856.	51,856.	
National school lunch program	209,737.	209,737.	
Food distribution program	33,868.	33,868.	
Interest on investment	1,537.	1,537.	
Total nonoperating revenues (expenses)	<u>303,687.</u>	<u>303,687.</u>	<u>0.</u>
Change in net assets	(38,927.)	(38,927.)	(2,499.)
Total net assets - beginning	<u>261,621.</u>	<u>261,621.</u>	<u>3,257.</u>
Total net assets - ending	<u>\$ 222,694.</u>	<u>\$ 222,694.</u>	<u>\$ 758.</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, 2012

	Business-Type Activities Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Fund	Total Enterprise	
CASH FLOWS FROM OPERATING ACT.			
Receipts from customers	\$ 341,701.	\$ 341,701.	\$ 2,550.
Payments to suppliers	(585,001.)	(585,001.)	(5,049.)
Net cash provided by (used for) operating activities	<u>(243,300.)</u>	<u>(243,300.)</u>	<u>(2,499.)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State sources	7,253.	7,253.	
Federal sources	298,884.	298,884.	
Interfund transfer	(3,420.)	(3,420.)	
Interest on investments	1,536.	1,536.	
Net cash provided by (used for) non-capital financing activities	<u>304,253.</u>	<u>304,253.</u>	<u>0.</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of equipment	(18,514.)	(18,514.)	
Net cash provided by financing activities	<u>(18,514.)</u>	<u>(18,514.)</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	42,439.	42,439.	(2,499.)
Balances-beginning of year	153,026.	153,026.	3,257.
Balances-end of year	<u>\$ 195,465.</u>	<u>\$ 195,465.</u>	<u>\$ 758.</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(342,614.)	\$(342,614.)	\$(2,499.)
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	8,890.	8,890.	
Federal commodities	33,868.	33,868.	
(Increase)/decrease in inventories	(2,670.)	(2,670.)	
Increase/(decrease) in accounts payable	59,226.	59,226.	
Total adjustments	<u>99,314.</u>	<u>99,314.</u>	<u>0.</u>
Net cash provided by (used for) operating activities	<u><u>\$(243,300.)</u></u>	<u><u>\$(243,300.)</u></u>	<u><u>\$(2,499.)</u></u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Student Activity
ASSETS:				
Cash and cash equivalents	\$ 92,801.	\$ 7,923.	\$ 15,073.	\$ 152,991.
Investments		2,297.		
Due from Scholarship Fund				300.
Due from Unemployment			606.	
Total assets	<u>\$ 92,801.</u>	<u>\$ 10,220.</u>	<u>\$ 15,679.</u>	<u>\$ 153,291.</u>
LIABILITIES:				
Due to student groups	\$	\$	\$	\$ 153,921.
Interfund payable			2,689.	
Due to payroll withholdings			12,990.	
Due to Agency	606.			
Due to Student Activity Fund		300.		
Total liabilities	<u>606.</u>	<u>300.</u>	<u>\$ 15,679.</u>	<u>\$ 153,921.</u>
NET ASSETS:				
Held in trust for unemployment claims	<u>\$ 92,195.</u>			
Reserved for scholarships		<u>\$ 9,920.</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, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Plan member	\$ 16,382.	\$
Other		1,100.
Total contributions	<u>16,382.</u>	<u>1,100.</u>
Investment earnings:		
Interest	155.	68.
Net investment earnings	<u>155.</u>	<u>68.</u>
DEDUCTIONS:		
Scholarships awarded		1,800.
Unemployment claims	16,465.	
Other	959.	
Total deductions	<u>17,424.</u>	<u>1,800.</u>
Change in net assets	(887.)	(632.)
NET ASSETS - JULY 1	<u>93,082.</u>	<u>10,552.</u>
NET ASSETS - JUNE 30	<u>\$ 92,195.</u>	<u>\$ 9,920.</u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of 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, 2012 of 1,291 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, 2012**

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, 2012**

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, 2012**

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, 2012**

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 maintenance reserve 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, 2012**

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"	\$21,311,718	\$697,251.	\$447,802.
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary purposes.	1,053,039.	0.	690,010.
State Aid Payment not recognized for GAAP purposes until the subsequent year.	(1,107,901.)	0.	0.
Adjust for Encumbrances:			
Add Prior Year Encumbrances	0.	117,615.	0.
Less Current Year Encumbrances	0.	(25,720.)	0.
Total Revenues (GAAP Basis)	<u>\$21,256,856.</u>	<u>\$789,146.</u>	<u>\$1,137,812.</u>
Uses/outflows of resources			
Actual amounts (budgetary) "total outflows"	\$20,682,882.	\$697,251.	\$2,248,228.
Adjustments:			
Add Prior Year Encumbrances	0.	117,615.	0.
Less Current Year Encumbrances	0.	(25,720.)	0.
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes	80,693.		(447,802.)
Total Expenditures (GAAP Basis)	<u>\$20,763,575.</u>	<u>\$789,146.</u>	<u>\$1,800,426.</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.

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2011-2012 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, 2012.

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.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 represents cash that has been received but not yet earned.

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Fund Balance Resources

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified government fund balances as follows:

- Non-spendable: Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted: Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed: Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned: Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by Board of School Estimates, the Board of Education, Superintendent or Business Administrator.
- Unassigned: Includes fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balance in other governmental funds.

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012

R. 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, 2012

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

Investments: (Continued)

As of June 30, 2012 cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash		Total
	Equivalents	Investments	
Checking Accounts	\$5,460,285.	\$	\$5,460,285.
Certificates of Deposit		2,297.	2,297.
	<u>\$5,460,285.</u>	<u>\$2,297.</u>	<u>\$5,462,582.</u>

During the period ended June 30, 2012 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, 2012 was \$5,462,582. and the bank balance was \$6,301,692. Of the bank balance, \$347,485. was covered by federal depository insurance and \$5,954,207. 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:23A-14(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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	<u>\$ 1.</u>
Interest earnings	<u>0.</u>
Deposits:	
Approved at April, 2011 Election	<u>0.</u>
Approved by Board Resolution, June, 2012	<u>297,929.</u>
Withdrawals	
Ending balance, June 30, 2012	<u>\$297,230.</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$1,416,787. 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, 2012

NOTE 4.MAINTENANCE RESERVE ACCOUNT

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.* 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.* 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 year is as follows:

Beginning balance, July 1, 2011	\$350,000.
Deposits:	
Approved by Board Resolution, June, 2012	250,000.
Redeposit of unused project	31,529.
Withdrawals:	
Approved by Board Resolution, October, 2011	(180,000.)
Approved by Board Resolution, May, 2012	(123,048.)
Approved at April, 2011 Election	0.
Ending balance, June 30, 2012	<u>\$328,481.</u>

The June 30, 2012 maximum maintenance reserve amount is \$1,416,787.

NOTE 5.EMERGENCY RESERVE

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A.* 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by appropriating funds in the annual general fund budget certified for taxes or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2011 to June 30, 2012 year is as follows:

Beginning balance, July 1, 2011	\$0.
Deposits:	
Approved at April, 2011 Election	0.
Withdrawals	0.
Ending balance, June 30, 2012	<u>\$0.</u>

The June 30, 2012 maximum emergency reserve amount is \$250,000.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 6. FIXED ASSETS

Capital asset activity for the year ended June 30, 2012 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	\$3,568,150.	\$702,656.	\$(3,460,539.)	\$	\$810,267.
Land	263,190.				263,190.
Total Capital Assets not being Depreciated	<u>3,831,340.</u>	<u>702,656.</u>	<u>(3,460,539.)</u>	<u>0.</u>	<u>1,073,457.</u>
Bldg & Bldg Improve	47,872,541.	4,558,309.			52,430,850.
Site Improvements	907,743.				907,743.
Machinery & Equip.	<u>5,093,557.</u>	<u>71,042.</u>			<u>5,164,599.</u>
Totals at Historical Cost	53,873,841.	4,629,351.	0.	0.	58,503,192.
Less: Accum Deprec for:					
Building & Bldg. Improve.	(9,397,978.)	(1,748,189.)			(11,146,167.)
Site Improvements	(751,380.)	(16,058.)			(767,438.)
Machinery & Equipment	<u>(4,824,816.)</u>	<u>(65,691.)</u>			<u>(4,890,507.)</u>
Total Accum Deprec	<u>(14,974,174.)</u>	<u>(1,829,938.)</u>	<u>0.</u>	<u>0.</u>	<u>(16,804,112.)</u>
Total Capital Assets being Depreciated net of Accum Depreciation	<u>38,899,667.</u>	<u>2,799,413.</u>	<u>0.</u>	<u>0.</u>	<u>41,699,080.</u>
Governmental Activities Capital Assets, net	<u>\$42,731,007.</u>	<u>\$3,502,069.</u>	<u>\$(3,460,539.)</u>	<u>\$0.</u>	<u>\$42,772,537.</u>
Business-type Activities:					
Equipment	\$196,480.	\$18,514.	\$	\$	\$214,994.
Less Accum Dep for:					
Equipment	<u>(101,806.)</u>	<u>(8,890.)</u>			<u>(110,696.)</u>
Business-type Activ Capital Assets, net	<u>\$94,674.</u>	<u>\$9,624.</u>	<u>\$0.</u>	<u>\$0.</u>	<u>\$104,298.</u>

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

Instruction:

Regular	\$(1,006,466.)
Other Instruction	(182,994.)
Support Services:	
School Administration Services	(228,742.)
General and Business Administrative Services	(228,742.)
Plant Operations and Maintenance	<u>(182,994.)</u>
Total Depreciation Expense	<u>\$(1,829,938.)</u>

Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012

NOTE 7. INVENTORY

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

Food and Supplies	\$9,940.
Commodities	1,670.
	<u>\$11,610.</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 8. OPERATING LEASES

The District had operating leases for postage and copying equipment during the year ended June 30, 2012. The total operating lease payments made during the year were \$41,206. The leases expire on various dates. Future minimum payments due on the leases are as follows:

June 30, 2013	\$33,397.
June 30, 2014	26,224.
June 30, 2015	10,804.
June 30, 2016	5,664.
June 30, 2017	5,664.
Total	<u>\$81,753.</u>

NOTE 9. LONG-TERM DEBT

Type of Debt	Balance at 6/30/11	Issued	Retired	Balance at 6/30/12	Amounts Due Within 1 Year
Governmental Act.:					
Compen Absen Pay	\$357,853.	\$35,052.	\$(41,631.)	\$351,274.	\$114,629.
Bonds payable	11,602,000.		(830,000.)	10,772,000.	828,000.
Accrued interest on bonds	193,502.		(96,091.)	97,411.	97,411.
Total	<u>\$12,153,355.</u>	<u>\$35,052.</u>	<u>\$(967,722.)</u>	<u>\$11,220,685.</u>	<u>\$1,040,040.</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
2013	\$828,000.	\$361,958.	\$1,189,958.
2014	670,000.	334,842.	1,004,842.
2015	695,000.	314,402.	1,009,402.
2016	710,000.	293,214.	1,003,214.
2017	735,000.	270,949.	1,005,949.
2018-2022	4,100,000.	966,781.	5,066,781.
2023-2026	3,034,000.	238,361.	3,272,361.
Total	<u>\$10,772,000.</u>	<u>\$2,780,507.</u>	<u>\$13,552,507.</u>

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 9.LONG-TERM DEBT (Continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2012, the Board had no authorized bonds that were not issued.

C. Capital Leases Payable:

As of June 30, 2012, the District has no liabilities under capital leases.

NOTE 10.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, 2012**

NOTE 10.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, 2012	\$203,751.	0%	\$203,751.
June 30, 2011	176,814.	0%	176,814.
June 30, 2010	145,430.	0%	145,430.

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, 2012	\$795,934.	100%	\$0.
June 30, 2011	538,874.	100%	0.
June 30, 2010	525,808.	100%	0.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 10.PENSION PLANS (Continued)
Contribution Requirements (Continued)

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$795,934. 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 \$609,564. during the year ended June 30, 2012 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 11.POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

NOTE 12.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, 2012, 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, 2012**

NOTE 13.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 14.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>
2009-2010	\$0.	\$18,753.	\$23.	\$37,744.	\$23,910.
2010-2011	225,000.	15,751.	25.	171,604.	93,082.
2011-2012	0.	16,382.	155.	17,424.	92,195.

NOTE 15.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.

NOTE 16.INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012.

<u>Due From:</u>	<u>Due to:</u>	<u>Debt</u>	<u>Fiduciary</u>	<u>Total</u>
	<u>General</u>	<u>Service</u>		
General	\$	\$	\$2,690.	\$2,690.
Capital Projects		22,392.		22,392.
Enterprise	3,444.			3,444.
Total	\$3,444.	\$22,392.	\$2,690.	\$28,526.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The net general fund receivable from the enterprise fund is comprised of expenses paid. The amount due from the fiduciary fund is for reimbursable expenditures not yet re-paid. The amount due to the debt service fund resulted from interest earned in the capital project fund.

NOTE 17. FUND BALANCE APPROPRIATED

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (N.J.S.A. 18F:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2012.

Restricted Fund Balance:

Capital Reserve Account – There was \$297,930. balance in the capital reserve account at June 30, 2012. These funds are restricted for future capital outlay expenditures for projects in the School District's Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account – As of June 30, 2012, the balance in the maintenance reserve account was \$328,481. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Reserve for Excess Surplus – There was excess fund balance in the amount of \$924,824. at June 30, 2012. \$596,343. of this amount was appropriated in the 2012-2013 school budget.

Capital Projects Fund – As of June 30, 2012, the restricted fund balance amount was \$3,925,590. Budgets of district projects are approved and funded by voter referendum and the School Development Authority.

Committed Fund Balance – The District has no committed fund balance at June 30, 2012.

Assigned Fund Balance – At June 30, 2012, the Board of Education has assigned and the voters have approved \$0. of general fund balance to expenditures in the 2012-2013 budget.

In addition, the District assigned fund balance in the general fund for other purposes of \$433,211. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Cumberland Regional School District
Notes to the Financial Statements
June 30, 2012**

NOTE 17.FUND BALANCE APPROPRIATED (Continued)

Unassigned Fund Balance – At June 30, 2012, the District has \$(683,368.) of unassigned fund balance in the general fund and \$69,363 in the debt service fund.

NOTE 18.DEFICIT FUND BALANCES

The District has a deficit fund balance of \$683,368. in the Special Revenue Fund as of June 30, 2012 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 delayed one or more June state aid payments 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 June state aid payments 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 June state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 22-44.2 any negative unreserved, undesignated special revenue fund balance that is reported as a direct result from a delay in the June payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$683,368. is equal to the June state aid payments.

NOTE 19.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, 2012 is \$924,824.

NOTE 20.SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2012 through October 12, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

NOTE 21.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. During the 2010-2011 and 2011-2012 fiscal years, the District budgeted and transferred \$426,245. and \$404,368. of this amount as a transfer from the Capital Project Fund to the General Fund and Debt Service Fund.

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local sources:		\$	\$	\$	\$
Local tax levy			7,369,435.	7,369,435.	43,904.
Tuition			150,000.	109,822.	(40,178.)
Transportation				28,241.	28,241.
Interest earned			91,546.	48,518.	(43,028.)
Miscellaneous				7,599,920.	(11,061.)
Total local sources	7,610,981.	0.	7,610,981.	7,599,920.	(11,061.)
State sources:					
Equalization Aid	10,234,464.		10,234,464.	10,234,464.	90,282.
School Choice Aid	554,593.		554,593.	644,875.	8,621.
Categorical Transportation Aid				8,621.	8,621.
Special Education Aid	645,504.		645,504.	645,504.	199,026.
Security Aid	1,717.		1,717.	200,743.	795,934.
On behalf TPAF pension contribution (non-budgeted)				795,934.	795,934.
Reimbursed TPAF social security contribution (non-budgeted)			85,000.	609,564.	609,564.
Extraordinary aid	85,000.		85,000.	108,805.	23,805.
Additional non-public transportation aid				13,566.	13,566.
Total state sources	11,521,278.	0.	11,521,278.	13,262,076.	1,740,798.
Federal sources:					
Education Jobs Fund	407,000.	13,286.	420,286.	420,286.	(1,929.)
Medical Assistance Program	31,365.		31,365.	29,436.	(1,929.)
Total federal sources	438,365.	13,286.	451,651.	449,722.	(1,929.)
Total revenues	19,570,624.	13,286.	19,583,910.	21,311,718.	1,727,808.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current expense:					
Regular programs:					
Grades 9-12 instruction:					
Salaries of teachers	\$ 5,059,737.	\$(11,176.)	\$ 5,048,561.	\$ 5,032,212.	\$ 16,349.
Home instruction:					
Salaries of teachers	96,750.	(76,008.)	20,742.	14,674.	6,068.
Other salaries for instruction	92,065.	(92,065.)			
Other purchased services	181,202.	(181,202.)			
Regular programs-undistributed instruction:					
Other salaries for instruction	83,147.	10,298.	93,445.	93,445.	
Other salaries		83,147.	83,147.	81,412.	1,735.
Purchased professional services		26,008.	26,008.	8,058.	17,950.
Repairs and maintenance		19,250.	19,250.	16,788.	2,462.
Equipment lease purchase		80,000.	80,000.	56,091.	23,909.
Communications		60,000.	60,000.	36,643.	23,357.
Travel expense	285,609.	147,546.	21,000.	14,361.	6,639.
General supplies	20,133.	35,619.	433,155.	295,379.	137,776.
Textbooks	30,000.	(17,360.)	55,752.	50,347.	5,405.
Other objects			12,640.	12,640.	
Total regular programs - instruction	5,848,643.	105,057.	5,953,700.	5,712,050.	241,650.
Special education-instruction:					
Learning and/or language disabilities:					
Salaries of teachers	66,081.	899.	66,980.	66,980.	
General supplies	1,500.	500.	2,000.	1,926.	74.
Total and/or language disabilities	67,581.	1,399.	68,980.	68,906.	74.
Behavioral disabilities:					
Salaries of teachers	316,862.	306.	317,168.	317,168.	
General supplies	5,800.		5,800.	5,726.	74.
Total emotionally disturbed	322,662.	306.	322,968.	322,894.	74.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Multiply handicapped:					
Other salaries for instruction	\$ 129,600.	\$	\$ 129,600.	\$ 98,677.	\$ 30,923.
General supplies	3,700.	(500.)	3,200.	3,057.	143.
Total multiply handicapped	133,300.	(500.)	132,800.	101,734.	31,066.
Resource room/resource center:					
Salaries of teachers	526,494.	(129,938.)	396,556.	375,612.	20,944.
General supplies	1,300.		1,300.	1,268.	32.
Textbooks	1,000.		1,000.		1,000.
Total resource room/resource center	528,794.	(129,938.)	398,856.	376,880.	21,976.
Total special ed - instruction	1,052,337.	(128,733.)	923,604.	870,414.	53,190.
Basic skills/remedial-instruction:					
Salaries of teachers	119,874.		119,874.	105,729.	14,145.
Miscellaneous expenditures		12,251.	12,251.	12,251.	
Total basic skills/remedial-instruction	119,874.	12,251.	132,125.	117,980.	14,145.
School sponsored co-curricular act-instruction:					
Salaries	89,542.	(89,542.)			
Other salaries		98,365.	98,365.	98,365.	
Purchased technical services		2,800.	2,800.	2,800.	
Repairs and maintenance		500.	500.	315.	185.
Purchased services	4,300.	(4,300.)			
Contracted services other		1,000.	1,000.		1,000.
Supplies and materials	1,000.		1,000.	22.	978.
Other objects	37,700.		37,700.	31,596.	6,104.
Total school spon co-curricular act-instruction	132,542.	8,823.	141,365.	133,098.	8,267.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School sponsored athletics-instruction:					
Salaries	\$ 313,270.	\$(313,270.)	\$	\$	\$
Salaries of secretarial assistant		43,167.	43,167.	43,167.	
Other salaries		280,021.	280,021.	280,021.	
Other purchased professional services		58,151.	58,151.	36,280.	21,871.
Cleaning, repair, and maintenance		15,550.	15,550.	9,421.	6,129.
Other purchased property		3,483.	3,483.	3,483.	
Purchased services	92,508.	(92,508.)			
Travel expenses		2,000.	2,000.	12.	1,988.
Miscellaneous purchased services		9,240.	9,240.	9,240.	
Supplies and materials	39,500.	5,000.	44,500.	43,470.	1,030.
Other objects	17,000.	1,745.	18,745.	16,066.	2,679.
Total school sponsored athletics-instruction	462,278.	12,579.	474,857.	441,160.	33,697.
Alternative education program-instruction:					
Salaries of teachers	179,847.		179,847.	132,164.	47,683.
General supplies	7,000.		7,000.	7,000.	
Total alternative education program-instruction	186,847.	0.	186,847.	132,164.	54,683.
Alternative education program-support services:					
Salaries	43,534.	4,119.	47,653.	47,653.	
Total alternative education program-support services	43,534.	4,119.	47,653.	47,653.	0.
Total instruction	7,846,055.	14,096.	7,860,151.	7,454,519.	405,632.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed expenditures:					
Instruction:					
Tuition -co voc school district-regular	\$ 201,145.	\$(126,175.)	\$ 74,970.	\$ 74,970.	\$
Tuition -co voc school district-special	61,200.	158,750.	219,950.	219,950.	
Tuition-co special services/reg day schools	679,848.	905.	680,753.	640,423.	40,330.
Tuition priv schools handicapped w/state	830,437.	(78,226.)	752,211.	661,599.	90,612.
Tuition-priv school disabled & other LEAs	229,020.	88,488.	317,508.	232,824.	84,684.
Tuition-state facilities	86,732.		86,732.	86,732.	
Tuition-other	39,222.		39,222.	3,850.	35,372.
Total undistributed expenditures-education	2,127,604.	43,742.	2,171,346.	1,920,348.	250,998.
Attendance and social work services:					
Salaries	43,167.	(43,167.)	43,167.	43,167.	
Salaries of secretarial assistants	490.		490.	490.	490.
Supplies and materials	43,657.	0.	43,657.	43,167.	490.
Total attendance and social work services					
Health services:					
Salaries	88,095.	(88,095.)			
Salaries of other professional staff	94,095.		94,095.	93,409.	686.
Purchased prof/technical services	42,456.	(42,456.)			
Other purchased professional services		45,778.	45,778.	41,190.	4,588.
Supplies and materials	2,042.		2,042.	1,657.	385.
Other objects	205.		205.	85.	120.
Total health services	132,798.	9,322.	142,120.	136,341.	5,779.
Guidance:					
Salaries of other professional staff	381,368.		404,502.	404,502.	
Salaries of secretarial and clerical assistants	86,334.	23,134.	86,334.	86,334.	
Purchased professional services	23,000.		23,000.	22,470.	530.
Other purchased services	258.	(258.)			
Travel expenses		258.	258.		258.
Supplies and materials	14,585.		14,585.	3,330.	11,255.
Other objects	15,150.		15,150.	11,984.	3,166.
Total guidance	520,695.	23,134.	543,829.	528,620.	15,209.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Child Study Team:					
Salaries of other professional staff	\$ 234,714.	\$(6,000.)	\$ 228,714.	\$ 225,810.	\$ 2,904.
Salaries of secretarial & clerical assistants	43,947.		43,947.	43,947.	
Other purchased professional & technical services	10,000.	(742.)	9,258.	9,174.	84.
Travel expenses		742.	742.	742.	
Supplies and materials	245.		245.	229.	16.
Total other sup services-students-special services	288,906.	(6,000.)	282,906.	279,902.	3,004.
Improve of instruct serv/other support serv-instruct staff					
Salaries of supervisors of instruction	358,310.		358,310.	358,310.	
Salaries of secretarial & clerical assistants	44,461.	1.	44,462.	44,462.	
Other purchased/professional services		36,457.	36,457.	33,345.	3,112.
Total improvement of instructional services	402,771.	36,458.	439,229.	436,117.	3,112.
Educational media services:					
Salaries of other professional staff	89,073.	89,073.	89,073.	85,024.	4,049.
Salaries of technology coordinators		(89,073.)			
Cleaning, repair, and maintenance	1,500.	1,500.	1,500.	1,496.	4.
Other purchased services	34,875.	(1,500.)	40,845.	40,620.	225.
Supplies and materials	125,448.	5,970.	131,418.	127,140.	4,278.
Total educational media services/school library	196,500.	(196,500.)	157,481.	157,481.	64.
Support services-general administration:					
Salaries	157,481.	45,076.	45,076.	45,012.	64.
Salaries of other professional staff	40,000.	31,031.	71,031.	71,031.	
Salaries of secretarial assistants	25,060.	(25,060.)			
Legal services	31,500.	(5,000.)	26,500.	26,500.	
Audit fees	66,771.	(872.)	65,899.	62,192.	3,707.
Other purchased professional services		1,153.	1,153.	1,153.	
Communications/telephone	23,848.	(19,699.)	4,149.	4,149.	
Travel expense	816.	(270.)	546.	9,312.	(8,766.)
Other purchased services	16,252.	34,121.	50,373.	50,373.	342.
Supplies and materials	13,589.	(13,589.)			
Miscellaneous expenditures	414,336.	7,872.	422,208.	426,861.	(4,653.)
BOE membership dues and fees					
Total support services-general administration					

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support services school administration:					
Salaries of principals/asst.	\$ 426,362.	\$	\$ 426,362.	\$ 423,684.	\$ 2,678.
Salaries of other professional staff	206,290.	5,000.	211,290.	211,290.	
Salaries of secretarial assistants	220,307.		220,307.	219,195.	1,112.
Rentals		817.	817.		817.
Other purchased services	817.	(817.)			
Supplies and materials	5,000.		5,000.	181.	4,819.
Other objects	8,000.		8,000.	7,054.	946.
Total support services school administration	866,776.	5,000.	871,776.	861,404.	10,372.
Central services:					
Salaries	250,846.	(250,846.)			
Salaries of other professional staff		110,400.	110,400.	110,400.	
Salaries of secretarial assistants		137,867.	137,867.	137,867.	
Other salaries		3,700.	3,700.	3,700.	
Purchased technical services	12,252.	(488.)	11,764.	8,400.	3,364.
Supplies and materials	3,267.	488.	3,755.	3,504.	251.
Miscellaneous expenses	4,901.	(1,500.)	3,401.	2,892.	509.
Total central services	271,266.	(379.)	270,887.	266,763.	4,124.
Admin. Information Technology					
Salaries	118,371.	(118,371.)			
Other salaries for instruction		121,486.	121,486.	121,486.	
Total admin. information technology	118,371.	3,115.	121,486.	121,486.	0.
Required maintenance for school facilities:					
Cleaning, repair and maintenance	100,000.	301,548.	401,548.	221,849.	179,699.
General supplies	100,000.	(2,013.)	97,987.	92,314.	5,673.
Total required maintenance for school facilities	200,000.	299,535.	499,535.	314,163.	185,372.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Custodial services:					
Salaries	\$ 624,395.	\$(624,395.)	\$	\$	\$
Other salaries	205.	653,511. (205.)	653,511.	632,966.	20,545.
Purchased professional & technical services		205.	205.		205.
Purchased technical services	69,412.	8,551.	77,963.	69,461.	8,502.
Cleaning, repair and maintenance of services	50,923.		50,923.	39,490.	11,433.
Other purchased property services	109,273.	(4,997.)	104,276.	100,665.	3,611.
Insurance	66,099.	88,816.	154,915.	138,202.	16,713.
General supplies	690,614.	(55,457.)	635,157.	474,774.	160,383.
Energy (electricity)					
Total custodial services	1,610,921.	66,029.	1,676,950.	1,455,558.	221,392.
Care and upkeep of grounds:					
Salaries	36,390.		36,390.	36,390.	
Total care and upkeep of grounds	36,390.	0.	36,390.	36,390.	0.
Security:					
Salaries	98,186.	46,478.	144,664.	144,664.	
Total security	98,186.	46,478.	144,664.	144,664.	0.
Total operation and maintenance of building	1,945,497.	412,042.	2,357,539.	1,950,775.	406,764.
Students transportation services:					
Salaries for pupil trans (home/school) spec ed	56,332.		56,332.	54,579.	1,753.
Cleaning, repair and maintenance	4,016.		4,016.	1,758.	2,258.
Contracted services home	35,970.	(32,630.)	3,340.	3,340.	
Contracted services other	69,615.	69,291.	138,906.	129,993.	8,913.
Transportation jointure	745,221.	(5,394.)	739,827.	739,827.	
Contracted services special ed	1,334.		1,334.		1,334.
Trans jointure special ed	466,909.	122,599.	589,508.	589,508.	
Aid in lieu	190,803.	(17,500.)	173,303.	169,247.	4,056.
Misc purchased services -transportation	1,721.		1,721.		1,721.
General supplies	13,914.	(13,340.)	574.	75.	499.
Energy		13,340.	13,340.	8,708.	4,632.
Total student transportation services	1,585,835.	136,366.	1,722,201.	1,693,695.	28,506.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated benefits:					
Social security contribution	\$ 344,064.	\$(41,175.)	\$ 302,889.	\$ 222,489.	\$ 80,400.
Other retirement contributions regular	225,000.	(21,249.)	203,751.	203,752.	(1.)
Unemployment compensation	162,000.	(107,866.)	54,134.		54,134.
Workmen's compensation	150,036.	(644.)	149,392.	132,853.	16,539.
Health benefits	2,351,098.	(129,500.)	2,221,598.	2,188,341.	33,257.
Tuition reimbursement	35,000.	(20,653.)	14,347.	14,347.	
Other employee benefits	54,639.	79,497.	134,136.	129,636.	4,500.
Total unallocated benefits	3,321,837.	(241,590.)	3,080,247.	2,891,418.	188,829.
On behalf TPAF pension contributions (non-budgeted)				795,934.	(795,934.)
Reimbursed TPAF soc sec contributions (non-budgeted)				609,564.	(609,564.)
Total undistributed expenditures	12,165,797.	435,052.	12,600,849.	13,089,535.	(488,686.)
Total expenditures-current expense	20,011,852.	449,148.	20,461,000.	20,544,054.	(83,054.)
CAPITAL OUTLAY:					
Equipment:					
Regular programs:					
Grades 9-12 instruction:					
Instructional equipment	50,000.	(50,000.)			
Regular programs - undistributed instruction:					
Instructional equipment	50,000.		132,718.	71,042.	61,676.
Total equipment			132,718.	71,042.	61,676.
Facilities Acquisition and Construction:					
Other objects	148,479.		148,479.	148,479.	
Total facilities acquisition and construction	148,479.	0.	148,479.	148,479.	0.
Total capital outlay expenditures	198,479.	82,718.	281,197.	219,521.	61,676.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Total expenditures	\$ 20,210,331.	\$ 531,866.	\$ 20,742,197.	\$ 20,763,575.	\$(21,378.)
Excess (deficiency) of revenues over (under) expenditures	(639,707.)	(518,580.)	(1,158,287.)	548,143.	1,706,430.
Other financing sources:					
Transfer to/from capital projects fund	80,693.		80,693.	80,693.	
Total other financing sources	80,693.	0.	80,693.	80,693.	0.
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(559,014.)	(518,580.)	(1,077,594.)	628,836.	1,706,430.
Fund balance, July 1	2,122,497.		2,122,497.	2,122,497.	
Fund balance, June 30	\$ 1,563,483.	\$(518,580.)	\$ 1,044,903.	\$ 2,751,333.	\$ 1,706,430.
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				297,930.	
Maintenance Reserve				328,481.	
Excess Surplus-Designated for Subsequent Year's Expenditures				596,343.	
Excess Surplus-Current Year				670,835.	
Assigned Fund Balance:					
Year-end encumbrances				433,211.	
Unassigned Fund Balance				424,533.	
				<u>2,751,333.</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Less State Aid Payment not Recognized on GAAP Basis				(1,107,901.)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,643,432.</u>	

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal sources:					
Education Jobs Fund	\$ 420,286.	\$	\$ 420,286.	\$ 420,286.	\$
Total federal sources	420,286.	0.	420,286.	420,286.	0.
Total revenues	420,286.	0.	420,286.	420,286.	0.
EXPENDITURES:					
General current expense:					
Regular Programs-Instruction	390,419.		390,419.	390,419.	
Salaries of teachers	390,419.	0.	390,419.	390,419.	0.
Total regular programs-instruction					
Unallocated benefits:					
Other employee benefits	29,867.		29,867.	29,867.	
Total unallocated benefits	29,867.	0.	29,867.	29,867.	0.
Total expenditures	420,286.	0.	420,286.	420,286.	0.
Excess (deficiency) of revenues over (under) expenditures	0.	0.	0.	0.	0.
Fund balances, July 1	0.	0.	0.	0.	0.
Fund balances, June 30	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

CUMBERLAND REGIONAL BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources	\$ 5,704.	\$	\$ 5,704.	\$ 3,963.	\$(1,741.)
State sources	10,012.		10,012.	2,500.	(7,512.)
Federal sources	718,860.		718,860.	690,788.	(28,072.)
Total revenues	734,576.	0.	734,576.	697,251.	(37,325.)
EXPENDITURES:					
Instruction:					
Salaries of teachers	325,150.		325,150.	296,831.	28,319.
Purchased professional & technical services	52,304.		52,304.	45,679.	6,625.
Tuition	16,000.		16,000.	16,000.	
Other purchased services	11,698.		11,698.	2,500.	9,198.
General supplies	85,514.		85,514.	87,126.	(1,612.)
Other objects	14,197.		14,197.	10,566.	3,631.
Total instruction	504,863.	0.	504,863.	458,702.	46,161.
Support Services:					
Salaries of other professional staff	30,000.		30,000.	30,000.	
Other salaries	45,928.		45,928.	49,204.	(3,276.)
Personal services - employee benefits	77,630.		77,630.	77,630.	
Purchased prof/educ services	38,389.		38,389.	36,417.	1,972.
Other purchased services	25,717.		25,717.	27,837.	(2,120.)
Supplies & materials	12,049.		12,049.	17,461.	(5,412.)
Total support services	229,713.	0.	229,713.	238,549.	(8,836.)
Total expenditures	734,576.	0.	734,576.	697,251.	37,325.
Total outflows	734,576.	0.	734,576.	697,251.	37,325.
Excess (deficiencies) of revenues over/(under) expenditures and other financing sources (uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

CUMBERLAND REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	\$ 21,311,718.	\$ 697,251.
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	117,615.
Less: Current year encumbrance	N/A	(25,720.)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	1,053,039.	0.
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).	(1,107,901.)	0.
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 21,256,856.	\$ 789,146.
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,682,882.	\$ 697,251.
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	117,615.
Less: Current year encumbrance	N/A	(25,720.)
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	80,693.	0.
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 20,763,575.	\$ 789,146.

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, 2012

	Title I Part A	Title I, Part A SIA	Title I, Part A ARRA	Title II Part A	Title II Part D	I.D.E.A. Part B
Revenues:						
Local sources	\$	\$	\$	\$	\$	\$
State sources	281,094.	499.	1,549.	42,084.	149.	297,648.
Federal sources	\$ 281,094.	\$ 499.	\$ 1,549.	\$ 42,084.	\$ 149.	\$ 297,648.
Total revenues						
Expenditures:						
Instruction:						
Salaries of teachers	\$ 168,496.	\$	\$	\$	\$	\$ 128,335.
Purchased prof/educ. serv.	13,304.					22,400.
Other purchased services						16,000.
Tuition	32,613.	499.	1,116.		149.	21,537.
General supplies						2,684.
Other objects						
Total instruction	214,413.	499.	1,116.	0.	149.	190,956.
Support services:						
Salaries of other prof staff						30,000.
Other salaries				15,204.		30,000.
Personal serv-employ bene	33,782.			3,542.		40,000.
Purchased prof/educ. serv.	32,899.			827.		
Other purchased services				9,696.		4,335.
Supplies and materials			433.	12,815.		2,357.
Total support services	66,681.	0.	433.	42,084.	0.	106,692.
Total expenditures	\$ 281,094.	\$ 499.	\$ 1,549.	\$ 42,084.	\$ 149.	\$ 297,648.

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

	I.D.E.A. Part B ARRA	Perkins Vocational	NJ Dept. Agriculture	NJSBAIG Safety Grant	Other Local Grant	Totals 2012
Revenues:						
Local sources	\$	\$	\$	\$ 2,691.	\$ 1,272.	\$ 3,963.
State sources			2,500.			2,500.
Federal sources	23,646.	44,119.				690,788.
Total revenues	\$ 23,646.	\$ 44,119.	\$ 2,500.	\$2,691.	\$1,272.	\$697,251.
Expenditures:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$ 296,831.
Purchased prof/educ. serv.	6,508.	3,467.				45,679.
Other purchased services			2,500.			2,500.
Tuition						16,000.
General supplies	4,085.	26,827.			300.	87,126.
Other objects	2,897.	4,985.				10,566.
Total instruction	13,490.	35,279.	2,500.	0.	300.	458,702.
Support services:						
Salaries of other prof staff						30,000.
Other salaries		4,000.				49,204.
Personal serv-employ bene		306.				77,630.
Purchased prof/educ. serv.				2,691.		36,417.
Other purchased services	9,272.	4,534.				27,837.
Supplies and materials	884.				972.	17,461.
Total support services	10,156.	8,840.	0.	2,691.	972.	238,549.
Total expenditures	\$ 23,646.	\$ 44,119.	\$ 2,500.	\$2,691.	\$1,272.	\$697,251.

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, 2012

Revenues and Other Financing Sources:	
Interest	\$ 447,802.
Total revenues	<u>447,802.</u>
Expenditures and Other Financing Uses:	
Purchased professional/technical services	140,449.
Construction in progress	<u>1,659,977.</u>
Total expenditures	<u>1,800,426.</u>
Excess (deficiency) of revenues over (under) expenditures	(1,352,624.)
Other financing sources (uses):	
Transfers in	0.
Transfers out	<u>(447,802.)</u>
Net change in fund balance	(1,800,426.)
Fund balance - beginning	<u>6,546,000.</u>
Fund balance - ending	<u><u>\$ 4,745,574.</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, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SCC Grant	\$ 27,175,540.	\$	\$ 27,175,540.	\$ 27,175,540.
Bond proceeds	6,877,404.		6,877,404.	6,877,404.
Total revenues	<u>34,052,944.</u>	<u>0.</u>	<u>34,052,944.</u>	<u>34,052,944.</u>
Expenditures and Other Financing Uses:				
Construction in progress	33,838,997.		33,838,997.	
Purchased professional & technical services				1,882,427.
Land and improvements				1,533,030.
Construction services				28,779,962.
Equipment purchases				1,857,525.
Total expenditures	<u>33,838,997.</u>	<u>0.</u>	<u>33,838,997.</u>	<u>34,052,944.</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 213,947.</u>	<u>\$ 0.</u>	<u>\$ 213,947.</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	\$ 18,129,240.			
Revised Authorized Cost	\$ 34,052,944.			
Percentage Increase Over Original Authorized Cost	138.51%			
Percentage Completion	99.37%			
Original Target Completion Date	Unknown			
Revised Target Completion Date	Unknown			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SCC Grant	\$ 3,482,972.	\$	\$ 3,482,972.	\$ 3,482,972.
Bond proceeds	2,058,618.		2,058,618.	2,058,618.
Total revenues	<u>5,541,590.</u>	<u>0.</u>	<u>5,541,590.</u>	<u>5,541,590.</u>
Expenditures and Other Financing Uses:				
Purchased professional & technical services	234,320.	20,196.	254,516.	749,600.
Construction services	3,245,262.	1,077,574.	4,322,836.	4,791,990.
Total expenditures	<u>3,479,582.</u>	<u>1,097,770.</u>	<u>4,577,352.</u>	<u>5,541,590.</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 2,062,008.</u>	<u>\$(1,097,770.)</u>	<u>\$ 964,238.</u>	<u>\$ 0.</u>
Additional project information:				
Project Number	0997-030-09-2001			
Grant Date	06/10/10			
Bond Authorization Date	08/18/10			
Bonds Authorized	\$ 2,058,618.			
Bonds Issued	09/02/10			
Original Authorized Cost	\$ 5,541,590.			
Additional Authorized Cost	\$ 0.			
Revised Authorized Cost	\$ 5,541,590.			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	82.60%			
Original Target Completion Date	08/31/11			
Revised Target Completion Date	08/31/12			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Transfer from general fund	\$ 151.	\$	\$ 151.	\$ 151.
Bond proceeds	4,418,382.		4,418,382.	4,418,382.
Total revenues	4,418,533.	0.	4,418,533.	4,418,533.
Expenditures and Other Financing Uses:				
Purchased professional & technical services	148,488.	120,253.	268,741.	569,633.
Construction services				448,900.
Equipment purchases		582,403.	582,403.	3,400,000.
Total expenditures	148,488.	702,656.	851,144.	4,418,533.
Excess (deficiency) or revenues over (under) expenditures	\$ 4,270,045.	\$(702,656.)	\$ 3,567,389.	\$ 0.
Additional project information:				
Project Number	0997-030-09-1000			
Grant Date	06/10/10			
Bond Authorization Date	08/18/10			
Bonds Authorized	\$ 4,418,382.			
Bonds Issued	09/02/10			
Original Authorized Cost	\$ 4,418,533.			
Additional Authorized Cost	\$ 0.			
Revised Authorized Cost	\$ 4,418,533.			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	19.26%			
Original Target Completion Date	08/31/11			
Revised Target Completion Date	08/31/12			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2012

Description	Revised Appropriations	Expenditures to Date Prior Year	Current Year	Unexpended Balance June 30, 2012
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.	\$ 34,052,944.	\$ 33,838,997.	\$ 0.	\$ 213,947.
0997-030-09-2001 Roof Replacement Project	5,541,590.	3,479,582.	1,097,770.	964,238.
0997-030-09-1000 Solar Project	4,418,533.	148,488.	702,656.	3,567,389.
Total	<u>\$ 44,013,067.</u>	<u>\$ 37,467,067.</u>	<u>\$ 1,800,426.</u>	<u>\$ 4,745,574.</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 195,465.
Accounts receivable:	
State	308.
Federal	12,992.
Interfund	3,444.
Inventories	11,610.
Total current assets	223,819.
Fixed assets:	
Equipment	214,994.
Accumulated depreciation	(110,696.)
Total fixed assets	104,298.
Total assets	\$ 328,117.
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 105,423.
Total current liabilities	105,423.
Total liabilities	105,423.
NET ASSETS:	
Invested in capital assets	104,298.
Unrestricted	118,396.
Total net assets	\$ 222,694.

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

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs	\$ 158,962.
Daily sales-nonreimbursable programs	182,738.
	<hr/>
Total operating revenues	341,700.
	<hr/>
OPERATING EXPENSES:	
Cost of sales	249,549.
Salaries	210,587.
Employee benefits	49,759.
Management fee	50,985.
General supplies	44,481.
Repairs and maintenance	1,418.
Office expense	1,615.
Energy	38,102.
Depreciation	8,890.
Miscellaneous	28,928.
	<hr/>
Total operating expenses	684,314.
	<hr/>
Operating income/(loss)	(342,614.)
Nonoperating revenues:	
State sources:	
State school lunch program	6,689.
Federal sources:	
National school breakfast program	51,856.
National school lunch program	209,737.
Food distribution program	33,868.
Interest on investments	1,537.
	<hr/>
Total nonoperating revenues	303,687.
	<hr/>
Change in net assets	(38,927.)
Net assets - July 1	261,621.
	<hr/>
Net assets - June 30	<u>\$ 222,694.</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 341,701.
Cash payments to suppliers	<u>(585,001.)</u>
Net cash provided (used) by operating activities	<u>(243,300.)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	7,253.
Federal sources	298,884.
Interfund transfer	<u>(3,420.)</u>
Interest on investments	1,536.
Net cash provided by noncapital financing activities	<u>304,253.</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of equipment	<u>(18,514.)</u>
Net cash provided by financing activities	<u>(18,514.)</u>
Net increase/(decrease) in cash and cash equivalents	42,439.
Cash and cash equivalents - July 1,	<u>153,026.</u>
Cash and cash equivalents - June 30,	<u>\$ 195,465.</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:	
Operating income/(loss)	\$(342,614.)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation expense	8,890.
Federal commodities	33,868.
Change in assets and liabilities:	
(Increase)/decrease in inventory	(2,670.)
Increase/(decrease) in accounts payable	<u>59,226.</u>
Net cash provided by (used) by operating activities	<u>\$ (243,300.)</u>

INTERNAL SERVICE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	Curriculum Consortium Internal Service Fund	Total
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 758.	\$ 758.
Total current assets	758.	758.
Total assets	\$ 758.	\$ 758.
LIABILITIES:		
Total liabilities	0.	0.
NET ASSETS:		
Unrestricted	758.	758.
Total net assets	\$ 758.	\$ 758.

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, 2012

	Curriculum Consortium Internal Service Fund	Total
OPERATING REVENUES:		
Charges for services	\$ 2,550.	\$ 2,550.
Total operating revenues	2,550.	2,550.
OPERATING EXPENSES:		
Purchased services	5,049.	5,049.
Total operating expenses	5,049.	5,049.
Operating income/(loss)	(2,499.)	(2,499.)
Change in net assets	(2,499.)	(2,499.)
NET ASSETS - JULY 1	3,257.	3,257.
NET ASSETS - JUNE 30	\$ 758.	\$ 758.

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Curriculum Consortium Internal Service Fund	Total
	<u>Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 2,550.	\$ 2,550.
Payments to suppliers	(5,049.)	(5,049.)
	<u>(2,499.)</u>	<u>(2,499.)</u>
Net cash provided (used) by operating activities	(2,499.)	(2,499.)
Net increase/(decrease) in cash and cash equivalents	(2,499.)	(2,499.)
Cash and cash equivalents - July 1	3,257.	3,257.
Cash and cash equivalents - June 30	<u>\$ 758.</u>	<u>\$ 758.</u>
Reconciliation of operating income/(loss)		
to net cash provided/(used) by operating activities		
Operating income/(loss)	\$(2,499.)	\$(2,499.)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Increase/(decrease) in deferred revenue	0.	0.
	<u>0.</u>	<u>0.</u>
Net cash provided (used in) operating activities	<u>\$(2,499.)</u>	<u>\$(2,499.)</u>

FIDUCIARY FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2012

	Student Activity	Payroll/Agency	Private Purpose Scholarship Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash and cash equivalents	\$ 152,991.	\$ 15,073.	\$ 7,923.	\$ 92,801.	\$ 268,788.
Investments			2,297.		2,297.
Due from Scholarship Fund	300.				300.
Due from Unemployment		606.			606.
Total assets	\$ 153,291.	\$ 15,679.	\$ 10,220.	\$ 92,801.	\$ 271,991.
LIABILITIES:					
Due to student groups	\$ 153,291.	\$	\$	\$	\$ 153,291.
Interfund payable		2,689.			2,689.
Due to payroll withholdings		12,990.			12,990.
Due to Agency				606.	606.
Due to Student Activity Fund			300.		300.
Total liabilities	\$ 153,291.	\$ 15,679.	\$ 300.	\$ 606.	\$ 169,876.
Net assets	0.	0.	9,920.	92,195.	102,115.
Total net assets	\$ 0.	\$ 0.	\$ 9,920.	\$ 92,195.	\$ 102,115.

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Plan member	\$ 16,382.	\$	\$ 16,382.
Other		1,100.	1,100.
Total contributions	<u>16,382.</u>	<u>1,100.</u>	<u>17,482.</u>
Investment earnings:			
Interest	155.	68.	223.
Net investment earnings	<u>155.</u>	<u>68.</u>	<u>223.</u>
Total additions	<u>16,537.</u>	<u>1,168.</u>	<u>17,705.</u>
DEDUCTIONS:			
Scholarships awarded		1,800.	1,800.
Other	959.		959.
Unemployment claims	16,465.		16,465.
Total deductions	<u>17,424.</u>	<u>1,800.</u>	<u>19,224.</u>
Change in net assets	(887.)	(632.)	(1,519.)
NET ASSETS, JULY 1	<u>93,082.</u>	<u>10,552.</u>	<u>103,634.</u>
NET ASSETS, JUNE 30	<u>\$ 92,195.</u>	<u>\$ 9,920.</u>	<u>\$ 102,115.</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Cash Balance July 1, 2011	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2012
Cumberland Regional High School	\$ 125,456.	\$ 404,103.	\$ 376,568.	\$ 152,991.
Total	\$ 125,456.	\$ 404,103.	\$ 376,568.	\$ 152,991.

CUMBERLAND REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	\$(12,092.)	\$ 12,312,341.	\$ 12,285,176.	\$ 15,073.
Due from General	24,793.		24,793.	
Due from employee	600.		600.	
Due from Unemployment		606.		606.
Total assets	\$ 13,301.	\$ 12,312,947.	\$ 12,310,569.	\$ 15,679.
LIABILITIES:				
Net payroll	\$(4,274.)	\$ 6,884,645.	\$ 6,880,371.	\$
Payroll deductions and withholdings	15,583.	5,425,613.	5,428,206.	12,990.
Interfund payable		2,689.		2,689.
Due to Unemployment	1,992.		1,992.	
Total liabilities	\$ 13,301.	\$ 12,312,947.	\$ 12,310,569.	\$ 15,679.

LONG-TERM DEBT

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Improvements to Cumberland Regional High School	4/1/1998	\$ 1,948,000.	4/1/2013	\$ 158,000.	4.700%	\$ 318,000.	\$	\$ 160,000.	\$ 158,000.
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.	4/15/12-23 4/15/2024	370,000. 367,000.	3.625%-4.350% 4.400%	4,807,000.		370,000.	4,437,000.
Roof replacement and solar energy project	9/1/2010	6,477,000.	3/1/2013 3/1/2014 3/1/2015 3/1/2016 3/1/2017 3/1/2018 3/1/2019 3/1/2020 3/1/2021 3/1/2022 3/1/2023 3/1/2024 3/1/2025 3/1/2026	300,000. 300,000. 325,000. 340,000. 365,000. 400,000. 425,000. 450,000. 475,000. 500,000. 550,000. 550,000. 600,000. 597,000.	2.000% 2.250% 2.250% 2.250% 2.500% 2.500% 2.500% 3.000% 3.000% 3.000% 3.000% 3.125% 3.250% 3.375%	6,477,000.	0.	300,000.	6,177,000.
Total						\$11,602,000.	\$0.	\$830,000.	\$10,772,000.

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 664,875.	\$	\$ 664,875.	\$ 664,875.	\$
State sources:					
Debt service aid - type II	290,179.		290,179.	290,179.	
Total revenues	955,054.	0.	955,054.	955,054.	0.
EXPENDITURES:					
Regular debt service:					
Interest	478,443.		478,443.	478,443.	
Redemption of principal	830,000.		830,000.	830,000.	
Total regular debt service	1,308,443.	0.	1,308,443.	1,308,443.	0.
Total expenditures	1,308,443.	0.	1,308,443.	1,308,443.	0.
Excess (deficiency) of revenues over (under) expenditures	(353,389.)		(353,389.)	(353,389.)	
Other financing sources (uses):					
Transfers from Capital Project Fund	344,717.		344,717.	367,109.	22,392.
Fund balance, July 1	55,673.	0.	55,673.	55,673.	0.
Fund balance, June 30	\$ 47,001.	\$ 0.	\$ 47,001.	\$ 69,393.	\$ 22,392.

STATISTICAL SECTION

FINANCIAL TRENDS

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

	FISCAL YEAR ENDING JUNE 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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.	\$ 31,768,032.	\$ 35,222,943.	\$ 31,129,007.	\$ 32,000,537.
Restricted	13,906.	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.	1,738,805.	578,217.	6,808,606.	5,819,179.
Unrestricted	(2,935.)	(37,069.)	(370,430.)	932,499.	(124,603.)	(266,411.)	(1,118,269.)	39,079.	(1,088,440.)	(529,502.)
Total governmental activities net assets	\$ 6,795,132.	\$ 7,059,513.	\$ 16,108,918.	\$ 17,127,289.	\$ 14,597,427.	\$ 27,618,094.	\$ 32,388,568.	\$ 35,840,239.	\$ 36,849,173.	\$ 37,290,214.
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 9,214.	\$ 7,167.	\$ 5,120.	\$ 3,073.	\$ 85,141.	\$ 83,138.	\$ 77,004.	\$ 86,554.	\$ 94,674.	\$ 104,298.
Unrestricted	59,654.	91,303.	104,030.	159,962.	102,507.	127,313.	185,753.	216,392.	166,947.	118,396.
Total business-type activities net assets	\$ 68,868.	\$ 98,470.	\$ 109,150.	\$ 163,035.	\$ 187,648.	\$ 210,451.	\$ 262,757.	\$ 302,946.	\$ 261,621.	\$ 222,694.
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.	\$ 31,845,036.	\$ 35,309,497.	\$ 31,223,681.	\$ 32,104,835.
Restricted	13,906.	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.	1,738,805.	578,217.	6,808,606.	5,819,179.
Unrestricted	56,719.	54,244.	(266,400.)	1,092,461.	(22,096.)	(139,098.)	(932,516.)	255,471.	(921,493.)	(411,106.)
Total District Net Assets	\$ 6,864,000.	\$ 7,157,983.	\$ 16,218,068.	\$ 17,290,324.	\$ 14,785,075.	\$ 27,828,545.	\$ 32,651,325.	\$ 36,143,185.	\$ 37,110,794.	\$ 37,512,908.

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction:										
Regular	\$ 5,721,677.	\$ 5,955,965.	\$ 6,577,041.	\$ 6,210,763.	\$ 6,684,655.	\$ 6,574,338.	\$ 6,866,395.	\$ 7,076,450.	\$ 7,230,958.	\$ 6,718,516.
Special education	741,801.	847,366.	827,615.	902,063.	984,507.	1,029,619.	1,080,884.	1,060,733.	966,272.	1,524,815.
Other special instruction	593,769.	7,933.	111,533.	106,833.	88,847.	110,087.	140,855.	141,838.	120,132.	117,980.
Other instruction		564,297.	689,117.	587,760.	613,073.	601,667.	614,723.	857,358.	970,277.	754,075.
Support Services:										
Tuition	867,385.	1,461,788.	980,614.	1,193,815.	1,478,707.	1,680,257.	1,861,021.	1,820,801.	1,852,404.	1,936,348.
Student & instruction related services	1,049,626.	1,076,975.	1,073,146.	1,123,703.	1,326,831.	1,218,117.	1,513,717.	1,809,532.	1,645,759.	1,775,396.
School administrative services	804,351.	937,650.	835,610.	946,444.	1,026,127.	1,018,786.	1,041,338.	1,050,667.	1,061,442.	1,090,146.
General & business administrative services	615,706.	661,300.	825,830.	785,093.	770,059.	764,760.	755,022.	878,492.	994,290.	1,043,852.
Plant operations & maintenance	1,527,205.	1,438,307.	1,452,562.	1,544,137.	1,708,201.	1,649,149.	1,883,236.	2,106,751.	2,154,245.	2,133,769.
Pupil transportation	1,104,260.	1,133,878.	1,306,972.	1,444,504.	1,467,968.	1,658,630.	1,839,592.	1,800,206.	1,746,441.	1,693,695.
Employee benefits	2,526,183.	2,869,596.	3,140,595.	3,335,934.	4,046,141.	4,220,554.	3,858,617.	3,928,212.	4,190,953.	4,367,967.
Debt Service Assessment						131,575.			251,888.	148,479.
Claim cost										
Special schools	3,269.				18,491.	18,938.	16,060.		493.	5,049.
Internal Service Fund					356,480.	305,850.	291,554.	245,632.	380,703.	382,352.
Interest on long-term debt	204,428.	182,094.	424,225.	391,596.		3,944.	3,994.	3,994.	5,941.	7,938.
Amortization of debt issuance cost										
Unallocated depreciation	101,993.									
Total governmental activities	15,861,653.	17,137,149.	18,244,860.	18,572,645.	20,570,087.	20,986,271.	21,767,008.	22,780,666.	23,572,198.	23,700,377.
Business-type activities:										
Food service	387,521.	418,460.	475,444.	531,170.	540,389.	564,083.	549,049.	561,555.	666,456.	684,314.
Total business-type activities expense	387,521.	418,460.	475,444.	531,170.	540,389.	564,083.	549,049.	561,555.	666,456.	684,314.
Total district expenses	\$ 16,249,174.	\$ 17,555,609.	\$ 18,720,304.	\$ 19,103,815.	\$ 21,110,476.	\$ 21,550,354.	\$ 22,316,057.	\$ 23,342,221.	\$ 24,238,654.	\$ 24,384,691.
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 147,027.	\$ 651,571.	\$ 119,441.	\$ 36,006.	\$ 146,620.	\$ 157,740.	\$ 154,268.	\$ 133,808.	\$ 136,814.	\$ 109,822.
Pupil transportation	20,000.	30,000.	144,642.	150,656.	20,528.	22,645.	1,800.	1,800.	1,950.	2,550.
Central and other support services	598,161.	738,238.	830,599.	985,790.	1,530,794.	1,594,561.	1,121,507.	1,149,409.	1,138,101.	1,405,498.
Operating grants & contributions										
Total governmental activities program revenues	765,188.	1,559,757.	1,094,682.	1,172,452.	1,697,942.	1,774,946.	1,275,775.	1,285,017.	1,276,865.	1,517,870.

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Food service	\$ 272,000.	\$ 298,263.	\$ 311,763.	\$ 347,962.	\$ 353,456.	\$ 358,549.	\$ 361,801.	\$ 325,654.	\$ 342,363.	\$ 341,700.
Operating grants & contributions	113,717.	127,800.	144,142.	209,768.	211,546.	228,337.	238,567.	274,371.	281,119.	302,150.
Total business type activities program revenues	385,717.	426,063.	455,905.	557,730.	565,002.	586,886.	600,368.	600,025.	623,482.	643,850.
Total district program revenues	\$ 1,150,905.	\$ 1,985,820.	\$ 1,550,587.	\$ 1,730,182.	\$ 2,262,944.	\$ 2,361,832.	\$ 1,876,143.	\$ 1,885,042.	\$ 1,900,347.	\$ 2,161,720.
Net (Expense)/Revenue										
Governmental activities	\$(15,096,465.)	\$(15,577,392.)	\$(17,150,178.)	\$(17,400,193.)	\$(18,872,145.)	\$(19,211,325.)	\$(20,491,233.)	\$(21,495,649.)	\$(22,295,333.)	\$(22,182,507.)
Business-type activities	(1,804.)	7,603.	(19,539.)	26,560.	24,613.	22,803.	51,319.	38,470.	(42,974.)	(40,464.)
Total district-wide net expense	\$(15,098,269.)	\$(15,569,789.)	\$(17,169,717.)	\$(17,373,633.)	\$(18,847,532.)	\$(19,188,522.)	\$(20,439,914.)	\$(21,457,179.)	\$(22,338,307.)	\$(22,222,971.)
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.	\$ 7,594,435.	\$ 7,594,435.	\$ 7,369,435.	\$ 7,369,435.
Taxes levied for debt service	231,762.	233,327.	709,931.	674,421.	734,005.	778,712.	786,544.	790,194.	664,875.	664,875.
Grants and contributions	8,770,248.	9,569,991.	19,121,330.	10,495,773.	16,106,653.	23,110,167.	16,753,085.	16,430,771.	14,745,987.	14,016,810.
Tuition received		30,264.	26,040.	49,164.	58,533.	37,679.	6,818.			43,904.
Investment earnings	6,534.	23,853.	29,187.	58,174.	99,280.	53,535.	36,736.	35,059.	502,827.	476,043.
Miscellaneous income	83,793.	73,939.	74,924.	12,249.	18,518.	98,351.	62,141.	96,861.	21,143.	52,481.
Capital assets acquired by fiduciary fund				10,106.						
Donation of equipment from Student Activity Fund				(113,094.)			21,948.			
Adjustment to beginning accrued interest						(5,967.)				
Adjustment to fixed assets										
Transfers	2,320.	(33,541.)	(30,219.)	(27,325.)						
Total governmental activities	14,694,855.	15,841,773.	26,199,583.	18,418,564.	24,703,411.	32,166,912.	25,261,707.	24,947,320.	23,304,267.	22,623,548.
Business-type activities:										
Investment earnings		21,999.	30,219.	27,325.			987.	1,719.	1,649.	1,537.
Transfers										
Total business-type activities	0.	21,999.	30,219.	27,325.	0.	0.	987.	1,719.	1,649.	1,537.
Total district-wide	\$ 14,694,855.	\$ 15,863,772.	\$ 26,229,802.	\$ 18,445,889.	\$ 24,703,411.	\$ 32,166,912.	\$ 25,262,694.	\$ 24,949,039.	\$ 23,305,916.	\$ 22,625,085.
Change in net assets										
Governmental activities	\$(401,610.)	\$ 264,381.	\$ 9,049,405.	\$ 1,018,371.	\$ 5,831,266.	\$ 12,955,587.	\$ 4,770,474.	\$ 3,451,671.	\$ 1,008,934.	\$ 441,041.
Business-type activities	(1,804.)	29,602.	10,680.	53,885.	24,613.	22,803.	52,306.	40,189.	(41,325.)	(38,927.)
Total district	\$(403,414.)	\$ 293,983.	\$ 9,060,085.	\$ 1,072,256.	\$ 5,855,879.	\$ 12,978,390.	\$ 4,822,780.	\$ 3,491,860.	\$ 967,609.	\$ 402,114.

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 18,626.	\$ 240,077.	\$ 301,341.	\$ 999,310.	\$ 743,958.	\$ 968,873.	\$ 1,729,568.	\$ 1,616,220.	\$ 1,720,890.	\$ 2,326,800.
Unreserved	304,755.	322,327.	24,870.	265,360.	217,714.	136,443.	(732,586.)	(639,302.)	(651,432.)	(683,368.)
Total general fund	\$ 323,381.	\$ 562,404.	\$ 326,211.	\$ 1,264,670.	\$ 961,672.	\$ 1,105,316.	\$ 996,982.	\$ 976,918.	\$ 1,069,458.	\$ 1,643,432.
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.			(28,993.)	5,036,006.	3,925,590.
Debt service fund	1.	2,363.	39,626.	38,558.	2,713.	3,263.	9,237.	17,909.	55,673.	69,393.
Permanent fund	11,542.									
Total all other governmental funds	\$ 7,978.	\$ 6,862,639.	\$ 14,833,545.	\$ 14,752,941.	\$ 4,441,252.	\$(8,595.)	\$ 9,237.	\$(11,084.)	\$ 5,091,679.	\$ 3,994,983.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 5,831,960.	\$ 6,177,267.	\$ 6,978,321.	\$ 7,933,517.	\$ 8,420,427.	\$ 8,873,147.	\$ 8,380,979.	\$ 8,384,629.	\$ 8,034,310.	\$ 8,034,310.
Tuition charges		30,264.	26,040.	49,164.	58,533.	37,679.	6,818.			43,904.
Transportation fees	147,027.	139,948.	144,642.	150,656.	146,620.	157,740.	154,268.	133,808.	136,814.	109,822.
Interest earnings	6,534.	23,853.	29,187.	58,174.	99,280.	53,535.	36,736.	35,059.	502,827.	476,043.
Miscellaneous	83,793.	73,939.	74,924.	12,249.	18,518.	98,351.	62,141.	96,861.	21,143.	52,481.
State sources	8,825,020.	9,655,688.	19,446,828.	10,942,342.	17,145,660.	24,180,355.	17,325,050.	14,883,593.	14,850,458.	14,189,903.
Federal sources	543,389.	652,541.	505,101.	539,221.	491,787.	524,373.	549,542.	2,696,586.	1,033,630.	1,232,405.
Total revenue	15,437,723.	16,753,500.	27,205,043.	19,685,323.	26,380,825.	33,925,180.	26,515,534.	26,230,536.	24,579,182.	24,138,868.
Expenditures										
Instruction:										
Regular instruction	5,397,371.	5,700,600.	6,269,129.	5,928,616.	6,417,331.	6,347,172.	6,639,472.	6,487,744.	6,283,699.	5,712,050.
Special education instruction	704,486.	847,366.	827,315.	902,063.	984,507.	1,029,619.	1,080,884.	1,060,733.	966,272.	1,341,821.
Other special instruction	67,253.	7,933.	111,533.	106,833.	88,847.	110,087.	140,855.	141,838.	120,132.	117,980.
School sponsored/other instruction	526,516.	564,297.	628,023.	536,461.	564,469.	560,364.	573,464.	750,321.	798,048.	754,075.
Support Services:										
Tuition	867,385.	810,217.	872,726.	1,193,815.	1,478,707.	1,680,257.	1,861,021.	1,820,801.	1,852,404.	1,936,348.
Student & instruction related services	1,047,491.	849,131.	1,061,593.	1,095,060.	1,326,831.	1,218,117.	1,513,717.	1,809,532.	1,645,759.	1,775,396.
General administration	305,542.	362,656.	373,151.	720,969.	709,303.	377,841.	353,494.	361,529.	393,757.	426,861.
School administration services	801,129.	829,441.	878,666.	882,320.	965,371.	967,157.	989,764.	916,870.	846,156.	861,404.
Central services			246,805.			225,730.	237,806.	260,691.	265,766.	266,763.
Administration information tech						109,560.	112,148.	122,475.	119,481.	121,486.
Plant operations & maintenance	1,592,916.	1,429,709.	1,450,280.	1,500,144.	1,659,597.	1,607,847.	1,841,978.	1,999,714.	1,982,016.	1,950,775.
Pupil transportation	1,108,210.	1,146,491.	1,319,914.	1,458,290.	1,467,968.	1,658,630.	1,839,592.	1,800,206.	1,746,441.	1,693,695.
Other support services	228,989.	410,695.	10,450.							
Employee benefits	2,446,898.	2,847,401.	3,132,390.	3,360,904.	4,023,641.	4,168,079.	3,877,695.	3,952,824.	4,193,235.	4,374,546.
Claim cost						131,575.				
Special schools	3,269.									
Charter schools										
Capital outlay	27,761.	192,209.	1,285,911.	153,180.	7,898,775.	16,990,220.	4,496,303.	3,745,284.	3,887,161.	2,019,947.
Debt service:										
Principal	345,000.	345,000.	550,000.	560,000.	680,000.	715,000.	750,000.	780,000.	530,000.	830,000.
Interest & other charges	204,428.	182,094.	424,225.	399,488.	369,037.	334,128.	297,843.	260,359.	230,552.	478,443.
Total expenditures	15,674,644.	16,525,240.	19,442,111.	18,798,143.	28,634,384.	38,231,383.	26,606,036.	26,270,921.	25,860,879.	24,661,590.

CUMBERLAND REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess (deficiency) of revenues over/(under) expenditures	\$ (236,921.)	\$ 228,260.	\$ 7,762,932.	\$ 887,180.	\$ (2,253,559.)	\$ (4,306,203.)	\$ (90,502.)	\$ (40,385.)	\$ (1,281,697.)	\$ (522,722.)
Other Financing Sources/(Uses):		6,877,000.							6,477,000.	
Proceeds from sale of bonds		21,965.								
Capital leases (non-budgeted)		20,637.	7,091.	932.	1,781.	1,482.	5,974.	8,823.	473,246.	447,802.
Transfers in	2,320.	(54,178.)	(37,310.)	(28,257.)	(1,781.)	(1,482.)	(5,974.)	(8,823.)	(473,246.)	(447,802.)
Transfers out										
Total other financing sources/(uses)	2,320.	6,865,424.	(30,219.)	(27,325.)	0.	0.	0.	0.	6,477,000.	0.
Net change in fund balances	\$ (234,601.)	\$ 7,093,684.	\$ 7,732,713.	\$ 859,855.	\$ (2,253,559.)	\$ (4,306,203.)	\$ (90,502.)	\$ (40,385.)	\$ 5,195,303.	\$ (522,722.)
Debt Service as a Percentage of Noncapital Expenditures	3.51%	3.23%	5.37%	5.15%	5.06%	4.94%	4.74%	4.62%	3.46%	5.78%

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 Fees	Transport. Fees	Interest on Investments	Tuition	Prior Year Refunds	Game Receipts	Other	Total
2003	\$ 71,699.	\$ 147,027.	\$ 6,003.	\$	\$ 2,437.	\$ 8,353.	\$ 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.
2009	6,818.	154,268.	30,762.		6,172.		52,495.	250,515.
2010		133,808.	26,387.				86,407.	246,602.
2011		136,814.	29,644.				14,076.	180,534.
2012		109,822.	28,241.	43,904.			48,518.	230,485.

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	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%
	2008	183,451,765.	248,607,502.	73.79%
	2009	186,638,215.	231,679,673.	80.56%
	2010	185,633,978.	225,667,615.	82.26%
	2011	187,619,461.	224,370,817.	83.62%
Fairfield Township	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%
	2008	169,030,680.	290,722,820.	58.14%
	2009	170,519,800.	325,356,981.	52.41%
	2010	171,681,417.	317,234,116.	54.12%
	2011	321,041,461.	303,667,283.	105.72%
Greenwich Township	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%
	2008	63,006,214.	73,216,059.	90.46%
	2009	63,006,639.	74,274,473.	84.83%
	2010	63,075,566.	72,565,942.	86.92%
	2011	63,271,494.	69,359,566.	91.22%
Hopewell Township	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%
	2008	231,067,147.	366,986,033.	62.96%
	2009	232,402,044.	372,356,981.	62.41%
	2010	237,083,911.	366,880,823.	64.62%
	2011	236,624,009.	352,382,212.	67.15%

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	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%
	2008	19,412,258.	31,880,075.	60.89%
	2009	19,509,700.	38,337,607.	50.89%
	2010	19,510,575.	36,952,673.	52.80%
	2011	33,589,433.	32,213,091.	104.27%
Stow Creek Township	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%
	2008	79,845,215.	87,920,303.	90.82%
	2009	79,988,399.	113,537,433.	70.45%
	2010	80,216,486.	127,228,042.	63.05%
	2011	81,264,600.	119,487,463.	68.01%
Upper Deerfield Township	2002	380,351,093.	368,835,910.	103.12%
	2003	384,445,670.	394,538,896.	97.44%
	2004	391,223,338.	413,492,516.	94.61%
	2005	399,407,924.	464,315,523.	86.02%
	2006	414,074,483.	528,714,356.	78.32%
	2007	421,881,678.	588,207,884.	71.72%
	2008	433,113,262.	728,773,880.	59.43%
	2009	434,564,399.	757,247,096.	57.39%
	2010	419,994,185.	683,593,123.	61.44%
	2011	424,194,653.	696,056,777.	60.94%

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 (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Deerfield Township	Cumberland County		
2002	N/A	N/A	\$ 1.659	\$ 0.803	\$ 0.019	\$ 1.219	\$ 3.700
2003	N/A	N/A	1.835	0.783	0.020	1.284	3.922
2004	N/A	N/A	1.099	0.667	0.012	0.858	2.636
2005	N/A	N/A	1.181	0.677	0.012	0.996	2.866
2006	\$ 1.102	\$ 0.149	1.251	0.660	0.013	1.048	2.972
2007	N/A	N/A	1.291	0.567	0.010	1.059	2.927
2008	N/A	N/A	1.308	0.611	0.010	1.290	3.220
2009	N/A	N/A	1.295	0.526	0.011	1.116	2.948
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980
2011	N/A	N/A	1.336	0.542	0.050	1.147	3.075

Fiscal Year Ended June 30,	Fairfield Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Fairfield Township	Cumberland County		
2002	N/A	N/A	\$ 0.348	\$ 0.641	\$ 0.214	\$ 0.957	\$ 2.160
2003	N/A	N/A	0.365	0.649	0.214	0.999	2.227
2004	N/A	N/A	0.436	0.820	0.215	1.039	2.510
2005	N/A	N/A	0.479	0.832	0.221	1.141	2.673
2006	N/A	N/A	0.577	0.897	0.198	1.332	3.004
2007	N/A	N/A	0.606	0.948	0.412	1.451	3.417
2008	N/A	N/A	0.622	0.823	0.520	1.638	3.603
2009	N/A	N/A	0.623	0.866	0.545	1.707	3.741
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980
2011	N/A	N/A	0.378	0.434	0.375	0.896	2.083

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 Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Greenwich Township	Cumberland County	
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
2008	1.265	N/A	1.265	0.506	0.379	1.104	3.254
2009	1.289	N/A	1.289	0.475	0.410	1.054	3.228
2010	1.295	N/A	1.295	0.555	0.436	1.052	3.338
2011	1.245	N/A	1.245	0.527	0.446	1.052	3.270

Fiscal Year Ended June 30,	Hopewell 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.	Hopewell Township	Cumberland County	
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	0.120	1.267	3.496
2007	N/A	N/A	1.386	0.837	0.151	1.397	3.771
2008	N/A	N/A	1.395	0.759	0.193	1.512	3.859
2009	N/A	N/A	1.386	0.761	0.207	1.443	3.797
2010	N/A	N/A	1.470	0.659	0.217	1.415	3.761
2011	N/A	N/A	1.421	0.735	0.217	1.429	3.802

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	
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
2008	0.738	N/A	0.712	0.874	0.523	1.562	3.671
2009	0.708	N/A	0.708	0.976	0.533	1.765	3.982
2010	0.794	N/A	0.794	1.203	0.544	1.732	4.273
2011	0.552	N/A	0.552	0.488	0.316	0.922	2.278

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	
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
2008	N/A	N/A	1.046	0.523	0.177	1.048	2.795
2009	N/A	N/A	1.074	0.613	0.200	1.274	3.161
2010	N/A	N/A	1.084	0.742	0.211	1.411	3.448

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 District			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.	Deerfield Township	Cumberland County	
2002	\$ 0.953	\$ 0.011	\$ 0.964	\$ 0.547	N/A	\$ 0.924	\$ 2.435
2003	0.977	0.150	1.127	0.573	N/A	0.996	2.696
2004	1.143	0.114	1.257	0.595	N/A	1.026	2.878
2005	1.219	0.138	1.357	0.647	N/A	1.210	3.214
2006	1.256	0.129	1.385	0.714	N/A	1.326	3.425
2007	1.297	0.113	1.410	0.746	N/A	1.376	3.532
2008	1.329	0.114	1.443	0.739	N/A	1.601	3.783
2009	1.363	0.116	1.479	0.735	N/A	1.566	3.780
2010	1.419	0.123	1.542	0.707	N/A	1.467	3.716
2011	1.428	0.119	1.547	0.670	N/A	1.570	3.787

Source: Municipal Tax Collector

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

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

DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 5,486,300.		2.92%			
Pipitone Realty, LLC	2,153,500.		1.15%			
F&S Realty Assoc.	2,075,200.		1.11%			
Taxpayer 2	1,506,500.		0.80%			
LoBiondo Motor Express	1,262,600.		0.67%			
AJB Investments	1,067,500.		0.57%			
Taxpayer 3	947,300.		0.50%			
Verizon	805,199.		0.43%			
556 Irving Avenue	553,300.		0.29%			
Taxpayer 4	549,700.		0.29%			
Total	<u>\$ 16,407,099.</u>		<u>8.74%</u>	<u>\$ 0.</u>		<u>0.00%</u>

Information Not Available

Source: Municipal Tax Assessor

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
South State, Inc.	\$ 4,926,900.		1.53%	\$ 1,364,700.	3	0.87%
Tip's Trailer Park, Inc.	3,935,600.		1.23%			
Taxpayer 1	2,800,100.		0.87%			
Laning Bros. Farms, Inc.	2,522,600.		0.79%			
Cumberland Self Storage, LLC	2,132,900.		0.66%			
Milmer Corp.	2,031,300.		0.63%	2,169,900.	1	1.38%
Taxpayer 2	1,801,700.		0.56%			
T Zander & Sons, Inc., Profit Sharing	1,525,000.		0.48%			
Taxpayer 3	1,224,900.		0.38%			
Halka Nurseries, Inc.	1,165,200.		0.36%			
Bell Atlantic				1,442,356.	2	0.92%
Miza Pharmaceuticals, USA				883,400.	4	0.56%
CPM Developers				838,900.	5	0.53%
Exelon (PSEG)				697,600.	6	0.44%
Eagles Manor				614,700.	7	0.39%
Taxpayer 4				377,000.	8	0.24%
Sunoco, Inc.				334,400.	9	0.21%
Taxpayer 5				332,800.	10	0.21%
Total	\$ 24,066,200.		7.50%	\$ 9,055,756.		5.77%

Source: Municipal Tax Assessor

GREENWICH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
PSE&G	\$ 3,500,100.	1	5.53%	\$ 424,400.	5	1.18%
Arnold Gifford - Hancock Harbor	978,500.	2	1.55%			
Marvin Hitchner, III	957,900.	3	1.51%			
Taxpayer 1	894,800.	4	1.41%			
TJK Landholdings, LLC	798,100.	5	1.26%			
Taxpayer 2	746,200.	6	1.18%			
Taxpayer 3	582,900.	7	0.92%			
Taxpayer 4	575,600.	8	0.91%			
Taxpayer 5	497,300.	9	0.79%			
Taxpayer 6	472,500.	10	0.75%			
Conectiv				1,970,395.	1	5.47%
Taxpayer 7				593,200.	2	1.65%
Pete & Hitch Realty Co., Inc.				462,600.	3	1.28%
Taxpayer 8				454,300.	4	1.26%
Taxpayer 9				359,400.	6	1.00%
Taxpayer 10				336,700.	7	0.93%
Taxpayer 11				332,000.	8	0.92%
Bell Atlantic				290,481.	9	0.81%
Taxpayer 13				281,300.	10	0.78%
Total	\$ 10,003,900.		15.81%	\$ 5,504,776.		15.28%

Source: Municipal Tax Assessor

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Cumberland Mutual Fire Ins. Co.	\$ 5,486,700.	1	2.32%	\$ 2,450,200.	1	1.13%
Sunny Slope Farms of NJ	1,758,300.	2	0.74%	1,758,300.	2	0.81%
Solavista LLC	1,256,200.	3	0.53%			
ACM Realty LLC	1,218,000.	4	0.51%			
Taxpayer 2	1,014,200.	5	0.43%			
Rosypal	924,200.	6	0.39%			
Blue Sterling Nursery LLC	835,200.	7	0.35%			
Cottages at Dutch Neck Village, LLC	759,500.	8	0.32%			
Verizon	621,609.	9	0.26%			
Taxpayer 3	611,700.	10	0.26%			
Taxpayer 4				1,372,700.	3	0.63%
Bell Atlantic				1,102,946.	4	0.51%
Taxpayer 5				845,600.	5	0.39%
Taxpayer 6				835,200.	6	0.38%
Taxpayer 7				704,000.	7	0.32%
CAM Realty Co				704,000.	8	0.32%
Taxpayer 8				688,900.	9	0.32%
D'Angelo & Brown				553,000.	10	0.25%
Total	\$ 14,485,609.		6.12%	\$ 11,014,846.		5.08%

Source: Municipal Tax Assessor

BOROUGH OF SHILOH
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 756,400.		2.25%			
Solavista, LLC	639,500.		1.90%			
Taxpayer 2	617,600.		1.84%			
Rima Neha Realty LLC	495,200.		1.47%			
Taxpayer 3	398,400.		1.19%			
DeWilde Farm Associates, LP	375,700.		1.12%			
Taxpayer 4	356,200.		1.06%			
Taxpayer 5	341,100.		1.02%			
Dr. John Gould	296,500.		0.88%			
Taxpayer 6	274,100.		0.82%			
Total	<u>\$ 4,550,700.</u>		<u>13.55%</u>	<u>\$ 0.</u>		<u>0.00%</u>

Information Not Available

Source: Municipal Tax Assessor

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 716,200.	1	0.88%			
Taxpayer 2	652,300.	2	0.80%			
Taxpayer 3	550,900.	3	0.68%			
Taxpayer 4	526,100.	4	0.65%			
Taxpayer 5	486,800.	5	0.60%			
Taxpayer 6	477,200.	6	0.59%			
Taxpayer 7	474,700.	7	0.58%			
Taxpayer 8	460,700.	8	0.57%			
Taxpayer 9	387,300.	9	0.48%			
Verizon	380,300.	10	0.47%			
NJ Bell Telephone				708,952.	1	0.97%
Taxpayer 10				668,400.	2	0.92%
Taxpayer 11				520,100.	3	0.71%
Taxpayer 12				474,500.	4	0.65%
Taxpayer 13				422,000.	5	0.58%
Taxpayer 14				406,800.	6	0.56%
Taxpayer 15				405,000.	7	0.55%
Taxpayer 16				332,700.	8	0.46%
Taxpayer 17				316,400.	9	0.43%
Taxpayer 18				289,800.	10	0.40%
Total	\$ 5,112,500.		6.29%	\$ 4,544,652.		6.23%

Source: Municipal Tax Assessor

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Cedar-Carll's Corner, LLC	\$ 7,400,800.	1	1.74%	\$ 6,236,000.	4	1.64%
KMT Properties, LLC	6,948,100.	2	1.64%			
Seabrook Bros. & Sons	4,507,300.	3	1.06%	15,822,700.	1	4.16%
Clement Papas Co., Inc.	4,466,700.	4	1.05%	8,625,100.	3	2.27%
Upper Deerfield Adult Living, LLC	4,355,000.	5	1.03%	4,355,000.	5	1.14%
Upper Deerfield Station LP	4,020,000.	6	0.95%			
Founders Realty III	4,000,000.	7	0.94%			
Bridgeton Realty Assoc., LLP	3,174,300.	8	0.75%			
Upper Deerfield Leasing, LLC	2,270,700.	9	0.54%			
WaWa	2,265,600.	10	0.53%			
Seabrook Associates				13,822,100.	2	3.63%
Gilmar Assoc.				4,240,900.	6	1.11%
Seabrook Housing Corp.				4,024,800.	7	1.06%
Atlantic Electric				1,993,500.	8	0.52%
NJ Bell Telephone				1,873,570.	9	0.49%
Perdue Farm, Inc.				1,872,300.	10	0.49%
Total	\$ 43,408,500.		10.23%	\$ 62,865,970.		16.53%

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	
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%	
2009	8,380,979.	8,380,979.	100.00%	
2010	8,384,629.	8,384,629.	100.00%	
2011	8,034,310.	8,034,310.	100.00%	
2012	8,034,310.	8,034,310.	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			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ 3,158,000.	\$	\$ 277,706.	\$	\$	\$ 3,435,706.	0.52%	\$ 138.
2004	9,690,000.		121,024.			9,811,024.	1.41%	387.
2005	9,140,000.		21,092.			9,161,092.	1.31%	358.
2006	8,580,000.		0.			8,580,000.	1.19%	336.
2007	7,900,000.		0.			7,900,000.	1.06%	307.
2008	7,185,000.		0.			7,185,000.	0.94%	277.
2009	6,435,000.		0.			6,435,000.	0.78%	246.
2010	5,655,000.		0.			5,655,000.	0.67%	215.
2011	11,602,000.		0.			11,602,000.	1.40%	476.
2012	10,772,000.		0.			10,772,000.	N/A	438.

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		
2003	\$ 3,158,000.	\$	\$ 3,158,000.	0.48%	\$ 126.
2004	9,690,000.		9,690,000.	1.39%	382.
2005	9,140,000.		9,140,000.	0.82%	357.
2006	8,580,000.		8,580,000.	0.75%	336.
2007	7,900,000.		7,900,000.	0.67%	307.
2008	7,185,000.		7,185,000.	0.61%	277.
2009	6,435,000.		6,435,000.	0.55%	246.
2010	5,655,000.		5,655,000.	0.48%	215.
2011	11,602,000.		11,602,000.	1.38%	476.
2012	10,772,000.		10,772,000.	N/A	438.

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, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Deerfield Township	\$ 270,000.	100%	\$ 270,000.
Deerfield Township School District	1,970,000.	100%	1,970,000.
Fairfield Township	3,632,894.	100%	3,632,894.
Fairfield Township School District	5,846,000.	100%	5,846,000.
Greenwich Township		100%	
Greenwich Township School District		100%	
Hopewell Township	594,625.	100%	594,625.
Hopewell Township School District	4,047,000.	100%	4,047,000.
Shiloh Borough	3,186.	100%	3,186.
Stow Creek Township		100%	
Stow Creek Township School District		100%	
Upper Deerfield Township	475,000.	100%	475,000.
Upper Deerfield Township School District	4,279,880.	100%	4,279,880.
Other Debt			
Cumberland County	67,721,951.	19.55%	13,241,673.
Cumberland County Improvement and Utilities Authority	81,740,000.	19.55%	15,980,170.
Subtotal, Overlapping Debt			50,340,428.
Cumberland Regional School District Direct Debt			<u>10,772,000.</u>
Total Direct & Overlapping Debt			<u><u>\$ 61,112,428.</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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 29,018,386.	\$ 30,459,595.	\$ 32,347,570.	\$ 26,861,341.	\$ 39,636,130.	\$ 45,672,123.	\$ 51,239,347.	\$ 54,482,678.	\$ 54,741,721.	\$ 53,141,120.
Total Net Debt Applicable to Limit	3,158,000.	9,690,000.	9,140,000.	8,580,000.	7,900,000.	7,185,000.	6,435,000.	5,655,000.	11,602,000.	10,772,000.
Legal Debt Margin	\$ 25,860,386.	\$ 20,769,595.	\$ 23,207,570.	\$ 18,281,341.	\$ 31,736,130.	\$ 38,487,123.	\$ 44,804,347.	\$ 48,827,678.	\$ 43,139,721.	\$ 42,369,120.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.88%	31.81%	28.26%	31.94%	19.93%	15.73%	12.56%	10.38%	21.19%	20.27%

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis

Deerfield Township	\$ 218,882,452.
Fairfield Township	313,376,630.
Greenwich Township	75,002,598.
Hopewell Township	352,211,239.
Shiloh Borough	35,029,187.
Stow Creek Township	118,006,516.
Upper Deerfield Township	658,862,047.
	<u>\$ 1,771,370,668.</u>

Total 3 year average equalized valuation of taxable property

Debt Limit (3 % of Average Equalization Value)	53,141,120. (a)
Total Net Debt Applicable to Limit	10,772,000.
Legal Debt Margin	<u>\$ 42,369,120.</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 NUSA 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)
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	767,117,283.	29,599.	6.50%
2008	26,158	829,757,918.	31,721.	8.00%
2009	26,333	839,417,041.	31,877.	12.70%
2010	24,396	827,195,172.	33,907.	10.00%
2011	24,592	N/A	N/A	11.50%

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

EXHIBIT J-15

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank (Optional)	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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
Regular	107	114	116	117	115	114	114	114	102	105
Other Instruction	22	24	24	25	25	22	25	25	25	21
Support Services:										
Student & Instruction Related Services	4	4	4	4	4	4	4	4	4	5
General Administration	9	9	8	8	9	9	9	10	10	10
Other Administrative Services	18	19	17	16	16	15	15	15	16	18
Administrative Information Technology	1	1	1	1	1	1	2	2	3	3
Plant Operations & Maintenance	15	14	14	14	14	17	14	13	14	14
Other Support Services	6	7	6	6	6	6	6	6	8	10
Total	182	192	190	191	190	188	189	189	182	186

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	Enrollment				
2003	1,241	\$ 15,097,455.	\$ 12,166.	(0.28)%	111.00	11.14	1,237	1,143	3.17%	92.40%	
2004	1,352	15,805,937.	11,691.	(3.90)%	111.00	11.81	1,311	1,215	5.98%	92.68%	
2005	1,410	17,181,975.	12,186.	4.23%	111.00	12.20	1,354	1,315	3.28%	97.12%	
2006	1,416	17,685,475.	12,490.	2.49%	113.00	12.12	1,369	1,273	1.11%	92.99%	
2007	1,378	19,686,472.	14,286.	14.38%	111.00	12.15	1,349	1,254	(1.46)%	92.96%	
2008	1,335	20,192,035.	15,125.	5.87%	110.00	11.84	1,302	1,213	(3.48)%	93.19%	
2009	1,343	21,061,890.	15,683.	3.69%	110.00	11.82	1,300	1,235	(0.15)%	95.00%	
2010	1,356	21,485,278.	15,845.	1.03%	110.00	11.13	1,224	1,138	(5.85)%	92.97%	
2011	1,330	21,213,166.	15,950.	0.66%	100.00	11.97	1,197	1,137	(2.21)%	95.00%	
2012	1,291	21,333,200.	16,525.	3.61%	105.00	11.80	1,239	1,163	3.51%	93.87%	

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Primary:</u>										
High School										
Square Feet	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690
Capacity (Students)	N/A									
Enrollment	1,241	1,352	1,410	1,486	1,486	1,375	1,322	1,429	1,238	1,291
<u>Other:</u>										
Administration Building										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Storage										
Square Feet	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Storage										
Square Feet	960	960	960	960	960	960	960	960	960	960

Number of Schools at June 30, 2012:

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 TEN FISCAL YEARS

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

*School Facilities	Cumberland	Total
Project #(s)	Regional	Total
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.
2009	169,174.	169,174.
2010	198,016.	198,016.
2011	174,865.	174,865.
2012	314,163.	314,163.
Total School Facilities	<u>\$ 1,603,651.</u>	<u>\$ 1,603,651.</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, 2012
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-Republic Franklin Insurance Co.		
Property-Blanket Building and Contents	\$59,880,760.	\$ 1,000.
Comprehensive General Liability	3,000,000.	
School District Legal Liability	1,000,000.	7,500.
Comprehensive Crime Coverage	25,000.	
Employee Benefits Program Liability	1,000,000.	1,000.
Commercial Inland Marine	913,864.	250.
Earthquake Changes	1,000,000.	25,000.
Flood Coverage	1,015,000.	25,000.
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.	
Student Accident - Berkley Life and Health Insurance Co.	1,000,000.	
Student Accident-Catastrophic Injury-Markel Insurance Co.	2,500,000.	25,000.
Catastrophic Excess Liability - Fireman's Fund	10,000,000.	
Bonds:		
Treasurer - Susan Robostello	225,000.	
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, 2012, and have issued our report thereon dated October 12, 2012. 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 and Regulatory Compliance, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-1

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 and Regulatory Compliance, 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 12, 2012.

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 12, 2012



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-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, 2012. 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 and Regulatory Compliance, 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey's OMB Circular 04-04 and which are described in the accompanying Schedule of Findings and Questioned Costs as Items 2012-01.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-2

Internal Control Over Compliance

The management of the Cumberland Regional School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cumberland Regional School District Board of Education's internal control over compliance with the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of 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 12, 2012

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance 6/30/2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Yrs Balances	Accounts Receivable	Balance at June 30, 2012 Deferred Revenue	Due to Grantor
U.S. Department of Education Passed													
General Fund:													
Education Jobs Fund	84.410	N/A	420,286	7/1/11-9/30/12	\$ (6,005)	\$	\$ 420,286	\$(420,286)	\$	\$	\$ (9,402)	\$	\$
Medical Assistance Program	93.778	N/A	29,436	7/1/11-6/30/12	(6,005)	0	26,039	(29,436)	0	0	(9,402)	0	0
Total General Fund							446,325	(449,722)	0	0	(9,402)	0	0
U.S. Department of Education Passed													
Through State Dept. of Education:													
Special Revenue Fund:													
Title I, Part A	84.010	NCLB-099712	239,074	9/1/11-8/31/12	(184,609)	43,160	123,817	(275,211)			(108,234)		
Title I, Part A	84.010	NCLB-099711	262,686	9/1/10-8/31/11	459	(43,160)	233,652	(5,883)					
Title I, Part A, School Improvement	84.010	NCLB-099711	499	9/1/10-8/31/11			40	(499)					
ARRA, Title I, Part A	84.389A	NCLB-099710ARRA	185,641	7/1/09-8/31/11	(39,766)		41,315	(1,549)					
ARRA, Title I, Part A, School Improvement	84.389A	NCLB-099710ARRA	14,163	7/1/09-8/31/11	(635)		635						
Title II, Part A	84.168	NCLB-099712	44,721	9/1/11-8/31/12	(30,175)	451	10,343	(19,398)			(8,604)		
Title II, Part A	84.168	NCLB-099711	49,332	9/1/10-8/31/11	(515)	(451)	53,312	(22,686)					
Title II, Part D	84.168	NCLB-099711	539	9/1/10-8/31/11			664	(149)					
I.D.E.A. Part A Basic	84.027	FT-099712	290,735	9/1/11-8/31/12	(157,167)	29,198	126,377	(279,283)			(123,708)		
I.D.E.A. Part A Basic	84.027	FT-099711	283,915	9/1/10-8/31/11	(289,887)	(29,198)	204,730	(18,365)					
ARRA, I.D.E.A., Part A, Basic	84.391A	FT-099710ARRA	313,533	7/1/09-8/31/11			313,533	(23,646)					
Perkins Vocational	84.027	PERK-099712	44,119	7/1/11-6/30/12			44,119	(44,119)					
Perkins Vocational	84.027	PERK-099711	73,908	7/1/10-6/30/11	(13,222)		13,222						
Total Special Revenue Fund					(715,517)	0	1,165,759	(690,788)	0	0	(240,546)	0	0
U.S. Department of Agriculture													
Passed Through State Dept. of Educ.													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	33,868	7/1/11-6/30/12	3,046		33,868	(32,197)				1,671	
Food Distribution Program	10.550	N/A	27,836	7/1/10-6/30/11				(3,046)					
National School Breakfast Program	10.553	N/A	51,856	7/1/11-6/30/12	(6,684)		49,033	(51,856)			(2,823)		
National School Breakfast Program	10.553	N/A	73,600	7/1/10-6/30/11			6,684						
National School Lunch Program	10.555	N/A	209,737	7/1/11-6/30/12	(13,761)		199,568	(209,737)			(10,169)		
National School Lunch Program	10.555	N/A	174,174	7/1/10-6/30/11			13,761						
Total Enterprise Fund					(17,399)	0	302,914	(296,836)	0	0	(12,992)	1,671	0
Total Federal Awards					\$(738,921)	\$ 0	\$ 1,914,998	\$(1,437,346)	\$ 0	\$ 0	\$(262,940)	\$ 1,671	\$ 0

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, 2012

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2011			Cash Received	Budgetary Expenditures	Adjustments Repayment of Prior Yrs. Bal.
				Deferred Revenue Accts. Rec.	Deferred Revenue	Carryover (Walkover) Amount			
State Dept. of Education:									
General Fund:									
Equalization Aid	12-495-034-5120-078	\$10,234,464.	7/1/11-6/30/12	\$	\$	\$	\$10,234,464.	\$(10,234,464.)	\$
School Choice Aid	12-495-034-5120-068	644,875.	7/1/11-6/30/12				644,875.	(644,875.)	
Transportation Aid	12-495-034-5120-014	8,621.	7/1/11-6/30/12				8,621.	(8,621.)	
Special Education Categorical Aid	12-495-034-5120-089	645,504.	7/1/11-6/30/12				645,504.	(645,504.)	
Categorical Security Aid	12-495-034-5120-084	200,743.	7/1/11-6/30/12				200,743.	(200,743.)	
Extraordinary Aid	12-495-034-5120-044	108,805.	7/1/11-6/30/12					(108,805.)	
Extraordinary Aid	11-495-034-5120-044	74,806.	7/1/10-6/30/11	(74,806.)			74,806.		
On behalf TPAF Pens Con	12-495-034-5095-001	795,934.	7/1/11-6/30/12				795,934.	(795,934.)	
Reimb TPAF Soc Sec Con	12-495-034-5095-002	609,564.	7/1/11-6/30/12				586,404.	(609,564.)	
Reimb TPAF Soc Sec Con	11-495-034-5095-002	599,227.	7/1/10-6/30/11	(184,942.)			184,942.		
Additional Non-Public Trans	12-495-034-5120	13,566.	7/1/11-6/30/12					(13,566.)	
Additional Non-Public Trans	11-495-034-5120	14,655.	7/1/10-6/30/11	(14,655.)			14,655.		
Total General Fund				(274,403.)	0.	0.	13,390,948.	(13,262,076.)	0.
Special Revenue Fund:									
NJ Department of Agriculture		10,000.	7/1/11-6/30/12				10,000.	(2,488.)	
NJ Department of Agriculture		7,758.	7/1/10-6/30/11	12.				(12.)	
REBEL		1,000.	7/1/09-6/30/10	(500.)					
Total Special Revenue Fund				(488.)	0.	0.	10,000.	(2,500.)	0.
Capital Project Fund:									
Educ Fac Constr & Fin Act				(7,657.)					
School addition & renovation	0997-030-02-0926								
School addition & renovation		3,482,972.					1,216,837.	(690,010.)	
Roof replacement project	0997-030-09-2001			(970,843.)			1,216,837.	(690,010.)	
Total Capital Project Fund				(978,500.)	0.	0.	1,216,837.	(690,010.)	0.
Debt Service Fund:									
Debt Service Aid Type II	12-495-034-5120-125	290,179.	7/1/11-6/30/12	0.	0.	0.	290,179.	(290,179.)	0.
Total Debt Service Fund				0.	0.	0.	290,179.	(290,179.)	0.
State Dept. of Agriculture:									
Enterprise Fund:									
Nat'l School Lunch Pgm.(State)	12-100-010-3350-023	6,689.	7/1/11-6/30/12	(465.)			6,381.	(6,689.)	
Nat'l School Lunch Pgm.(State)	11-100-010-3350-023	5,509.	7/1/10-6/30/11	(465.)			465.		
Total Enterprise Fund				(465.)	0.	0.	6,846.	(6,689.)	0.
Total State Financial Assistance				\$(1,253,856.)	\$ 0.	\$ 0.	\$14,914,810.	\$(14,251,454.)	\$ 0.

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
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2012			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expend.
State Dept. of Education:								
General Fund:								
Equalization Aid	12-495-034-5120-078	\$10,234,464.	7/1/11-6/30/12	\$	\$	\$	\$957,927.	\$10,234,464.
School Choice Aid	12-495-034-5120-068	644,875.	7/1/11-6/30/12				64,488.	644,875.
Transportation Aid	12-495-034-5120-014	8,621.	7/1/11-6/30/12				862.	8,621.
Special Education Categorical Aid	12-495-034-5120-089	645,504.	7/1/11-6/30/12				64,550.	645,504.
Categorical Security Aid	12-495-034-5120-084	200,743.	7/1/11-6/30/12				20,074.	200,743.
Extraordinary Aid	12-495-034-5120-044	108,805.	7/1/11-6/30/12	(108,805.)				108,805.
Extraordinary Aid	11-495-034-5120-044	74,806.	7/1/10-6/30/11					
On behalf TPAF Pens Con	12-495-034-5095-001	795,934.	7/1/11-6/30/12					795,934.
Reimb TPAF Soc Sec Con	12-495-034-5095-002	609,564.	7/1/11-6/30/12	(23,160.)				609,564.
Reimb TPAF Soc Sec Con	11-495-034-5095-002	599,227.	7/1/10-6/30/11					
Additional Non-Public Trans	12-495-034-5120	13,566.	7/1/11-6/30/12	(13,566.)				13,566.
Additional Non-Public Trans	11-495-034-5120	14,655.	7/1/10-6/30/11					
Total General Fund				(145,531.)	0.	0.	1,107,901.	13,262,076.
Special Revenue Fund:								
NJ Department of Agriculture		10,000.	7/1/11-6/30/12		7,512.		500.	2,488.
NJ Department of Agriculture		7,758.	7/1/10-6/30/11	(500.)				12.
REBEL		1,000.	7/1/09-6/30/10	(500.)	7,512.	0.	500.	1,000.
Total Special Revenue Fund								3,500.
Capital Project Fund:								
Educ Fac Constr & Fin Act				(7,657.)				27,175,540.
School addition & renovation	0997-030-02-0926							138,900.
School addition & renovation				(444,016.)				2,876,935.
Roof replacement project	0997-030-09-2001	3,482,972.		(451,673.)	0.	0.	0.	30,191,375.
Total Capital Project Fund								
Debt Service Fund:								
Debt Service Aid Type II	12-495-034-5120-125	290,179.	7/1/11-6/30/12	0.	0.	0.	0.	290,179.
Total Debt Service Fund								
State Dept. of Agriculture:								
Enterprise Fund:								
Nat'l School Lunch Pgm.(State)	12-100-010-3350-023	6,689.	7/1/11-6/30/12	(308.)				6,689.
Nat'l School Lunch Pgm.(State)	11-100-010-3350-023	5,509.	7/1/10-6/30/11	(308.)	0.	0.	0.	6,689.
Total Enterprise Fund								
Total State Financial Assistance				\$(598,012.)	\$ 7,512.	\$ 0.	\$ 1,108,401.	\$ 43,753,819.

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, 2012

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 \$(54,862.) for the general fund and \$91,895. 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	\$449,722.	\$13,207,214.	\$13,656,936.
Special Revenue Fund	782,683.	2,500.	785,183.
Debt Service Fund		290,179.	290,179.
Food Service Fund	295,461.	6,689.	302,150.
Total Financial Assis.	<u>\$1,527,866.</u>	<u>\$13,506,582.</u>	<u>\$15,034,448.</u>

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the 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, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general purpose financial statements noticed? Yes No

Federal Awards

Internal Control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are considered to be material weaknesses? Yes None Reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.410	Education Jobs Fund
84.027	I.D.E.A. Basic
84.391A	I.D.E.A. Basic-ARRA

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee? Yes No

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

(Continued)

Section I – Summary of Auditor’s Results

(Continued)

State Awards

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

\$427,544.

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. | Significant Deficiencies 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>
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-068	School Choice Aid
495-034-5095-002	TPAF Pension and Social Security
495-034-5120-125	Debt Service Aid

Section II – Financial Statement Findings

None.

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

FEDERAL AWARDS

Finding:

2012-01

Information on Federal Program:

I.D.E.A. Basic	84.027
ARRA I.D.E.A. Basic	84.391A

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

(Continued)

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

(Continued)

Criteria or Specific Requirements:

EDGAR, Part 80 states that any equipment purchased with federal funds must be inventoried, tagged, and tracked.

Condition:

The district did not maintain a comprehensive equipment inventory for items purchased with grant funds.

Questioned Cost:

None

Context:

The district's policy is to maintain an inventory of all equipment purchases costing \$2,000. or more. Federal regulations require that any item that is less expensive to track than to replace must be inventoried. All inventorial items should include tag number, cost, location, date of purchase, funding source, and description.

Effect:

Items with cost of less than \$2,000. were not included on inventory list.

Cause:

District officials were not aware that items costing less than \$2,000. are required to be tracked.

Recommendation:

The district should maintain the required inventory list for items purchased with federal funds.

Views of responsible officials and planned corrective action:

The district officials concur with the finding and will make the necessary corrections to provide the required supporting documentation.

STATE AWARDS

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, 2012

STATUS OF PRIOR YEAR FINDINGS

None

