

CENTRAL REGIONAL SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CENTRAL REGIONAL SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

**Central Regional Board of Education
Business Office**

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INTRODUCTORY SECTION

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Central Regional School District

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TRIANTAFILLOS PARLAPANIDES, Ed.D.
Superintendent of Schools

KEVIN O'SHEA, CPA
School Business Administrator/ Board Secretary

November 21, 2013

Members of the Board of Education
Central Regional School District
Bayville, New Jersey 08721

Dear Board Member:

The Comprehensive Annual Financial Report (CAFR) for the Central Regional School District for the fiscal year ending June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as, the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 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 98-07, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Central Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement 14. All funds and account groups of the District are included in this report. The Central Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped youngsters.

2) ECONOMIC CONDITION AND OUTLOOK: The Central Regional School District is located in the Central Eastern portion of Ocean County and consists, geographically, of five separate municipalities within its boundaries. These municipalities include Berkeley Township, Island Heights, Ocean Gate, Seaside Heights and Seaside Park. The district encompasses 43.95 square miles.

3) MAJOR INITIATIVES:

District

In January 2011, the voters passed a referendum question for funds for various repairs to the district's buildings and campus. Over the next two years approximately \$5.2 million will be spent on the following projects: high roof and windows, district wide paving and district wide connection to city water. In addition, the district contracted with a vendor for the installation of solar panels and a cell tower to be built on district grounds during then 2011/12 school year.

4) INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is also subject to periodic evaluation by 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, or the representatives of each municipality or the State of New Jersey. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records, to the best of our knowledge, reflect the generally accepted accounting principles, as promulgated by the 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) DEBT SERVICE

The Debt Service (principal and interest) is related to the renovations and additions to the Middle School and High School and district wide projects. Bonds were issued in 2001, 2008 and 2011. They will be retired over a fifteen (15) year and ten (10) year period respectively.

8) 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 a 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.

9) RISK MANAGEMENT

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

The district has an active Risk Management Committee that is instrumental in reducing exposure to employee injury and researching means to reduce exposure for the district to other types of risk. The district has a District Safety Committee comprised of three (3) Board Members who actively work to insure the safety of students and staff.

10) OTHER INFORMATION

INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The firm of Holman & Frenia, P.C., was appointed by the Board of Education to perform this audit. 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 of 1984 and the related OMB circular A-133 and state Treasury Circular Letter 98-07 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

11) ACKNOWLEDGEMENTS

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

Respectfully submitted,



Triantafillos Parlapanides, Ed.D.
Superintendent of Schools



Kevin O'Shea
Business Administrator/Board Secretary

Central Regional School District
Central Office Organizational Chart

Responsibilities

Superintendent
Dr. Triantafillos Parlapanides

QSAC CONTINUUM RESPONSIBILITIES
 Operations
 Governance
 Personnel
 Instruction & Program
 Fiscal Management

Other Responsibilities
 Major Initiatives
 Community Relations

ORGANIZATIONAL CHART
CENTRAL REGIONAL SCHOOL DISTRICT

Board of Education

Superintendent of Schools

Superintendent Office Staff

Athletic Director

Energy Education

IT

Business Administrator

Data Analysis

Student Pupil Personnel Supervisor

Business Office Staff

Principals/ Supervisors Director of Special Services

Transportation

Assistant Principals CST

Facilities Manager

Teachers

Paraprofessionals

Grounds Forman

Support Staff

Health Services

Food Service

CST Support Staff

Registration

School Business Administrator
Mr. Kevin O'Shea

QSAC Continuum
Responsibilities
 Governance
 Fiscal Management

Other Responsibilities
 Transportation
 Buildings and Grounds
 Food Service
 Energy Education

Supervisors
Mrs. Louise Pesci
Mr. Curtis Kleier
QSAC Continuum
Responsibilities
 Instruction & Program
 Personnel

Other Responsibilities
 Professional Development
 Teacher Evaluation
 Testing and Data Analysis
 Instructional Improvement

Directors
Mr. Darryl Heale
Mrs. Patricia Moore
QSAC Continuum
Responsibilities
 Operations

Other Responsibilities
 504 Compliance Officer
 DYFS/Homeless Liaison
 NCLB/Grant Coordinator
 Residency/Attendance
 District Affirmative Action
 Officer

CENTRAL REGIONAL SCHOOL DISTRICT
295 Indian Mills Road
Bayville, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	MUNICIPALITY	TERM EXPIRES
Keith Buscio , President	Berkeley	2015
Christine Dwight, Vice President	Berkeley	2013
Susan Cowdrick	Island Heights	2015
Robert Everett	Berkeley	2015
Michael Graichen	Seaside Heights	2014
Stephanie Jensen	Ocean Gate	2014
Tracy Mianulli	Seaside Park	2014
Nick Mackres	Berkeley	2013
Denise Pavone-Wilson	Berkeley	2013

OTHER OFFICIALS

Triantafillos Parlapanides, ED.D., Superintendent

Kevin O'Shea, CPA, Business Administrator

Carmen Memoli, CPA, Treasurer of School Monies

Thomas Gannon, Board Attorney

CENTRAL REGIONAL SCHOOL DISTRICT
Bayville, New Jersey 08721

CONSULTANTS AND ADVISORS

AUDIT FIRM

Frank B. Holman, III, CPA, PSA
Holman Frenia Allison, P. C.
10 Allen Street, Suite 2B
Toms River, New Jersey 08753

ATTORNEY

William T. Hiering, Jr., Esq.
Heiring, Gannon, and McKenna
29 Hadley Ave
Toms River, New Jersey 08753

OFFICIAL DEPOSITORY

Ocean First Bank
957 Hooper Ave
Toms River, New Jersey 08753

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FINANCIAL SECTION

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INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Central Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Central Regional School District, County of Ocean, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17 through 23 and 85 through 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Regional Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, 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 financial statements. The accompanying schedule of expenditures of federal 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 is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of the Board of Education of the Central Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Central Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'F B Holman III', with a long horizontal flourish extending to the right.

Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Freehold, New Jersey
November 18, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**CENTRAL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

UNAUDITED

The discussion and analysis of Central Regional School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the basic financial statements and financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2013 are as follows:

- In total, Net Position decreased \$186,627 which represents a 0.80 percent decrease from 2012.
- General Fund revenues accounted for \$30,562,524 in revenue or 82.97 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,273,140 or 17.03 percent of total revenues of \$36,835,664.
- Cash and cash equivalents decreased by \$1,006,457, receivables decreased by \$66,576 and net capital assets decreased by \$261,875.
- The School District had \$37,022,290 in expenses; only \$6,273,140 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$30,562,524 were adequate to provide for these programs.
- Among governmental funds, the general fund had \$34,439,304 in revenues and \$34,475,965 in expenditures. The District's general fund balance decreased \$36,661 from 2012.
- The district issued \$4,113,000 in bonds in April of 2011. The money from this debt, along with a state grant of \$1,039,975 will go towards much needed repairs and upgrades to the District. The repairs include a new roof for the high school, new windows for the high school, city water connection for the middle school and high school and paving projects throughout the district. The Roof and Window project, as well as the city water connection project were completed during the summer and fall of 2011. The District completed most of the paving work during the summer of 2012. There are still some final approvals for the paving projects that had to be completed as of June 30, 2013.
- Superstorm Sandy hit the State of New Jersey on October 29, 2012. The municipalities of Seaside Heights, Seaside Park, Ocean Gate, and parts of Berkeley Township were severely affected. The ratable base of which property taxes are levied will be impacted in years to come. To mitigate the impact, the District qualified for a FEMA loan through the Community Disaster Loan program of up to \$5 million to be utilized in the next several fiscal years to offset the impact.
- The District applied and was approved to be a Choice School District beginning in the 2011-12 school year. This program, authorized by State statute and administered by the NJ Department of Education, allows students from other towns to enroll at Central Regional. For the 2012-13 fiscal year, this program brought in \$871,025 in additional Choice Aid that the District was able to utilize for various capital improvements, purchases of textbooks, and other instructional equipment.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the school district as a whole

Statement of Net Position and the Statement of Activities

While these documents contain the large number of funds used by the school district to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2013?" The Statement Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these states are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's Net Position for 2012 and 2013.

Table 1
Net Position

	<u>2013</u>	<u>2012</u>
Assets		
Current and other Assets	\$ 1,824,649	\$ 2,897,682
Capital Assets	<u>29,974,151</u>	<u>30,236,026</u>
Total Assets	<u>31,798,800</u>	<u>33,133,708</u>
Liabilities		
Long Term Liabilities	8,089,046	8,168,002
Other Liabilities	<u>588,059</u>	<u>1,657,385</u>
Total Liabilities	<u>8,677,104</u>	<u>9,825,387</u>
Net Position		
Invested in Capital Assets,		
Net of Debt	22,693,701	22,630,367
Restricted	794,931	1,907,467
Unrestricted	<u>(366,938)</u>	<u>(1,229,513)</u>
Total Net Position	<u>\$23,121,694</u>	<u>\$23,308,321</u>

Table 2 Shows changes in Net Position for 2012 and 2013.

Table 2
Changes in Net Position

REVENUES	2013	2012
Charges for Services	\$ 941,610	\$ 662,925
Operating Grants & Contribution	5,331,530	1,258,708
Property Taxes	28,529,081	27,985,785
Grants & Entitlements	2,628,126	6,773,184
Other	224,094	402,837
Special Item – Loss on Disposal of Assets	(818,777)	
Total Revenue	\$34,233,819	\$37,083,439
Expenses	2013	2012
Instruction		
Regular	\$ 8,429,982	\$ 8,226,793
Special Education	3,387,494	3,284,701
Other Special Instruction	150,209	146,181
Vocational	102,842	101,297
Other	1,189,549	1,105,690
Support Services		
Tuition	1,221,328	1,358,355
Student & Instr. Related	3,108,366	2,888,541
School Admin. Services	957,572	945,841
Other Admin Services	930,022	790,993
Plant Oper & Maintenance	2,905,618	2,674,594
Central Services & Adm. Info.	770,756	769,656
Transportation	2,272,104	2,244,262
Unallocated Benefits	8,979,596	8,272,378
Special School	42,338	37,885
Debt Services		
Interest	258,980	302,193
Unallocated Depreciation	1,438,287	1,372,311
Other		512,944
Total Government Activities		
Business Type		
Food Service	874,860	830,407
Community School	2,387	4,923
Total	877,248	835,923
Total District Expense	\$37,022,290	\$35,869,945

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter or Department of Education approval for the School District operations. Property taxes made up 83.34 percent of revenues for governmental activities for the Central Regional School District for the year 2013. The District's total revenues were \$34,233,819 for the year ended June 30, 2013. Federal, state and local grants accounted for another 7.68 percent of revenue.

The total cost of all programs and services was \$37,022,290. Instruction expenses comprised approximately 35.82% of District expenses in 2013.

Business Type Activities

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

- Expenses exceeded food services revenues by \$45,056
- Charges services represent \$504,381 of revenue. This represents amounts paid by patrons for daily food service, services and SAT Program.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$327,811

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

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

The School District's Funds

All governmental funds (i.e. general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$36,822,249 and expenditures were \$38,039,483. The net change in fund balance for the year was a decrease of \$1,217,234. This reflects the district's expenditure of Capital Project Funds as well as budgeted use of fund balance and the deferral of the final state aid payment.

As demonstrated by the various statements and schedules included in the financial section of this report the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2013 and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 3

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2012</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$29,190,048	79.27%	\$ 623,902	2.14%
State Sources	6,527,202	17.73	950,608	14.56
Federal Sources	1,106,867	3.01	53,068	4.79
Other Sources	-0-	0.00	(0)	0.00

State Revenues increased by \$950,608. The increase in State Revenue was predominately due to the District participating the in the School Choice program.

The following schedule represents a summary of general fund, special revenue fund, capital project fund and debt service fund expenditures for the year ended June 30, 2013 and the percentage of increases and decreases in relation to prior year amounts.

Table 4

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2012</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$13,308,120	34.99%	\$ 361,686	2.72%
Undistributed	21,194,919	55.72	1,195,233	5.64
Capital Outlay	2,078,619	5.46	(2,027,188)	(97.53)
Special Schools	42,338	0.11	200,000	17.32
Debt Service	<u>1,415,486</u>	<u>3.72</u>	<u>190,436</u>	<u>13.64</u>
Total	<u>\$38,039,482</u>	<u>100.00</u>	<u>(275,380)</u>	<u>(0.72)</u>

Changes in expenditures were the results of varying factors. Instructional expenses increased largely due to the incorporation of Choice Aid into the budget for textbooks, and a new partnership with Georgian Court University.

Capital outlay decreased due to the expenditure of funds for projects that had largely been completed during 2012 and were winding down during 2013 including a High School Roof and Window Project.

General Fund Budgeting Highlights

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

Capital Assets

At the end of the fiscal year 2013, the School District had invested in land, buildings, furniture and equipment and vehicles. Table 5 shows fiscal 2013 and 2012 balances.

Table 5
Capital Assets at June 30th

	<u>2013</u>	<u>2012</u>
Land	\$ 1	\$ 1
Buildings & Improvements	27,501,515	28,321,408
Machinery & Equipment	<u>2,417,873</u>	<u>1,914,617</u>
Totals:	\$29,919,389	\$30,236,026

Overall capital assets decreased \$316,637 from year 2012 to year 2013. The increase in capital assets is due to depreciation charges being less than new capital construction and purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2013 and 2012, the School District had outstanding debt.

Table 6
Bonded Outstanding Debt at June 30,

	<u>2013</u>	<u>2012</u>
2001 Issue	\$ -0-	\$ -0-
2008 Issue	3,225,000	4,220,000
2011 Issue	<u>3,953,000</u>	<u>4,113,000</u>
	\$7,178,000	\$8,333,000

At June 30, 2013, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the future

The Central Regional School District is presently in good financial condition. The School District is proud of its community support of the public schools. The School District's system for financial planning, budgeting and internal financial controls are well regarded. The School plans to continue its sound management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Kevin O'Shea, Business Administrator, at the Central Regional Board of Education, Forest Hills Parkway, Bayville, New Jersey 08721. Please visit our website at <http://www.centralreg.k12.nj.us/>.

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BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

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CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	JUNE 30, 2012
				(MEMORANDUM ONLY)
Cash & Cash Equivalents	\$677,842	27,418	705,260	1,678,097
Receivables, Net	580,024	19,378	599,402	665,978
Restricted Assets:				
Capital Reserve Account - Cash	519,987		519,987	553,607
Capital Assets, Net (Note 4)	29,919,387	54,764	29,974,151	30,236,026
Total Assets	31,697,240	101,560	31,798,800	33,133,708
LIABILITIES				
Accounts Payable & Accrued Expenses	443,315		443,315	289,788
Accrued Interest Payable	128,958		128,958	130,464
Deferred Revenue	15,786		15,786	787
Noncurrent Liabilities (Note 5):				
Due Within One Year	1,340,456		1,340,456	1,236,346
Due Beyond One Year	6,748,590		6,748,590	8,168,002
Total Liabilities	8,677,104		8,677,104	9,825,387
NET POSITION				
Invested in Capital Assets, Net of Related Debt	22,638,937	54,764	22,693,701	21,689,667
Restricted For:				
Debt Service	(128,030)		(128,030)	(36,096)
Capital Reserve	519,987		519,987	553,607
Maintenance Reserve	291,448		291,448	191,348
Emergency Reserve	50,150		50,150	50,100
Capital Projects	61,376		61,376	1,148,508
Unrestricted	(413,734)	46,796	(366,938)	(288,813)
Total Net Position	\$23,020,134	101,560	23,121,694	23,308,321

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

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS	
	EXPENSES	CHARGES FOR SERVICES OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012
Governmental Activities:						
Instruction:						
Regular	\$8,429,981	876,148	(7,553,833)		(7,553,833)	(7,487,129)
Special Education	3,387,494	147,472	(3,240,022)		(3,240,022)	(3,106,545)
Other Special Instruction	150,209		(150,209)		(150,209)	(146,181)
Vocational	102,842		(102,842)		(102,842)	(101,297)
Other Instruction	1,189,549		(1,189,549)		(1,189,549)	(1,105,690)
Support Services & Undistributed Costs:						
Tuition	1,221,328		(1,221,328)		(1,221,328)	(1,358,355)
Student & Instruction Related Services	3,108,366	164,801	(2,943,565)		(2,943,565)	(2,728,797)
School Administrative Services	957,572		(957,572)		(957,572)	(945,841)
Other Administrative Services	930,022		(930,022)		(930,022)	(790,993)
Central Services	458,367		(458,367)		(458,367)	(769,656)
Administrative Information Technology	312,389		(312,389)		(312,389)	(769,656)
Plant Operations & Maintenance	2,905,618		(2,905,618)		(2,905,618)	(2,674,594)
Pupil Transportation	2,272,104	289,757	(874,095)		(874,095)	(2,244,262)
Unallocated Benefits	8,979,596	2,854,517	(6,125,079)		(6,125,079)	(8,272,378)
Special Schools	42,338		(42,338)		(42,338)	(37,885)
Debt Service:						
Interest & Other Charges	258,980		(258,980)		(258,980)	(302,193)
Unallocated Loss on Revaluation of Fixed Assets						(467,603)
Unallocated Depreciation	1,438,287		(1,438,287)		(1,438,287)	(1,372,311)
Unallocated Compensated Absences						(45,341)

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS	
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012
Total Governmental Activities	36,145,041	437,229	5,003,718	(30,704,094)	(30,704,094)	(34,726,707)
Business-Type Activities:						
Food Service	874,860	500,881	327,811	(46,168)	(46,168)	8,412
Community School	2,387	3,500		1,113	1,113	327
Total Business-Type Activities	877,248	504,381	327,811	(45,056)	(45,056)	8,739
Total Primary Government	\$37,022,288	941,610	5,331,529	(30,704,094)	(30,749,150)	(34,717,968)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net			27,207,391		27,207,391	26,673,913
Taxes levied for Debt Service			1,321,690		1,321,690	1,311,872
Federal and State Aid			2,628,126		2,628,126	6,773,184
Special Item - Loss on Disposal of Assets			(818,777)		(818,777)	
Miscellaneous Income			224,094		224,094	402,837
Total General Revenues, Special Items, Extraordinary Items & Transfers			30,562,524		30,562,524	35,161,806
Change In Net Position			(141,570)	(45,056)	(186,626)	443,838
Net Position - Beginning (Unadjusted)			23,165,993	142,328	23,308,321	22,094,827
Prior Period Change in Net Position			(4,288)	4,288		
Total Net Position - Beginning (Adjusted)			23,161,705	146,616	23,308,321	22,094,827
Total Net Position - Ending			23,020,134	101,560	23,121,694	22,538,665

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

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B. Fund Financial Statements

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

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Governmental Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
ASSETS & OTHER DEBITS						
Cash & Cash Equivalents	\$614,977		62,865		677,842	1,587,838
Due from Other Funds	121,899			928	122,827	357,849
Receivables from Other Governments	436,820	137,971			574,791	664,172
Restricted Cash & Cash Equivalents	519,987				519,987	553,607
Total Assets	\$1,693,683	137,971	62,865	928	1,895,447	3,163,466
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$437,235	5,579	501		443,315	269,078
Interfund Payable		116,606	988		117,594	357,616
Payable to Other Governments						
Deferred Revenue		15,786			15,786	787
Total Liabilities	437,235	137,971	1,489		576,695	627,481
Fund Balances:						
Restricted for:						
Maintenance Reserve	291,448				291,448	191,348
Emergency Reserve	50,150				50,150	50,100
Capital Reserve Account	519,987				519,987	553,607
Capital Projects Fund			61,376		61,376	68,902
Debt Service Fund				928	928	
Assigned to:						
Other Purposes						1,079,606
Designated for Subsequent Year's Expenditures	300,000				300,000	396,919
Committed to:						
Other Purposes	70,855				70,855	92,754
Unassigned, Reported in:						
General Fund	24,008				24,008	102,749
Total Fund Balances	1,256,448		61,376	928	1,318,751	2,535,985
Total Liabilities & Fund Balances	\$1,693,683	137,971	62,865	928		

Amounts reported for governmental activities in the statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$58,213,343 and the accumulated depreciation is \$28,293,955.

Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.

Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets

Net assets of Governmental Activities

	29,919,387	30,164,820
	(128,958)	(130,464)
	<u>(8,089,046)</u>	<u>(9,404,348)</u>
	<u>\$23,020,134</u>	<u>23,165,993</u>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Revenues:						
Local Sources:						
Local Tax Levy	\$27,207,391			1,321,690	28,529,081	27,985,785
Tuition	147,472				147,472	178,156
Transportation Fees from Other LEAs	289,757				289,757	225,390
Miscellaneous	201,565	22,173	356		224,094	177,447
Total Local Sources	27,846,185	22,173	356	1,321,690	29,190,404	28,566,778
State Sources	6,527,202		(2,224)		6,524,978	6,618,793
Federal Sources	65,917	1,040,949			1,106,866	1,053,799
Total Revenues	34,439,304	1,063,122	(1,868)	1,321,690	36,822,247	36,239,370
Expenditures:						
Current Expense:						
Regular Instruction	7,601,877	876,148			8,478,025	8,308,565
Special Education Instruction	3,387,494				3,387,494	3,284,701
Other Special Instruction	150,209				150,209	146,181
Vocational Education	102,842				102,842	101,297
Other Instruction	1,189,549				1,189,549	1,105,690
Support Services:						
Tuition	1,221,328				1,221,328	1,358,355
Student & Instruction Related Services	2,921,392	186,974			3,108,366	2,888,541
School Administrative Services	957,572				957,572	945,841
General Administrative Services	930,022				930,022	790,993
Central Services	458,367				458,367	461,782
Administrative Information Technology	312,389				312,389	307,874
Plant Operations & Maintenance	2,842,918				2,842,918	2,729,660
Pupil Transportation	2,272,104				2,272,104	2,244,262
Employee Benefits	9,091,854				9,091,854	8,272,378
Capital Outlay	993,711		1,084,908		2,078,619	4,105,807
Special Schools	42,338				42,338	37,885
Debt Service:						
Principal				1,155,000	1,155,000	955,000
Interest & Other Charges				260,486	260,486	270,050
Total Expenditures	34,475,965	1,063,122	1,084,908	1,415,486	38,039,481	38,314,862
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(36,661)		(1,086,776)	(93,796)	(1,217,234)	(2,075,492)
Other Financing Sources/(Uses):						
Transfer from/(to) Other Funds			(356)	356		
Capital Leases (Non-Budgeted)						137,620
Total Other Financing Sources/(Uses)			(356)	356		137,620
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(36,661)		(1,087,132)	(93,440)	(1,217,234)	(1,937,872)
Fund Balances July 1	1,293,109		1,148,508	94,368	2,535,985	4,473,857
Fund Balances June 30	\$1,256,448	-	61,376	928	1,318,751	2,535,985

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

**CENTRAL 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, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2) (\$1,217,234)

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	(\$1,438,287)	
Capital Outlays	<u>2,015,919</u>	577,632

In the Statement of Activities, the loss on disposal of assets is recorded. This loss is not recorded in the governmental funds. (818,777)

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. 1,155,000

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. 85,837

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Prior Year	130,464	
Current Year	<u>(128,958)</u>	1,507

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacations & sick time) 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 paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation; when the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation.

Prior Year	857,989	
Current Year	<u>(745,731)</u>	112,258

The proceeds from the issuance of capital leases provide current financial resources and are reported in this fund financial statement, but they are presented as liabilities in the statement of net assets. (37,793)

Change in Net Assets of Governmental Activities (\$141,570)

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

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Proprietary Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

ASSETS	TOTALS		
	ENTERPRISE FUND	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Current Assets:			
Cash & Cash Equivalents	\$27,418	27,418	90,259
Accounts Receivable	19,378	19,378	1,573
Total Current Assets	46,796	46,796	91,832
Fixed Assets:			
Equipment	334,669	334,669	321,206
Accumulated Depreciation	(279,905)	(279,905)	(250,000)
Total Fixed Assets	54,764	54,764	71,206
Total Assets	101,560	101,560	163,038
LIABILITIES			
Current Liabilities:			
Accounts Payable			20,710
Total Current Liabilities			20,710
NET POSITION			
Investment in Fixed Capital	54,764	54,764	71,206
Unrestricted	46,796	46,796	71,122
Total Net Position	\$101,560	101,560	142,328

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

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	ENTERPRISE FUND	TOTALS	
		JUNE 30, 2013	JUNE 30, 2012
			(MEMORANDUM ONLY)
Operating Revenue:			
Charges for Services	\$504,381	504,381	484,769
Total Operating Revenue	<u>504,381</u>	<u>504,381</u>	<u>484,769</u>
Operating Expenses:			
Salaries	1,861	1,861	
Other Purchased Services	409,080	409,080	397,767
Purchased Professional / Technical Services	21,966	21,966	
Purchased Property Services	63,431	63,431	
Supplies and Materials	29,905	29,905	58,315
Depreciation	6,361	6,361	29,931
Cost of Sales	344,644	344,644	349,317
Total Operating Expenses	<u>877,248</u>	<u>877,248</u>	<u>835,330</u>
Operating (Loss)/Gain	<u>(372,867)</u>	<u>(372,867)</u>	<u>(350,561)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	6,837	6,837	7,891
Federal Sources:			
School Breakfast Program	32,166	32,166	36,904
National School Lunch Program	241,438	241,438	260,561
Food Distribution Program	47,192	47,192	53,944
Miscellaneous	178	178	
Total Nonoperating Revenues	<u>327,811</u>	<u>327,811</u>	<u>359,300</u>
Change in Net Position	(45,056)	(45,056)	8,739
Net Position - Beginning (Unadjusted)	142,328	142,328	133,589
Prior Period Change in Fund Balance	4,288	4,288	
Total Net Position - Beginning (Adjusted)	<u>146,616</u>	<u>146,616</u>	<u>133,589</u>
Total Net Position - Ending	<u>101,560</u>	<u>101,560</u>	<u>142,328</u>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	<u>TOTALS</u>		
	ENTERPRISE FUND	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:			
Receipts from Daily Sales	494,449	494,449	479,434
Receipts from Miscellaneous Items	3,500	3,500	5,335
Disbursements for Operating Expenses	(820,861)	(820,861)	(748,398)
Net Cash Used by Operating Activities	<u>(322,912)</u>	<u>(322,912)</u>	<u>(263,629)</u>
Cash Flows From Capital Financing Activities:			
Purchases of Fixed Assets	(9,175)	(9,175)	(277)
Net Cash Used by Capital Financing Activities	<u>(9,175)</u>	<u>(9,175)</u>	<u>(277)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	6,183	6,183	8,246
Federal Sources	262,885	262,885	295,932
Miscellaneous Transfers (to)/from Other Funds			
Net Cash Provided by Noncapital Financing Activities	<u>269,068</u>	<u>269,068</u>	<u>304,178</u>
Cash Flows From Investing Activities:			
Interest	178	178	
Net Cash Provided by Investing Activities	<u>178</u>	<u>178</u>	
Net Increase in Cash & Cash Equivalents	(62,841)	(62,841)	40,272
Cash and Cash Equivalents, July 1	<u>90,259</u>	<u>90,259</u>	<u>49,987</u>
Cash & Cash Equivalents, June 30	<u>\$27,418</u>	<u>27,418</u>	<u>90,259</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Cash Used by Operating Activities:			
Operating Loss	(\$372,867)	(372,867)	(350,561)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:			
Depreciation Expense	29,905	29,905	29,931
Food Distribution Program	47,192	47,192	53,944
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(6,432)	(6,432)	
Increase/(Decrease) in Accounts Payable	(20,710)	(20,710)	3,057
Total Adjustments	<u>49,955</u>	<u>49,955</u>	<u>86,932</u>
Net Cash Used by Operating Activities	<u>(\$322,912)</u>	<u>(322,912)</u>	<u>(263,629)</u>

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

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Fiduciary Fund

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE			TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS	JUNE 30, 2013	JUNE 30, 2012 <small>(MEMORANDUM ONLY)</small>
Cash & Cash Equivalents	\$57,082	372,257	329,616	758,955	723,728
Due from Other Funds		36,319		36,319	30,697
Total Assets	57,082	408,576	329,616	795,274	754,425
LIABILITIES					
Accounts Payable		9,800		9,800	3,225
Payroll Deductions & Withholdings			85,451	85,451	77,719
Interfunds Payable			41,552	41,552	30,930
Due to Student Groups			202,613	202,613	185,217
Total Liabilities		9,800	329,616	339,416	297,091
NET POSITION					
Reserved:					
Scholarships	57,082			57,082	61,270
Unemployment Claims		398,775		398,775	396,064
Total Net Position	\$57,082	398,775	-	455,857	457,334

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

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2013	JUNE 30, 2012 <small>(MEMORANDUM ONLY)</small>
ADDITIONS:				
Contributions:				
Interest Earned	\$66	687	754	336
Contributions	3,646	8,599	12,245	28,952
Total Additions	3,712	9,286	12,998	29,288
DEDUCTIONS:				
Unemployment Claims		6,576	6,576	113,307
Disbursements	7,900		7,900	2,900
Total Deductions	7,900	6,576	14,476	116,207
Change in Net Position	(4,188)	2,711	(1,477)	(86,919)
Net Position - July 1	61,270	396,065	457,335	544,253
Net Position - June 30	\$57,082	398,775	455,857	457,334

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

CENTRAL REGIONAL BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies

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

The District has implemented these standards for the fiscal year-ending June 1999 with the implementation of GASB Statement 34; the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (Memorandum Only).

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include junior and senior high schools for students of the Boroughs of Island Heights, Ocean Gate, Seaside Heights, Seaside Park and the Township of Berkeley, Ocean County, New Jersey. The Central Regional School District has an approximate enrollment at June 30, 2013 of 2033 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. District-Wide and Fund Financial Statements

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

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

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (continued)

B. District-Wide and Fund Financial Statements

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

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

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

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

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Accounting:

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

Governmental Funds

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued):

Governmental Funds (continued)

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and Community School Program.

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

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

Machinery and Equipment 5-20 years

Note 1: Summary of Significant Accounting Policies (continued)

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

D. Fund Accounting (continued):

Fiduciary Fund

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

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

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

E. Basis of Accounting:

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 1: Summary of Significant Accounting Policies (continued)

E. Basis of Accounting: (continued)

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

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

F. Budgets/Budgetary Control (continued):

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	\$34,477,136	\$1,061,890
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		1,233
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purpose	281,060	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(318,892)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$34,439,304</u>	<u>\$1,063,123</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$34,475,965	1,061,890
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		
Prior Year	<u> </u>	<u>1,233</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$34,475,965</u>	<u>\$1,063,123</u>

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

G. Encumbrances:

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

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

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

H. Cash & Cash Equivalents

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.

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2010-2011 have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

J. Inventories & Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

Capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed were valued by an independent appraisal company. Capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

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

Buildings & Improvements	20 – 50 Years
Equipment & Vehicles	5 – 20 Years
Furniture & Fixtures	5 – 20 Years

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2013 for such salaries.

N. Compensated Absences

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

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

O. Deferred Revenue

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

P. Long-term Obligations

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

Q. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties. Designated fund balances represent plans for future use of financial resources. Contributed capital represents the amount of fund capital contributed to the propriety funds from other funds.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

R. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

T. Memorandum Only - Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation.

U. Comparative Data

Comparative total data for the prior year had been presented in order to provide an understanding of changes to the District's financial position and operations. Certain 2011 amounts have been reclassified to conform to the 2012 presentation.

V. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

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

W. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Central Regional School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision 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 the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

X. Subsequent Events

The Central Regional School District has evaluated subsequent events occurring after June 30, 2013 through the date of November 14, 2013, which is the date the financial statements were available to be issued.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 2: Reserve Accounts

A. Capital Reserve Account

A Capital Reserve Account was established on June 30, 2009 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. There is a balance of \$519,987 at June 30, 2013.

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 by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$553,607
Increase per Resolution passed (June 20, 2013)	200,000
Withdrawal per Resolution passed (October 18, 2012)	235,300
Interest Earned	<u>1,680</u>
Ending Balance, June 30, 2013	<u>\$ 519,987</u>

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 2: Reserve Accounts (continued):

B. Maintenance Reserve Account

A Maintenance Reserve Account was previously established for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$291,448 at June 30, 2013.

Funds placed in the maintenance reserve account are restricted to maintenance 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 maintenance reserve by appropriating funds in the annual general fund budget certified for taxes by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 191,348
Increase per Resolution passed ((June 20, 2013)	100,000
Interest Earned	<u>100</u>
Ending Balance, June 30, 2013	<u>\$ 291,448</u>

C. Emergency Reserve Account

The Emergency Reserve is used to accumulate funds to finance unanticipated general fund expenditures required for a thorough and efficient education. 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 Board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. 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. There is a balance of \$50 at June 30, 2013.

The activity of the emergency reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$50,100
Interest Earned	<u>50</u>
Ending Balance, June 30, 2013	<u>\$50,150</u>

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 3. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2013, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$ <u>1,986,702</u>
Total Deposits & Investments	\$ <u><u>1,986,702</u></u>
The District's Cash & Cash Equivalents are Reported as Follows:	
Governmental Fund	\$ 1,197,829
Enterprise Funds	27,418
Fiduciary Funds	<u>761,455</u>
Total Cash & Cash Equivalents	\$ <u><u>1,986,702</u></u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$2,398,091 at June 30, 2013 and was insured or collateralized as follows:

Insured	\$ 330,317
Uninsured and Uncollateralized	568,553
Collateralized in the District's Name Under GUDPA (see Note 3)	<u>1,499,221</u>
Total	\$ <u><u>2,398,091</u></u>

Note 3: Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2013 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

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

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

Note 4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Adjustment/ Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1			\$ 1
Total Capital Assets Not Being Depreciated	<u>1</u>			<u>1</u>
Capital Assets Being Depreciated:				
Construction in Progress	4,007,291	\$ 1,084,908	\$ (3,480,292)	1,611,907
Buildings	45,267,227	2,661,515		47,928,742
Machinery and Equipment	<u>7,745,969</u>	<u>931,013</u>	<u>(4,288)</u>	<u>8,672,694</u>
Totals at Historical Cost	<u>57,020,487</u>	<u>4,677,436</u>	<u>(3,484,580)</u>	<u>58,213,343</u>
Accumulated Depreciation:				
Buildings	(20,953,110)	(1,086,024)		(22,039,134)
Machinery and Equipment	<u>(5,902,558)</u>	<u>(352,263)</u>		<u>(6,254,821)</u>
Less Accumulated Depreciation	<u>(26,855,668)</u>	<u>(1,438,287)</u>		<u>(28,293,955)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>30,164,819</u>	<u>3,239,149</u>	<u>(3,484,580)</u>	<u>29,919,388</u>
Government Activity Capital Assets, Net	<u>\$ 30,164,820</u>	<u>\$ 3,239,149</u>	<u>\$ (3,484,580)</u>	<u>\$ 29,919,389</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 321,206	\$ 9,175	\$ 4,288	\$ 334,669
Less Accumulated Depreciation	<u>(250,000)</u>	<u>(29,905)</u>		<u>(279,905)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 71,206</u>	<u>\$ (20,730)</u>	<u>\$ 4,288</u>	<u>\$ 54,764</u>

Depreciation expense for the fiscal year ended June 30, 2013 amounted to \$1,438,287 for governmental funds and \$20,730 for business-type funds. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve various functions.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 5: Long-Term Obligations

Changes in Long-Term Obligations for the year ended June 30, 2013, are as follows:

	<u>Balance June 30, 2012</u>	<u>Issued</u>	<u>Retired2013</u>	<u>Balance June 30, One Year</u>	<u>Amounts Due Within</u>
<u>Governmental Activities:</u>					
Bonds Payable	\$ 8,333,000		\$1,155,000	\$ 7,178,000	\$1,205,000
Capital Leases Payable	213,359	\$ 37,793	85,836	165,316	91,972
Compensated Absences Payable	<u>857,989</u>	<u> </u>	<u>112,257</u>	<u>745,731</u>	<u>43,484</u>
	<u>\$ 9,404,348</u>	<u>\$ 37,793</u>	<u>\$1,353,093</u>	<u>\$ 8,089,047</u>	<u>\$1,340,456</u>

A. Bonds Payable:

Bonds are authorized in accordance with State statute by the voters of the municipality through referendum. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

The District's serial bonds are summarized as follows:

\$5,900,000 Variable Interest Rate Refunding School Bonds issued May 29, 2008, installment maturities to July 15, 2015	\$3,225,000
\$4,113,000 Variable Interest Rate School Construction Serial Bonds Issued March 29, 2011, installment maturities to July 15, 2021	<u>3,953,000</u>
Total	<u>\$7,178,000</u>

The bonds mature serially in installments to the year 2021. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$1,205,000	\$ 221,586	\$1,426,586
2015	1,245,000	173,124	1,418,124
2016	1,280,000	124,152	1,404,152
2017	850,000	93,130	943,130
2018	750,000	71,255	821,255
2019-22	<u>1,848,000</u>	<u>101,468</u>	<u>1,949,468</u>
Total	<u>\$7,178,000</u>	<u>\$ 784,715</u>	<u>\$7,962,715</u>

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 5: Long-Term Obligations (continued):

B. Obligations Under Capital Leases

The District is leasing copiers and buses totaling \$378,144 under capital leases. These capital leases are for terms of five to six years. The District's capital leases are summarized as follows:

\$79,425 Bus Lease issued December 2010, installments to July 15, 2014	\$ 33,268
\$108,782 Copier Lease issued October 2010, installments to January 31, 2015	37,714
\$14,525 Copier Lease issued September 17, 2010, installments to October 28, 2015	6,859
\$112,754 Bus Lease issued August 2011, installments to September 15, 2013	37,122
\$24,866 Copier Lease issued August 2011, installments to September 28, 2016	17,051
\$37,793 Copier Lease issued October 2012, installments to January 28, 2018	<u>33,302</u>
Total	<u>\$165,315</u>
Year-ending June 30,	Amount
2014	\$ 99,516
2015	50,112
2016	15,253
2017	10,318
2018	<u>2,809</u>
Total Minimum Lease Payments	178,008
Less: Amount Representing Interest	<u>(12,693)</u>
Present Value of Lease Payments	<u>\$165,315</u>

Note 6: Pension Plans

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

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 6: Pension Plans (continued):

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B* and *N.J.S.A.18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

Note 6: Pension Plans (continued):

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

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 6.5%, effective October 1, 2011, 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 noncontributing employer of the TPAF.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 6: Pension Plans (continued):

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$441,280	100%	\$ -0-
6/30/12	430,820	100%	-0-
6/30/11	425,958	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$1,888,993	100%	\$ -0-
6/30/12	1,281,653	100%	-0-
6/30/11	909,116	100%	-0-

During the year ended June 30, 2013, the State of New Jersey contributed \$44,313 to the Teachers' Pension and Annuity Fund for NCGI, \$842,227 for normal contributions, and \$1,002,453 for post-retirement medical 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 \$965,524 for the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 7: Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Note 8: Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Fiscal Year	Interest Earned	District Contributions	Amount Reimbursed	Ending Balance
2011-2012	\$ 687	\$ 8,599	\$ 6,576	\$ 398,775
2011-2012	291	17,838	113,308	396,064
2010-2011	4,090	48,789	81,049	491,243

Note 9: Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 10: Economic Dependency

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

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 121,899	
Special Revenue		\$ 116,606
Debt Service	928	
Capital Projects Fund		988
Fiduciary Funds	36,319	
Agency Funds	<u> </u>	<u>41,552</u>
Total	<u>\$ 159,146</u>	<u>\$ 159,146</u>

The purpose of interfunds are for short-term borrowings.

Note 12: GASB #54 – Fund Balance Disclosures

General Fund (Exhibit B-1) – Of the \$1,256,448 General Fund fund balance at June 30, 2013, \$519,148 has been restricted for the capital reserve account; \$291,448 has been restricted for the maintenance reserve account; \$50,150 has been restricted for the emergency reserve; \$300,000 has been assigned, \$70,855 has been committed and \$24,008 is unassigned.

Capital Projects Fund – Of the \$61,376 Capital Projects Fund fund balance at June 30, 2013, \$61,376 has been restricted for capital projects.

Debt Service Fund – Of the \$927 Debt Service Fund fund balance at June 30, 2013, \$927 has been assigned.

CENTRAL REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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:

- Ameriprise Financial
- AXA Equitable
- Lincoln Investment Planning Co., Inc.
- MET Life Insurance
- Oppenheimer Fund
- Paul Revere Life Insurance
- Union Central Life Insurance

Note 14. Accounts Receivable

Accounts receivable at June 30, 2013 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	Governmental Funds - District-Wide Financial <u>Statements</u>	Governmental Funds - Governmental Fund Financial <u>Statements</u>
Intergovernmental - Federal	\$ 137,971	\$ 137,971
Intergovernmental - State	254,019	254,019
Intergovernmental - Other	182,801	182,801
Interfunds	<u>5,233</u>	<u>122,827</u>
	580,024	697,618
Less Allowance for Uncollectibles	<u>0</u>	<u>0</u>
Total Receivables, Net	<u>\$ 580,024</u>	<u>\$ 697,618</u>

CENTRAL REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

Note 15: 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 specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2013 is \$745,731.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 no liability existed for compensated absences in the proprietary fund types.

Note 16: Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$0.

Note 17: Subsequent Events

The District has been approved for a FEMA Community Disaster Loan in the amount of \$5,000,000., as a result of the loss of ratables caused by Superstorm Sandy*. As of the date of this report, the District has received \$1,977,153., in the subsequent year. The repayment schedule is \$395,431 per year beginning in 2016/17 ending 2020/21, interest not included but will need to be added later.

* - On October 29, 2012, Superstorm Sandy (the "Storm"), then a Category 1 post-tropical cyclone according to the National Weather Service, struck the coast of New Jersey. The resulting storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including downed trees and branches and loss of electrical power and other utilities) throughout the State. In the days following the Storm, most schools and businesses – and many roads, bridges and public transportation systems – were closed. The full extent of the damage caused by the Storm has yet to be ascertained, but some preliminary estimates forecast total economic cost to the East Coast of between \$30 and \$50 billion.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:							
Local Tax Levy	\$27,207,391	27,207,391	27,207,391	26,673,913	26,673,913	26,673,913	
Tuition	100,000	100,000	147,472	40,000	40,000	178,156	138,156
Transportation from Other LEAs	130,000	130,000	289,757	130,000	130,000	225,390	95,390
Interest Earned on Current Expense							
Emergency Reserve	50	50	50	50	50	50	
Interest Earned on Maintenance Reserve	100	100	100	100	100	100	
Interest on Capital Reserve Funds	1,000	1,000	1,680	1,000	1,000	592	(408)
Unrestricted Miscellaneous Revenues	130,000	130,000	199,735	165,000	165,000	156,757	(8,243)
Total Local Sources	27,568,541	27,568,541	27,846,185	27,010,063	27,010,063	27,234,958	224,895
State Sources:							
Extraordinary Aid	60,000	60,000	187,318	60,000	60,000	141,355	81,355
Other State Aids						332	332
Nonpublic School Transportation							
Costs			18,966			12,898	12,898
Choice Aid	871,025	871,025	871,025			554,285	554,285
Categorical Special Education Aid	1,061,698	1,061,698	1,061,698	1,001,189	1,001,189	1,001,189	
Categorical Security Aid	280,686	280,686	280,686	267,532	267,532	267,532	
Adjustment Aid	201,538	201,538	201,538	430,262	430,262	178,528	(251,734)
Categorical Transportation Aid	1,089,286	1,089,286	1,089,286	1,068,140	1,068,140	1,068,140	
Nonbudgeted:							
On-Behalf TPAF Post-Retirement Medical Contributions		1,002,453	1,002,453			1,240,391	1,240,391
On-Behalf TPAF Contributions		842,227	842,227				
On-Behalf TPAF NCGI Premium Contributions		44,313	44,313			41,262	41,262
Reimbursed TPAF Social Security Contribution		965,524	965,524			969,817	969,817
Total State Sources	3,564,233	3,564,233	6,565,034	2,827,123	2,827,123	5,475,729	2,648,606
Federal Sources:							
Education Jobs Fund				131,752	135,880	135,880	
Medicaid Assistance Program	42,518	42,518	65,917	41,820	41,820	37,827	(3,993)
Total Federal Sources	42,518	42,518	65,917	173,572	177,700	173,707	(3,993)
Total Revenues	31,175,292	31,175,292	34,477,136	30,010,758	30,014,886	32,884,394	2,869,508

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

EXPENDITURES	ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Expenditures:								
Current Expense:								
Instruction - Regular Programs:								
Salaries of Teachers:								
Grades 6 - 8	11-130-100-101	2,441,094	2,208,599	2,208,599	2,785,129	2,288,454	2,288,453	1
Grades 9 - 12	11-140-100-101	5,059,189	4,913,812	4,907,320	4,690,920	4,955,255	4,955,255	
Home Instruction:								
Salaries of Teachers	11-150-100-101	40,000	43,175	43,175	60,000	23,268	23,267	1
Purchased Professional - Educational Services	11-150-100-320	27,000	27,000	26,403	26,000	26,600	25,698	902
Other Purchased Services	11-150-100-500	1,000	1,000	828	2,600	1,600	124	1,476
Regular Programs - Undistributed Instruction:								
Purchased Professional-Educational Services	11-190-100-320	140,000	77,800	77,729	71			
Purchased Technical Services	11-190-100-340	17,560	10,083	5,278	4,805	7,780	7,490	290
General Supplies	11-190-100-610	182,023	180,419	167,014	13,405	172,934	164,288	8,646
Textbooks	11-190-100-640	102,275	166,952	165,531	1,421	109,360	104,326	5,034
Total Regular Programs		8,010,141	7,628,840	7,601,877	26,963	7,585,251	7,568,901	16,350
Special Education:								
Cognitive - Mild:								
Salaries of Teachers	11-201-100-101	95,000	100,600	100,555	45	93,135	93,135	
General Supplies	11-201-100-610	23,470	23,670	23,603	67	22,525	22,250	275
Textbooks	11-201-100-640	1,200	1,200	1,167	33			
Total Cognitive - Mild		119,670	125,470	125,325	145	115,660	115,385	275
Learning and/or Language Disabilities:								
Salaries of Teachers	11-204-100-101	144,525	156,825	156,796	29	428,394	147,776	25
Other Salaries for Instruction	11-204-100-106	51,530	83,898	83,898		49,502	49,462	40
General Supplies	11-204-100-610	2,850	2,850	2,537	313	3,800	3,635	165
Textbooks	11-204-100-640	1,200	(1,200)			850	845	5
Total Learning and/or Language Disabilities		200,105	243,573	243,231	342	481,802	201,928	235
Behavioral Disabilities:								
Salaries of Teachers	11-209-100-101	241,875	5,400	247,275	30	71,937	243,183	
Other Salaries for Instruction	11-209-100-106	52,640	(2,260)	50,380	8	52,640	52,640	
Purchased Technical Services	11-209-100-340							
General Supplies	11-209-100-610	6,250	(2,200)	4,050	111	(1,675)	6,063	351
Other Objects	11-209-100-800			3,939			5,712	

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO FINAL TO ACTUAL	
	ORIGINAL BUDGET	FINAL BUDGET	FINAL ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	FINAL ACTUAL		
Total Behavioral Disabilities:	300,765	940	301,705	375,498	(73,612)	301,886	301,535	351
Multiple Disabilities::								
Salaries of Teachers	113,100	14,900	128,000	113,100	9,099	122,199	122,199	
Other Salaries for Instruction	77,612	(1,720)	75,892	51,640	24,450	76,090	76,090	
General Supplies	2,350	(400)	1,950	2,100	2,117	4,217	4,216	1
Other Objects	2,450	(1,820)	630	2,450	(2,450)			
Total Multiple Disabilities:	195,512	10,960	206,472	169,290	33,216	202,506	202,505	1
Resource Room:								
Salaries of Teachers	1,645,913	59,683	1,705,596	1,174,790	504,747	1,679,537	1,679,502	35
Other Salaries for Instruction	487,917	11,633	499,550	364,930	125,608	490,538	490,093	445
General Supplies	6,000	(1,427)	4,573	2,900	2,900	2,900	2,246	654
Total Resource Room	2,139,830	69,889	2,209,719	1,542,620	630,355	2,172,975	2,171,841	1,134
Autism:								
Salaries of Teachers	130,655	(9,000)	121,655	107,800	23,500	131,300	131,233	67
Other Salaries for Instruction	75,653	23,100	98,753	51,020	37,000	88,020	87,732	288
General Supplies	4,696	991	5,687	2,092	2,343	4,435	4,262	173
Total Autism	211,004	15,091	226,095	160,912	62,843	223,755	223,227	528
Home Instruction:								
Salaries of Teachers	30,000	9,696	39,696	50,000	(10,500)	39,500	39,448	52
Purchased Professional - Educational Services	30,600	7,200	37,800	16,000	12,500	28,500	28,080	420
Other Purchased Services	1,000	(200)	800	4,000	(1,000)	3,000	987	2,013
Total Home Instruction	61,600	16,696	78,296	70,000	1,000	71,000	68,515	2,485
Total Special Education	3,228,486	162,844	3,391,330	3,002,050	287,660	3,289,710	3,284,701	5,009
Basic Skills/Remedial: Salaries of Teachers	47,300	8,700	56,000	47,300	7,026	54,326	54,326	

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	TRANSFERS BUDGET	ORIGINAL BUDGET	FINAL BUDGET	TRANSFERS BUDGET		
Total Basic Skills/Remedial	47,300	56,000	8,700	47,300	54,326	7,026	54,326	54,326
Bilingual Education: Salaries of Teachers	82,400	94,209	11,809	82,400	91,855	9,455	91,855	91,855
Total Bilingual Education	82,400	94,209	11,809	82,400	91,855	9,455	91,855	91,855
Vocational Programs- Local - Instruction: Salaries of Teachers	94,635	102,055	7,420	94,635	100,735	6,100	100,735	100,701
Other Purchased Services	700	301	399	700	700	0	700	210
General Supplies	910	486	424	1,000	386	(614)	386	386
Total Vocational Programs - Local Instruction	96,245	103,665	7,420	96,335	101,821	5,486	101,821	101,297
School Sponsored Cocurricular Activities: Salaries	140,000	157,734	17,734	90,500	156,749	66,249	156,749	156,748
Purchased Services	4,500	3,000	(1,500)	3,000	3,000	0	3,000	3,000
Supplies and Materials	22,257	11,701	(10,556)	26,757	14,888	(11,869)	14,888	14,770
Other Objects	7,500	3,200	(4,300)	7,500	7,500	0	7,500	6,920
Total School Sponsored Cocurricular Activities	174,257	175,635	1,378	124,757	182,137	57,380	181,438	699
School Sponsored Athletics - Instruction: Salaries	740,500	760,369	19,869	707,236	729,645	23,444	729,645	1,035
Purchased Services	113,500	112,900	465	100,500	110,832	11,403	110,832	1,071
Supplies and Materials	70,000	73,828	8,000	22,761	38,761	16,000	38,761	38,761
Other Objects	60,000	67,082	7,082	60,000	45,014	(10,000)	50,000	4,986
Total School Sponsored Athletics Instructor	984,000	1,019,416	35,416	890,497	924,252	40,847	931,344	7,092
Total Instruction	12,622,829	12,469,095	(153,734)	12,132,275	12,236,444	104,169	12,236,770	29,674

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
111-000-100-561	16,400		16,400	16,352	8,000	8,000	7,324
111-000-100-562	95,000	(3,000)	92,000	91,686	37,000	162,000	161,762
111-000-100-563	15,000		15,000	15,000	(1,000)	14,500	12,000
111-000-100-565	330,000	(54,481)	275,519	275,518	5,000	370,000	363,063
111-000-100-566	997,000	(200,598)	796,402	786,907	(184,200)	926,800	776,224
111-000-100-567	67,230	(31,000)	36,230	35,865	(34,500)	10,500	10,500
111-000-100-568						37,982	37,982
	1,504,230	(272,679)	1,231,551	1,221,328	(169,700)	1,529,782	1,358,355
Total Undistributed Expenditures - Instruction							
Attendance & Social Work Services:							
Salaries	158,300	1,508	159,808	159,805	3	155,039	155,039
Supplies and Materials	1,200		1,200	419		1,200	545
Other Objects	2,200	(400)	1,800	250	(561)	1,639	125
	161,700	1,108	162,808	160,474	(561)	157,878	155,709
Total Attendance & Social Work Services							
Health Services:							
Salaries	221,550	(28,005)	193,545	193,202	343	218,396	218,395
Purchased Professional & Technical Services	30,000	(5,000)	25,000	24,700	2,000	28,000	28,000
Other Purchased Services	150		150	150		150	150
Supplies and Materials	5,000	160	5,160	4,634	526	8,250	7,923
	256,700	(32,845)	223,855	222,536	1,319	254,796	254,318
Total Health Services							

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	FINAL ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	FINAL ACTUAL	
Other Support Services - Students - Related Services							
Salaries	70,300	1,355	71,654	70,300	70,300	70,300	
Purchased Professional - Educational Services	110,000	106,000	215,327	110,000	100,850	89,207	11,643
Supplies and Materials	500	500	279	500	500	466	34
Total Other Support Services - Students - Related Services:	180,800	107,355	287,260	180,800	171,650	159,973	11,677
Other Support Services - Guidance:							
Salaries of Other Professional Staff	563,300	15,200	578,500	577,384	569,384	567,743	1,641
Salaries of Secretarial & Clerical Assistants	251,355	(54,290)	197,064	246,334	238,536	238,535	1
Purchased Professional & Technical Services	43,000	(2,500)	38,677	43,000	29,081	29,081	
Other Purchased Services	2,000	102	1,898	2,000	531	31	500
Supplies and Materials	14,465	6,635	17,279	14,465	14,465	13,272	1,193
Other Objects	12,958	(7,300)	4,665	13,960	5,460	4,715	745
Total Other Support Services - Guidance	887,078	(42,255)	836,284	897,143	(39,686)	853,377	4,080
Other Support Services - Child Study Teams:							
Salaries of Other Professional Staff	663,125	(7,000)	656,078	545,965	81,064	627,029	
Salaries of Secretarial & Clerical Assistants	112,310	10,735	123,043	110,067	110,067	110,066	1
Miscellaneous Purchased Services	1,000	1,000	437	1,000	1,000	442	558
Supplies and Materials	7,000	8,699	15,657	6,500	8,000	7,297	703
Other Objects	12,000	(5,400)	6,553	7,500	2,550	9,645	405
Total Other Support Services - Child Study Teams	795,435	7,034	801,768	671,032	85,114	754,479	1,667
Improvement of Instruction Services/Other Support Services - Instruction Staff:							
Salaries of Supervisors of Instruction	302,255	6,065	308,320	297,782	27,000	324,782	

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
11-000-221-105	78,060	(800)	77,260	77,244	16	76,528	64,678
11-000-221-610	2,500	800	3,300	3,252	48	2,500	1,451
11-000-221-890	5,000	5,000	5,000	4,705	295	5,600	4,450
	387,815	6,065	393,880	393,521	359	382,410	395,361
Total Improvement of Instruction Services/Other Support Services Instructional Staff							
11-000-222-100	171,805	109	171,914	171,127	787	119,800	109,236
11-000-222-500	1,625	200	1,825	1,786	39	925	1,450
11-000-222-600	41,098	4,000	45,098	43,991	1,107	44,798	42,631
	214,528	4,309	218,837	216,904	1,933	165,523	153,317
Total Educational Media Services/School Library							
11-000-223-580	1,200		1,200	363	837	1,200	361
11-000-223-610	2,500	23	2,523	2,069	454	2,500	1,634
11-000-223-890	342		342	213	129	342	268
	4,042	23	4,065	2,645	1,420	4,042	2,263
Total Support Services Instructional Staff Training Services							
11-000-230-100	260,200		260,200	257,865	2,335	303,675	256,865
11-000-230-331	150,000	252,100	402,100	398,474	3,626	120,000	289,156
11-000-230-332	30,000	(1,330)	28,670	28,670		33,000	27,500
11-000-230-334	5,000	63,576	68,576	68,318	258		38,491
11-000-230-339	69,000	(2,900)	66,100	66,094	6	96,000	69,921
11-000-230-530	90,000	(17,957)	72,043	72,042	1	96,000	65,300
11-000-230-585	2,500	(2,250)	250	250		6,500	1,344
11-000-230-610	16,000	(3,750)	12,250	9,683	2,567	15,500	13,718
11-000-230-630						600	
11-000-230-895	30,000	(1,319)	28,681	28,626	55	69,000	28,698
Total Support Services General Administration:							
11-000-230-331	150,000	252,100	402,100	398,474	3,626	120,000	289,156
11-000-230-332	30,000	(1,330)	28,670	28,670		33,000	27,500
11-000-230-334	5,000	63,576	68,576	68,318	258		38,491
11-000-230-339	69,000	(2,900)	66,100	66,094	6	96,000	69,921
11-000-230-530	90,000	(17,957)	72,043	72,042	1	96,000	65,300
11-000-230-585	2,500	(2,250)	250	250		6,500	1,344
11-000-230-610	16,000	(3,750)	12,250	9,683	2,567	15,500	13,718
11-000-230-630						600	
11-000-230-895	30,000	(1,319)	28,681	28,626	55	69,000	28,698

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013		JUNE 30, 2012		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET		
Total Support Services General Administrator	652,700	938,870	930,022	812,282	8,848	21,289
Support Services School Administration:						
Salaries of Principals & Assistant Principals	586,050	619,492	619,492	582,989	4,700	582,949
Salaries of Secretarial & Clerical Assistants	275,080	236,147	236,147	272,533	2,717	272,084
Other Salaries	13,300	13,582	12,285	12,483	483	12,480
Other Purchased Services	1,160	1,100	61	1,130	1,039	40
Supplies and Materials	98,513	88,973	83,548	88,746	5,425	16,693
Other Objects	7,525	6,039	6,039	7,525	486	1,290
Total Support Services School Administrator	981,628	966,528	957,572	965,406	8,956	19,565
Central Services:						
Salaries	355,850	349,742	349,742	350,865	5,626	349,687
Purchased Professional Services	5,500	985	985	5,500	15	3,895
Purchased Technical Services	32,000	33,300	33,243	27,000	57	31,276
Miscellaneous Purchased Services				100		100
Supplies & Materials	82,000	73,813	71,341	81,365	2,472	74,970
Miscellaneous Expenditures	4,000	4,000	3,056	5,000	944	1,854
Total Central Services	479,350	467,481	458,367	472,787	9,114	11,005
Administrative Information Technology:						
Salaries	246,700	249,787	249,786	218,140	1	218,140
Purchased Technical Services	27,500	21,232	19,572	22,017	1,660	21,753
Other Purchased Services				1,195		1,195
Supplies & Materials	50,000	46,000	43,031	66,788	2,969	66,786
Total Administrative Information Technology	324,200	317,019	312,389	308,140	4,630	307,874
Required Maintenance for School Facilities:						
Salaries	321,855	272,855	271,471	246,978	1,384	243,613
Cleaning, Repair & Maintenance Services	306,865	320,161	320,139	268,341	22	259,711
General Supplies	67,513	68,811	68,485	72,554	326	72,554
Other Objects	1,700	700	680	1,700	20	1,680

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Required Maintenance for School Facilities:	697,933	(35,406)	662,527	613,928	(24,256)	589,672	577,558	12,114
Custodial Services:								
Salaries	829,778	143,352	973,130	944,763	(22,157)	922,606	919,319	3,287
Purchased Professional & Technical Services	5,000		5,000	5,000		5,000	4,887	113
Cleaning, Repair & Maintenance Services	52,750	(9,000)	39,028	38,055	9,249	47,304	47,051	253
Other Purchased Property Services	115,000	7,300	122,300	113,000	7,500	120,500	118,970	1,530
Miscellaneous Purchased Services	31,000	(3,990)	27,010	15,000	15,000	30,000	29,711	289
Insurance	184,000	(18,000)	166,000	180,000	(7,000)	173,000	172,070	930
General Supplies	60,000		60,000	60,000		60,000	59,390	610
Energy (Electricity)	500,000	(105,360)	394,640	610,000	(134,691)	475,309	470,958	4,351
Energy (Natural Gas)	120,000	10,460	130,460	120,000	(27,550)	92,450	88,975	3,475
Energy (Oil)	2,000	(1,904)	96	2,000	(2,000)			
Total Custodial Services	1,899,528	22,858	1,922,386	2,087,818	(161,649)	1,926,169	1,911,331	14,838
Care & Upkeep of Grounds								
Salaries	146,990	11,499	158,489	143,476	5,340	148,816	147,873	943
Purchased Professional & Technical Services	20,000		20,000	20,000		27,745	27,743	2
Cleaning, Repair & Maintenance Services	30,200		29,999	30,200		(5,000)	25,200	3
General Supplies	37,500	800	38,300	37,500	809	38,309	38,306	3
Other Objects	1,655	(800)	855	1,655		1,655	1,649	6
Total Care & Upkeep of Grounds	236,345	11,499	247,844	232,831	8,894	241,725	240,771	954
Security								
Purchased Professional & Technical Services	5,000	32,000	37,000	2,000	(2,000)			
Total Security	5,000	32,000	37,000	2,000	(2,000)			

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services:							
Salaries for Pupil Transportation:							
Transportation Aides	65,000	28,920	93,920	15,000	67,340	82,340	82,337
Between Home & School - Regular	667,691	74,139	741,830	656,298	38,000	694,298	694,071
Between Home & School - Special	189,667	81,248	270,915	115,000	126,760	241,760	241,759
Between Home & School - Nonpublic	37,933	13,500	51,433	43,000	3,000	46,000	45,907
Other Purchased Professional & Technical Services	6,000	(6,000)		200,000	27,271	27,271	27,268
Cleaning, Repair & Maintenance Services	300,000	(25,000)	275,000	17,766	131,362	331,362	331,362
Lease Purchase Payments	55,869		55,869			17,766	17,766
Contracted Services (Special Education Students) - Vendors							
Contracted Services (Special Education Students) - Joint Agreements	20,000	(782)	19,218	6,000		6,000	5,954
Contracted Services (Special Education Students) - ESC'S & CTSA	295,000	25,782	320,782	360,000	(35,090)	324,910	324,909
Aid in Lieu of Payments - Charter School	18,000	7,000	25,000	18,000	(7,833)	10,167	10,166
Miscellaneous Purchased Services - Transportation	110,000	(18,029)	91,971	112,000	(10,575)	101,425	101,415
Supplies and Materials	69,000	12,500	81,500	261,000	(203,086)	57,914	57,914
Transportation Supplies	335,000	(73,097)	261,903	65,000	234,033	299,033	293,940
Other Objects	12,000		12,000	8,500	1,000	9,500	9,494
Total Student Transportation Services	2,181,160	120,181	2,301,341	1,877,564	372,182	2,249,746	2,244,262
Unallocated Benefits - Employee Benefits							
Social Security	428,094	129,650	557,744	420,000	98,861	518,861	477,931
Other Retirement Contributions - PERS	481,906	(40,626)	441,280	453,257	(14,000)	439,257	438,133
Worker's Compensation	270,000	(44,550)	225,450	307,000	(42,425)	264,575	264,573
Health Benefits	4,985,500	(253,581)	4,731,919	4,822,040	(296,208)	4,525,832	4,525,831
Other Employee Benefits	220,000	62,742	282,742	342,000	(27,042)	314,958	314,440
Total Unallocated Benefits - Employee Benefits	6,385,500	(146,365)	6,239,135	6,344,297	(280,814)	6,063,483	6,020,908

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013			JUNE 30, 2012			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:							
On-Behalf TPAF Post-Retirement Medical Contributions			1,002,453			(1,002,453)	1,240,391
On-Behalf TPAF Contributions			842,227			(842,227)	41,262
On-Behalf TPAF NCGI Premium Contributions			44,313			(44,313)	969,817
Reimbursed TPAF Social Security Contribution			965,524			(965,524)	(969,817)
Total Nonbudgeted			2,854,517			(2,854,517)	2,251,470
Total Undistributed Expenditures	18,235,672	34,902	18,270,574	21,007,945	(2,737,371)	17,956,335	(46,384)
Total Expenditures - Current Expense	30,858,501	(118,832)	30,739,669	33,439,916	(2,700,247)	30,088,610	57,785
Capital Outlay:							
Equipment:							
Instructional Equipment							
School Sponsored & Other		15,000	15,000	14,422		578	54,900
Undistributed - Instructional Equipment	50,000	(2,791)	47,209	46,697		512	54,900
Guidance Equipment	1,800	(1,800)			1,800		(1,400)
Undistributed Expense -							400
Admin Info Tech	100,000	181,800	281,800	278,856		2,944	
Custodial Services	58,000	4,586	62,586	62,525		61	
School Buses - Regular	300,000	10,000	310,000	309,884		116	
Total Equipment	509,800	206,795	716,595	712,384		4,211	185,350
Facilities Acquisition & Construction Services							
Construction Services		240,091	240,091	215,935		24,156	
Assessment for Debt Service on SDA funding	65,392		65,392	65,392			47,648
Total Facilities Acquisition & Construction Services	65,392	240,091	305,483	281,327		24,156	47,648
Assets Acquired Under Capital Leases (NonBudgeted)							
Total Capital Outlay	575,192	446,886	1,022,078	993,711		28,367	188,998
							44,000
							232,998
							369,998
							(137,620)
							(137,000)

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013		POSITIVE/ (NEGATIVE) FINAL TO		JUNE 30, 2012		POSITIVE/ (NEGATIVE) FINAL TO	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ACTUAL
Special Schools:								
Summer School - Instruction:	42,000	42,000	41,349	651	32,000	5,079	37,079	37,079
Salaries of Teachers	1,000	1,000	989	11		815	815	806
General Supplies								
Total Special Schools	43,000	43,000	42,338	662	32,000	5,894	37,894	37,885
Total Expenditures	31,476,693	31,804,747	34,475,965	(2,671,218)	30,309,608	107,679	30,417,287	32,454,595
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(301,401)	(629,455)	1,171	630,626	(298,850)	(103,551)	(402,401)	429,799
Other Financing Sources/(Uses):								
Capital Leases								
Interest Earned on Capital Reserve	1,000	1,000		(1,000)	(1,000)		(1,000)	137,620
Interest Earned on Maintenance Reserve	100	100		(100)	(100)		(100)	1,000
Interest Earned on Emergency Reserve	50	50		(50)	(50)		(50)	100
Total Other Financing Sources/(Uses)	1,150	1,150		(1,150)	(1,150)		(1,150)	138,770
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Other Financing Sources/(Uses)	(300,251)	(628,305)	1,171	629,476	(300,000)	(103,551)	(403,551)	970,970
Fund Balances, July 1	1,574,169	1,574,169	1,574,169		1,006,750		1,006,750	1,006,750
Fund Balances, June 30	<u>\$1,273,918</u>	<u>945,864</u>	<u>1,575,340</u>	<u>629,476</u>	<u>706,750</u>	<u>(103,551)</u>	<u>603,199</u>	<u>1,574,169</u>
RECAPITULATION OF TRANSFERS:								
Prior Year Reserve for Encumbrances		(92,754)						
Withdrawal from Capital Reserve		<u>(255,300)</u>						
Total Transfers		<u>(328,054)</u>						
RECAPITULATION OF FUND BALANCE:								
Restricted Fund Balance:								
Capital Reserve			\$519,987					
Emergency Reserve			50,150					
Maintenance Reserve			291,448					
Committed Fund Balance:								
Year-end Encumbrances			70,855					
Assigned Fund Balance:								
Designated for Subsequent Year's Expenditures:			300,000					
Unassigned Fund Balance			<u>342,900</u>					
Subtotal			1,575,340					
Reconciliation to Governmental Fund Statements (GAAP)								
Last State Aid Payment Not Recognized on GAAP Basis								
Fund Balance Per Governmental Funds (GAAP):			<u>(318,892)</u>					
			<u>\$1,256,448</u>					

**CENTRAL REGIONAL SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM -
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013		JUNE 30, 2013		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET TRANSFERS	FINAL BUDGET	ORIGINAL BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Federal Sources:						
Education Jobs Fund Program	18-4522	-	131,752	4,128	135,880	135,880
Total Federal Sources			131,752	4,128	135,880	135,880
Total Revenues			131,752	4,128	135,880	135,880
Expenditures:						
Education Jobs Fund Program:						
Security:						
Salaries	18-000-266-100		131,752	4,128	135,880	135,880
Total Security			131,752	4,128	135,880	135,880
Total Education Jobs Fund Expenditures			131,752	4,128	135,880	135,880
Total Expenditures			131,752	4,128	135,880	135,880
Excess/(Deficiency) of Revenues Over/(Under) Expenditures			-	-	-	-

**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013		JUNE 30, 2012		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	
Revenues:					
Federal Sources	\$767,000	285,319	1,052,319	1,039,716	854,325
Other Sources		22,173	22,173	22,173	19,316
Total Revenues	767,000	307,492	1,074,492	1,061,889	873,641
Expenditures:					
Instruction:					
Salaries of Teachers	173,000	140,739	313,739	301,137	179,548
Purchased Professional Technical Services					
Other Purchased Services	497,000	39,735	536,735	536,735	492,075
General Supplies	26,000	12,277	38,277	38,276	39,572
Other Objects				1	28,469
Total Instruction	696,000	192,751	888,751	876,148	739,664
Support Services:					
Salaries of Other Professional Staff					
Other Salaries			18,696		29,230
Personal Services - Employee Benefits	32,000	23,388	55,388	55,388	36,540
Purchase of Professional Education Services	39,000	69,180	108,180	108,180	48,891
Purchased Technical Services				275	19,316
Rentals		22,173	22,173	22,173	
Other Professional Services Supplies and Materials				0	
Total Support Services	71,000	114,741	185,741	185,741	133,977
Total Instruction	767,000	307,492	1,074,492	1,061,889	873,641
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	(0)	(0)	-	(0)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$34,477,136	1,061,889
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		1,233
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	281,060	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(318,892)	
	\$34,439,304	1,063,122
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$34,439,304	1,063,122
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$34,475,965	1,061,889
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		1,233
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$34,475,965	1,063,122

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	TITLE I 2012-13	TITLE II PART A 2012-13	I.D.E.A. 2012-13	ProjectServ	INSURANCE GRANT	2013	2012
Revenues:							
Federal Sources	\$456,069	43,357	501,317	38,973		1,039,716	854,325
Other Sources					22,173	22,173	19,316
Total Revenues	\$456,069	43,357	501,317	38,973	22,173	1,061,889	873,641
Expenditures:							
Instruction:							
Salaries of Teachers	253,484	8,680		38,973		301,137	179,548
Purchased Professional Technical Services							39,572
Other Purchased Services	35,418		501,317			536,735	492,075
General Supplies	38,276					38,276	28,469
Other Objects							
Total Instruction	327,178	8,680	501,317	38,973		876,148	739,664
Support Services:							
Salaries of Other Professional Staff							29,230
Personal Services - Employee Benefits	52,845	2,543				55,388	36,540
Purchase of Professional Education Services	76,046	32,134				108,180	48,891
Purchased Technical Services							2,009
Rentals					22,173	22,173	
Other Professional Services							17,307
Total Support Services	128,891	34,677			22,173	185,741	133,977
Total Expenditures	\$456,069	43,357	501,317	38,973	22,173	1,061,889	873,641

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F. Capital Projects Fund

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2013
			PRIOR YEAR	CURRENT YEAR	
Upgrades to Middle & High Schools		\$5,152,975	4,006,691	1,084,908	61,376
Total		<u>\$5,152,975</u>	<u>4,006,691</u>	<u>1,084,908</u>	<u>61,376</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2013**

Revenues & Other Financing Sources:	
State Sources - SDA Grant	<u>(\$2,224)</u>
Total Revenue & Other Financing Sources	<u>(2,224)</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	110,190
Construction Services	<u>974,718</u>
Total Expenditures	<u>1,084,908</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,087,132)
Fund Balance - Beginning	<u>1,148,508</u>
Fund Balance - Ending	<u><u>\$61,376</u></u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
UPGRADES TO MIDDLE AND HIGH SCHOOLS
YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$1,042,199	(2,224)	1,039,975	1,039,975
Bond Proceeds & Transfers	4,113,000		4,113,000	4,113,000
Total Revenues	5,155,199	(2,224)	5,152,975	5,152,975
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	441,000	110,190	551,190	441,000
Construction Services	3,565,691	974,718	4,540,409	4,711,975
Total Expenditures	4,006,691	1,084,908	5,091,599	5,152,975
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$1,148,508</u>	<u>(1,087,132)</u>	<u>61,376</u>	<u>-</u>

ADDITIONAL PROJECT INFORMATION

Project Number	0770-030-10-1001
Grant Date	04/19/2011
Bond Authorization Date	01/25/2011
Bonds Authorized	\$4,113,346
Bonds Issued	\$4,113,000
Original Authorized Cost	\$5,208,976
Reduction of Authorized Cost	(\$56,001)
Revised Authorized Cost	\$5,152,975
Percentage Decrease Under Original Authorized Cost	-1.08%
Original Target Completion Date	
Percentage Completion	98.81%

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G. Proprietary Funds

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

FOOD SERVICE FUND

This Fund provides operation of food services within the School District.

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Enterprise Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	COMMUNITY SCHOOL	FOOD SERVICE FUND	2013	2012
Current Assets:				
Cash & Cash Equivalents	\$6,993	20,425	27,418	90,259
Intergovernmental Accounts Receivable:				
Federal		12,252	12,252	1,533
State		694	694	40
Other		6,432	6,432	
Total Current Assets	<u>6,993</u>	<u>39,803</u>	<u>46,796</u>	<u>91,832</u>
Fixed Assets:				
Equipment		334,669	334,669	321,206
Accumulated Depreciation		<u>(279,905)</u>	<u>(279,905)</u>	<u>(250,000)</u>
Total Fixed Assets		<u>54,764</u>	<u>54,764</u>	<u>71,206</u>
Total Assets	<u>6,993</u>	<u>94,567</u>	<u>101,560</u>	<u>163,038</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable				<u>20,710</u>
Total Current Liabilities				<u>20,710</u>
NET POSITION				
Investment in Fixed Capital Unrestricted	6,993	54,764 39,804	54,764 46,796	71,206 71,122
Total Net Position	<u>\$6,993</u>	<u>94,568</u>	<u>101,560</u>	<u>142,328</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	2013	2012
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program		500,881	500,881	479,434
Miscellaneous	\$3,500		3,500	5,335
Total - Daily Sales - Reimbursable Programs	3,500	500,881	504,381	484,769
Operating Expenses:				
Salaries	1,861		1,861	
Purchased Professional / Technical Services		409,080	409,080	397,767
Purchased Property Services		21,966	21,966	
Supplies and Materials	526	62,904	63,431	58,315
Depreciation		29,905	29,905	29,931
Miscellaneous		6,361	6,361	
Cost of Sales		344,644	344,644	349,317
Total Operating Expenses	2,387	874,860	877,248	835,330
Operating/(Loss)/Gain	1,113	(373,980)	(372,867)	(350,561)
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program		6,837	6,837	7,891
Federal Sources:				
School Breakfast Program		32,166	32,166	36,904
National School Lunch Program		241,438	241,438	260,561
Food Distribution Program		47,192	47,192	53,944
Miscellaneous		178	178	
Total Nonoperating Revenues/(Expenses)		327,811	327,811	359,300
Net Income/(Loss)	1,113	(46,168)	(45,056)	8,739
Net Position - Beginning (Unadjusted)	5,880	136,448	142,328	133,589
Prior Period Change in Net Position		4,288	4,288	
Total Net Position - Beginning (Adjusted)	5,880	140,736	146,616	
Total Net Position - Ending	\$6,993	94,568	101,560	142,328

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	2013	2012
Cash Flows From Operating Activities:				
Receipts from Daily Sales		494,449	494,449	479,434
Receipts from Miscellaneous Items	\$3,500		3,500	5,335
Disbursements for Operating Expenses	(2,387)	(818,473)	(820,861)	(748,398)
Net Cash Provided/(Used) by Operating Activities	1,113	(324,025)	(322,912)	(263,629)
Cash Flows From Capital Financing Activities:				
Purchases of Fixed Assets		(9,175)	(9,175)	(277)
Net Cash Provided/(Used) by Capital Financing Activities		(9,175)	(9,175)	(277)
Cash Flows From Noncapital Financing Activities:				
State Sources		6,183	6,183	8,246
Federal Sources		262,885	262,885	295,932
Miscellaneous Transfers to Other Funds				
Net Cash Provided by Noncapital Financing Activities		269,068	269,068	304,178
Cash Flows From Investing Activities:				
Interest		178	178	
Net Cash Provided by Investing Activities		178	178	
Net Increase in Cash & Cash Equivalents Cash and Cash Equivalents, July 1	1,113 5,880	(63,953) 84,379	(62,841) 90,259	40,272 49,987
Cash & Cash Equivalents, June 30	\$6,993	20,426	27,418	90,259

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

Operating Loss		(373,980)	(373,980)	(350,888)
Operating Gain	\$1,113		1,113	327
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense		29,905	29,905	29,931
Food Distribution Program		47,192	47,192	53,944
Change in Assets & Liabilities:				
(Increase)/Decrease in Accounts Receivable		(6,432)	(6,432)	
Increase/(Decrease) in Accounts Payable		(20,710)	(20,710)	3,057
Total Adjustments		49,955	49,955	86,932
Net Cash Provided/(Used) by Operating Activities	\$1,113	(324,025)	(322,912)	(263,629)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund:	This Agency Fund is used to account for student funds held at the schools.
Payroll Fund:	This Agency Fund is used to account for the payroll transactions of the School District.
Unemployment Agency Fund:	This Fund is used to account for assets to finance the cost of unemployment benefits.
Scholarship Fund:	This Fund is an Expendable Trust Fund and limits expenses according to the Scholarship Agreement.

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		AGENCY		2013	2012
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$57,082	372,257	202,613	127,003	758,955	818,690
Due from Other Funds		36,319			36,319	9,882
Total Assets	57,082	408,576	202,613	127,003	795,274	828,572
LIABILITIES						
Accounts Payable		\$9,800			9,800	24,104
Payroll Deductions & Withholdings				85,451	85,451	14,597
Interfunds Payable				41,552	41,552	9,882
Due to Student Groups			202,613		202,613	235,736
Total Liabilities		9,800	202,613	127,003	339,416	284,319
NET POSITION						
Reserved:						
Scholarships	57,082				57,082	53,010
Unemployment Benefits		398,775			398,775	491,243
Total Net Position	\$57,082	398,775	-	-	455,857	544,253

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		2013	2012
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST		
ADDITIONS:				
Interest Earned	\$66	687	754	336
Contributions	3,646	8,599	12,245	28,952
Total Additions	3,712	9,286	12,998	29,288
DEDUCTIONS:				
Disbursements	7,900		7,900	2,900
Cancellation of Receivables				
Unemployment Claims		6,576	6,576	113,307
Total Deductions	7,900	6,576	14,476	116,207
Change in Net Position	(4,188)	2,711	(1,477)	(86,919)
Net Position - Beginning of Year	61,270	396,065	457,335	544,253
Net Position - End of Year	\$57,082	398,775	455,857	457,334

**CENTRAL REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
High & Middle Schools	\$180,549	420,939	403,041	198,448
Athletic Account	4,668	92,608	93,110	4,165
	<hr/>			
Total	\$185,217	513,547	496,151	202,613

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$105,672	21,184,445	21,163,115	127,003
Due from Other Funds	2,977		2,977	
	<hr/>			
Total Assets	\$108,649	21,184,445	21,166,092	127,003
	<hr/> <hr/>			
LIABILITIES				
Net Payroll Deductions & Withholdings	\$77,719	21,142,893	21,135,162	85,451
Interfunds	30,930	41,552	30,930	41,552
	<hr/>			
Total Liabilities	\$108,649	21,184,445	21,166,092	127,003
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I. Long-Term Debt

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

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**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2013**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	INTEREST RATE	BALANCE JUNE 30, 2012	ISSUED	RETIRED	BALANCE JUNE 30, 2013
School Bonds 2011	3/29/2011	\$4,113,000	7-15-13	2.000%	\$4,113,000		160,000	3,953,000
			7-15-14	2.000%				
			7-15-15	2.000%				
			7-15-16	2.500%				
			7-15-17	3.000%				
			7-15-18	3.000%				
			7-15-19	3.250%				
			7-15-20	3.500%				
			7-15-21	3.500%				
School Refunding Bonds	05/29.2008	5,900,000	7-15-13	3.500%	4,220,000		995,000	3,225,000
			7-15-14	5.000%				
			7-15-15	3.375%				
Total					\$8,333,000	-	1,155,000	7,178,000

**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2013**

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2012	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2013
December 2009 Bus	4.50%	\$79,424	\$48,836		15,568	33,268
October 2009 Copiers	Variable	108,782	60,005		22,291	37,714
September 2010 Copiers	6.30%	14,525	9,722		2,863	6,859
August 2011 Buses	2.97%	112,754	73,173		36,051	37,122
August 2011 Copiers	5.30%	24,866	21,623		4,572	17,051
Copiers - FY 13	Variable	37,793	-	37,793	4,491	33,302
Total			\$213,359	37,793	85,837	165,315

**CENTRAL REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013		JUNE 30, 2012		POSITIVE/ NEGATIVE FINAL TO ACTUAL	POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	1,321,690	1,321,690	1,321,690	1,311,872	1,311,872	1,311,872
Miscellaneous						
Total Revenues	1,321,690	1,321,690	1,321,690	1,311,872	1,311,872	1,311,872
Expenditures:						
Regular Debt Service:						
Interest on Bonds	260,487	260,487	260,486	356,934	356,934	270,050
Redemption of Principal	1,155,000	1,155,000	1,155,000	955,000	955,000	955,000
Total Expenditures	1,415,487	1,415,487	1,415,486	1,311,934	1,311,934	1,225,050
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(93,797)	(93,797)	(93,796)	(62)	(62)	86,884
Other Financing Sources/(Uses):						
Transfer from/(to) Other Funds			356	356	356	632
Total Other Financing Sources/(Uses)			356	356	356	632
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(93,797)	(93,797)	(93,440)	(62)	(62)	87,516
Fund Balance July 1	94,368	94,368	94,368	6,914	6,914	6,914
Fund Balance June 30	\$571	-	571	928	357	6,852
						87,516

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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CENTRAL REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	2008	2009	2010	2011	2012	2013
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$14,786,517	15,817,786	22,671,570	18,445,998	21,618,461	22,638,937
Restricted for:						
Debt Service	14,913	30,717	30,780	6,915	(36,096)	(128,030)
Capital Projects	861,320			3,081,772	1,148,508	61,376
General Fund	1,399,784	153,608	602,305	303,164		
Maintenance Reserve	21,776	721,776	91,148	91,148	191,348	291,448
Emergency Reserve					50,100	50,150
Capital Reserve					553,607	519,987
Unrestricted	837,001	(546,530)	(756,382)	32,241	(359,935)	(413,734)
Total Governmental Activities Net Position	\$17,921,311	16,177,357	22,639,421	21,961,238	23,165,993	23,020,134
Business-Type Activities:						
Invested in Capital Assets, Net of Related Debt	\$15,832	10,837	130,569	100,861	71,206	54,764
Unrestricted	131,463	92,786	7,169	32,728	71,122	46,796
Total Business-Type Activities Net Position	\$147,295	103,623	137,738	133,589	142,328	101,560
District-Wide:						
Invested in Capital Assets, Net of Related Debt	\$14,802,349	15,828,623	22,802,139	18,546,859	21,689,667	22,693,701
Restricted:						
Debt Service	14,913	30,717	30,780	6,915	(36,096)	(128,030)
Capital Projects	861,320			3,081,772	1,148,508	61,376
General Fund	1,399,784	153,608	602,305	303,164		
Maintenance Reserve	21,776	721,776	91,148	91,148	191,348	291,448
Emergency Reserve					50,100	50,150
Capital Reserve					553,607	519,987
Unrestricted	968,464	(453,744)	(749,213)	64,969	(288,813)	(366,938)
Total District Net Position	\$18,068,606	16,280,980	22,777,159	22,094,827	23,308,321	23,121,694

**CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST SIX FISCAL YEARS
Unaudited**

	2008	2009	2010	2011	2012	2013
Expenses:						
Governmental Activities						
Instruction:						
Regular	\$8,479,276	7,758,943	8,028,025	7,662,009	8,226,793	8,429,981
Special Education	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494
Other Special Instruction	53,247	163,751	137,509	133,406	146,181	150,209
Vocational	40,354	38,887	97,034	98,785	101,297	102,842
Other Instruction	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549
Support Services:						
Tuition	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328
Student & Instruction Related Service	2,877,217	2,968,898	3,316,852	3,020,552	2,888,541	3,108,366
School Administrative Services	989,902	1,043,776	1,051,177	918,003	945,841	957,572
Other Administrative Services	1,468,797	1,731,718	1,660,117	1,495,828	790,993	930,022
Central Services						458,367
Administrative Information Technology					769,656	312,389
Plant Operations & Maintenance	3,075,898	3,320,675	3,685,340	2,981,790	2,674,594	2,905,618
Pupil Transportation	1,789,978	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104
Unallocated Benefits	9,266,203	6,903,734	7,386,709	7,860,346	8,272,378	8,979,596
Special Schools	22,124	16,954	10,812	25,084	37,885	42,338
Debt Service	381,472	1,106,388	1,129,235	256,461	302,193	258,980
Unallocated Gain on Revaluation of Fixed Assets					467,603	
Unallocated Depreciation	1,190,907	1,589,372	1,432,695	1,415,116	1,372,311	1,438,287
Unallocated Compensated Absences					45,341	
Total Governmental Activities Expenses	35,112,676	34,807,184	36,359,576	34,839,287	35,034,615	36,145,041
Business-Type Activities:						
Food Service	793,803	834,344	865,653	729,797	830,407	874,860
Drivers Education		7,476				
Community School	5,902		11,500	5,458	4,923	2,387
Total Business-Type Activities Expense	799,705	841,820	877,153	735,255	835,330	877,248
Total District Expenses	\$35,912,381	35,649,004	37,236,729	35,574,542	35,869,945	37,022,288
Program Revenues:						
Governmental Activities:						
Charges for Services				240,990	178,156	437,229
Operating Grants & Contributions	\$4,230,798	6,657,025	3,459,367	3,118,138	899,408	5,003,718
Total Governmental Activities Program Revenues	4,230,798	6,657,025	3,459,367	3,359,128	1,077,564	5,440,947
Business-Type Activities:						
Charges for Services:						
Food Service	533,823	528,343	461,286	476,354	479,519	500,881
Community School	6,060	11,380	7,545	6,750	5,250	3,500
Operating Grants & Contributions	262,831	250,425	295,740	309,762	359,300	327,811
Total Business Type Activities Program Revenues	802,714	790,148	764,571	792,866	844,069	832,192
Total District Program Revenues	\$5,033,512	7,447,173	4,223,938	4,151,994	1,921,633	6,273,139

**CENTRAL REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST SIX FISCAL YEARS**

	2008	2009	2010	2011	2012	2013
Net/(Expense)/Revenue:						
Governmental Activities	(\$30,881,878)	(28,150,159)	(32,900,209)	(31,480,159)	(33,957,051)	(30,704,094)
Business-Type Activities	3,009	(51,672)	(112,582)	57,611	8,739	(45,056)
Total District-Wide Net Expense	(\$30,878,869)	(28,201,831)	(33,012,791)	(31,422,548)	(33,948,312)	(30,749,150)
General Revenues & Other Changes in Net Position:						
Governmental Activities:						
Property Taxes Levied for General Purposes, Net	\$23,725,867	24,524,902	25,356,033	26,673,913	26,673,913	27,207,391
Taxes Levied for Debt Service	1,128,760	1,121,126	1,122,604	1,102,344	1,311,872	1,321,690
Unrestricted Grants & Contributions	3,886,224	6,934,441	3,565,448	2,727,947	6,773,184	2,628,126
Special Item - Loss on Disposal of Assets						(818,777)
Miscellaneous Income	271,341	241,549	505,019	297,773	402,837	224,094
Total Governmental Activities	29,012,192	32,822,018	30,549,104	30,801,977	35,161,806	30,562,524
Business-Type Activities:						
Investment Earnings				1,099		
Total Business-Type Activities				1,099		
Total District-Wide	\$29,012,192	32,822,018	30,549,104	30,803,076	35,161,806	30,562,524
Change in Net Position:						
Governmental Activities	(\$1,869,686)	4,671,859	(2,351,105)	(678,182)	1,204,755	(141,570)
Business-Type Activities	3,009	(51,672)	(112,582)	58,710	8,739	(45,056)
Total District	(\$1,866,677)	4,620,187	(2,463,687)	(619,472)	1,213,494	(186,626)

CENTRAL REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

	FISCAL YEAR ENDING JUNE 30,					
	2008	2009	2010	2011	2012	2013
General Fund:						
Reserved	\$1,694,473	1,846,332	767,744	497,865	1,190,360	1,232,440
Unreserved	2,276,446	723,550	321,190	126,960	102,749	24,008
Total General Fund	\$3,970,919	2,569,882	1,088,934	624,825	1,293,109	1,256,448
All Other Governmental Funds						
Restricted, Reported in:						
Capital Projects Fund					68,902	61,376
Assigned, Reported in:						
Capital Projects Fund					1,079,606	
Debt Service Fund					94,368	928
Unreserved, Reported in:						
Special Revenue Fund	(\$4,294)					
Capital Projects Fund	605,819			3,842,119		
Debt Service Fund	19,953	37,349	30,780	6,915		
Total All Other Governmental Funds	\$621,478	37,349	30,780	3,849,034	1,242,876	62,304

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

Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax levy	22,571,865	23,647,719	24,801,697	24,177,212	24,854,627	25,646,028	26,478,637	27,776,257	27,985,785	28,529,081
Tuition charges	7,645	10,965	6,339	82,951	44,437	277,416	106,081	240,990	178,156	147,472
Transportation Fees	64,093	133,485	286,703	334,637		277,416		80,899	225,390	289,757
Miscellaneous	137,679	133,485	54,175	245,673	276,381	241,549	573,408	241,277	177,447	224,094
State Sources	5,417,120	5,452,034	5,711,827	6,634,841	7,837,839	5,918,561	5,309,017	4,589,953	6,618,793	6,524,978
Federal Sources	666,167	738,760	759,207	833,772	837,989	708,464	1,313,034	1,231,728	1,053,799	1,106,866
Other					871	30,000				
Total revenue	28,864,569	30,116,448	31,619,948	32,309,086	33,852,144	33,099,434	33,780,177	34,161,104	36,239,370	36,822,247
Expenditures										
Instruction:										
Regular Instruction	6,932,938	7,890,891	7,177,818	7,888,477	8,432,627	7,758,943	8,028,025	7,873,336	8,308,565	8,478,025
Special Education Instruction	2,218,581	2,548,929	2,805,886	2,909,492	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494
Other Special Instruction	23,866	23,866	21,866	25,946	53,247	163,751	137,509	133,406	146,181	150,209
Vocational Education	374,873	38,826	43,555	40,420	40,354	38,887	97,034	98,785	101,297	102,842
Other Instruction	862,739	877,846	930,183	932,555	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549
Adult/Continuing Education	5,662	5,840	500							
Support Services:										
Tuition	1,899,091	1,780,382	1,569,643	1,285,403	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328
Student & Inst. Related Services	2,552,292	2,642,619	2,768,767	2,892,307	2,877,217	2,968,899	3,316,852	3,020,552	2,888,541	3,108,366
Other Administrative Services	1,825,537	799,838	860,832	1,020,758	887,873	1,039,457	1,046,923	846,477	790,993	930,022
School Administrative Services	843,964	839,086	873,122	985,463	989,902	1,043,776	1,051,177	918,003	945,841	957,572
Central Services									461,782	458,367
Admin. Information Technology		739,521	671,755	793,087	580,924	220,404	613,194	649,351	307,874	312,389
Plant Operations & Maintenance	2,637,375	2,525,865	2,956,250	3,063,712	3,075,898	3,320,675	3,685,340	2,981,790	2,729,660	2,842,918
Pupil transportation	1,865,043	2,001,075	1,990,870	1,954,111	1,937,716	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104
Unallocated benefits	5,316,986	5,632,456	6,322,647	7,263,592	7,865,492	6,903,734	7,386,709	7,860,346	8,272,378	9,091,854
Special Schools	17,678	16,049	23,588	28,939	22,124	16,954	10,812	25,084	37,885	42,338
Capital outlay	548,086	294,514	93,548	95,601	643,238	1,589,372	529,020	422,387	4,105,807	2,078,619
Debt Service:										
Principal	605,000	635,000	680,000	720,000	760,000	905,000	875,000	915,000	955,000	1,155,000
Interest & Other Charges	495,427	467,717	438,327	407,057	374,007	201,388	254,235	218,061	270,050	260,486
Total Expenditures	29,025,137	29,760,320	30,229,157	32,306,920	34,017,920	34,335,328	35,455,901	34,934,485	38,314,862	38,039,481

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(160,568)	356,128	1,390,791	2,166	(165,776)	(1,235,894)	(1,675,724)	(773,381)	(2,075,492)	(1,217,234)
Other Financing Sources/(Uses):										
Capital Leases									137,620	
Transfers In	17,083									
Total Other Financing Sources/ Uses)	17,083								137,620	
Net Change in Fund Balances	(143,485)	356,128	1,390,791	2,166	(165,776)	(1,235,894)	(1,675,724)	(773,381)	(1,937,872)	(1,217,234)
Debt Service as a Percentage of Noncapital Expenditures	3.86%	3.74%	3.71%	3.50%	3.40%	3.38%	3.23%	3.28%	3.58%	3.94%

Source: District Records

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Unaudited

FISCAL YEAR ENDING JUNE 30,	TUITION	TRANSPORTATION FEES	INTEREST INVESTMENT	TEXTBOOK FINES	REFUND PRIOR YEAR		TOTAL
					MISCELLANEOUS	MISCELLANEOUS	
2004	7,645		64,093	2,541	135,138		209,417
2005	10,965		133,485	4,761	20,148		169,359
2006	6,339		286,703	4,068	51,236		348,346
2007	N/A		N/A	N/A	N/A		N/A
2008	N/A		N/A	N/A	N/A		N/A
2009	N/A		N/A	N/A	N/A		N/A
2010	114,616		26,614		378,697		519,927
2011	240,990	80,900	22,343		218,934		563,167
2012	178,156	225,390	742		156,757		561,045
2013	147,472	289,757	1,830		199,735		638,794

Source: District records

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REVENUE CAPACITY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

Unaudited

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE	
BERKELEY												
2004	61,295,150	2,273,689,290	112,110,335	12,412,900	24,729,950	2,484,237,625	781,137,200	5,572,633	2,492,335,307	0.623	2,923,533,058	
2005	54,264,350	2,333,681,590	112,297,000	12,318,000	24,746,400	2,537,307,340	782,802,200	6,886,920	2,544,685,309	0.677	3,291,995,996	
2006	53,657,050	2,360,530,990	109,369,500	11,358,700	24,746,400	2,559,662,640	785,278,700	5,637,528	2,565,591,068	0.697	3,826,766,887	
2007	50,153,250	2,396,731,790	118,269,500	11,358,700	24,746,400	2,601,259,640	786,616,600	4,837,667	2,606,388,907	0.699	4,453,370,497	
2008	50,968,900	2,421,249,640	116,946,700	11,358,700	24,746,400	2,625,270,340	806,116,550	3,923,144	2,629,485,784	0.650	5,137,683,949	
2009	49,339,700	2,447,836,590	119,958,300	11,321,600	24,756,300	2,653,212,490	809,607,400	3,462,676	2,656,968,666	0.638	5,965,950,879	
2010	142,705,500	4,597,514,300	344,374,200	28,114,500	59,170,800	5,171,879,300	1,269,044,700	8,476,005	5,181,066,605	0.370	6,434,567,397	
2011	132,153,900	4,599,782,500	325,273,300	24,742,200	58,796,400	5,140,748,300	1,270,623,100	6,397,133	5,147,145,433	0.937	5,867,719,087	
2012	123,862,500	4,586,855,260	318,920,400	24,764,900	58,647,000	5,113,761,960	1,272,461,000	6,386,222,960	6,386,222,960	0.936	5,548,786,849	
2013	127,151,900	4,586,354,860	294,670,400	24,462,500	58,553,100	5,091,904,660	1,274,373,100	6,366,277,760	6,366,277,760	0.860	5,246,141,212	
ISLAND HEIGHTS												
2004	3,188,900	112,184,900	10,318,400	-	193,200	125,885,400	9,931,200	218,923	126,104,323	0.670	166,597,990	
2005	3,298,700	112,977,800	10,318,400	-	193,200	126,788,100	9,931,200	205,339	126,993,439	0.731	189,840,343	
2006	2,671,300	115,922,900	10,319,400	-	193,200	129,106,800	10,139,900	138,636	129,245,436	0.755	223,177,523	
2007	10,949,600	308,750,600	22,642,200	-	489,300	342,831,700	27,718,300	222,832	343,054,532	0.296	253,200,526	
2008	14,113,600	304,746,000	22,721,800	-	489,300	342,070,700	25,339,700	198,353	342,269,053	0.313	339,560,976	
2009	14,163,100	309,770,900	22,721,800	-	489,300	347,145,100	25,339,700	186,540	347,331,640	0.265	392,700,235	
2010	13,762,500	315,343,500	23,101,200	-	489,300	352,696,500	22,460,600	189,570	375,157,100	0.301	444,532,862	
2011	13,983,900	314,685,500	23,043,100	-	489,300	352,201,800	22,460,600	189,570	352,364,449	0.488	418,199,271	
2012	12,913,000	314,965,700	21,616,800	-	489,300	349,984,800	22,674,700	189,570	372,659,500	0.866	390,346,643	
2013	14,328,500	310,198,700	20,718,300	-	489,300	345,734,800	22,724,700	189,570	368,459,500	0.860	349,969,430	
OCEAN GATE												
2004	1,325,400	95,106,890	3,123,500	-	-	99,555,790	4,692,000	125,480	99,681,270	0.763	158,671,970	
2005	3,628,900	246,829,600	4,683,100	-	1,274,000	256,415,600	11,768,300	188,556	256,604,156	0.344	195,755,457	
2006	3,778,500	246,889,400	4,683,100	-	1,299,000	256,650,000	12,207,700	169,632	256,819,632	0.322	238,874,100	
2007	3,455,300	248,615,500	4,683,100	-	1,299,000	258,052,900	12,192,000	163,580	258,216,480	0.356	277,828,018	
2008	3,351,000	251,009,000	4,683,100	-	1,299,000	260,342,100	12,192,000	180,432	260,161,668	0.613	279,974,938	
2009	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215	
2010	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215	
2011	3,488,300	252,790,400	4,683,100	-	1,299,000	262,260,800	12,032,500	153,416	262,414,216	0.969	281,398,499	
2012	3,804,100	253,620,900	4,683,100	-	1,299,000	263,407,100	12,082,500	275,489,600	266,769,200	0.969	261,862,114	
2013	3,668,700	245,470,200	4,387,600	-	1,160,200	254,686,700	12,082,500	266,769,200	266,769,200	0.993	241,936,639	
SEASIDE HEIGHTS												
2004	7,651,400	123,224,200	82,944,600	-	10,715,100	224,535,300	21,780,300	251,297	224,786,597	0.688	364,915,687	
2005	6,362,900	126,613,500	84,544,100	-	10,897,900	228,418,400	21,815,900	183,761	228,602,161	0.781	468,724,488	
2006	8,775,300	128,332,700	83,082,700	-	10,680,300	230,871,000	21,775,000	124,354	230,995,354	0.925	646,697,356	
2007	47,217,000	542,856,200	321,099,750	-	46,627,100	957,801,050	96,202,902	357,466	958,158,516	0.257	792,242,977	
2008	43,217,800	521,942,000	268,433,200	-	40,467,600	874,060,600	77,359,400	357,466	951,777,466	0.265	864,721,607	
2009	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523	
2010	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523	
2011	44,451,600	516,178,700	255,271,300	-	39,320,400	855,222,000	79,620,500	322,996	922,584,996	0.603	759,697,368	
2012	41,262,400	513,122,400	249,842,300	-	38,733,100	842,960,200	79,620,500	322,996	922,584,996	0.595	659,553,753	
2013	24,298,400	383,807,400	47,238,300	-	8,372,000	1,130,583,800	60,462,400	678,266,400	678,266,400	0.366	725,620,534	
SEASIDE PARK												
2004	8,783,500	609,960,200	52,050,200	-	6,928,500	677,722,400	90,703,300	551,931	678,274,331	0.366	725,620,534	
2005	10,070,400	611,073,100	51,457,200	-	6,928,500	679,529,200	91,724,600	372,440	678,274,331	0.366	893,854,867	
2006	11,385,500	613,845,900	51,586,600	-	6,519,500	683,337,500	91,352,600	274,732	683,612,232	0.445	1,087,670,873	
2007	11,585,500	618,805,700	38,428,300	-	6,044,000	674,863,500	91,813,000	240,721	675,104,221	0.532	1,264,317,582	
2008	14,841,300	622,537,400	38,525,700	-	5,522,000	681,426,200	89,803,800	237,276	681,663,476	0.348	1,375,662,450	
2009	27,882,300	1,067,289,100	55,438,100	-	9,478,100	1,160,087,600	173,776,600	517,732	1,160,605,332	0.348	1,347,313,494	
2010	24,129,800	1,072,533,300	55,341,400	-	9,455,200	1,161,459,700	174,260,000	466,208	1,161,925,908	0.431	1,250,938,794	
2011	20,660,100	1,075,276,100	55,341,400	-	9,455,200	1,160,732,800	174,260,000	346,911	1,161,079,711	0.431	1,287,963,261	
2012	19,623,600	1,078,527,900	54,278,400	-	9,455,200	1,161,885,100	175,362,000	1,337,247,100	1,337,247,100	0.431	1,260,589,237	
2013	14,660,100	1,060,313,400	47,238,300	-	8,372,000	1,130,583,800	176,320,900	1,306,904,700	1,306,904,700	0.411	1,199,813,011	

Abstract of Ratables - Ocean County

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

	SCHOOL DISTRICT DIRECT RATE	OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	TOTAL REGIONAL TAX RATE	LOCAL SCHOOL DISTRICT TAX RATE	MUNICIPAL TAX RATE	COUNTY TAX RATE	
Berkeley					
2004	0.697	0.712	0.646	0.639	2.694
2005	0.699	0.801	0.676	0.653	2.829
2006	0.650	0.902	0.746	0.660	2.958
2007	0.638	0.939	0.841	0.672	3.090
2008	0.657	0.957	0.916	0.738	3.268
2009	0.667	0.975	0.969	0.736	3.347
2010	0.370	0.557	0.505	0.393	1.825
2011	0.367	0.550	0.508	0.388	1.813
2012	0.384	0.553	0.532	0.393	1.714
2013	0.382	0.554	0.567	0.404	1.907
Island Heights					
2004	0.755	1.197	0.799	0.739	3.490
2005	0.296	0.461	0.321	0.282	1.360
2006	0.313	0.466	0.332	0.333	1.444
2007	0.265	0.465	0.382	0.289	1.401
2008	0.259	0.479	0.475	0.306	1.519
2009	0.302	0.479	0.492	0.322	1.595
2010	0.301	0.479	0.514	0.340	1.634
2011	0.349	0.488	0.508	0.335	1.680
2012	0.362	0.504	0.449	0.403	1.718
2013	0.333	0.527	0.472	0.396	1.728
Ocean Gate					
2004	0.763	1.219	1.032	0.682	3.696
2005	0.344	0.517	0.492	0.291	1.644
2006	0.322	0.571	0.538	0.316	1.747
2007	0.356	0.612	0.580	0.276	1.824
2008	0.349	0.613	0.604	0.276	1.842
2009	0.358	0.604	0.624	0.339	1.925
2010	0.363				0.363
2011	0.364	0.604	0.635	0.304	1.907
2012	0.360	0.609	0.634	0.362	1.965
2013	0.362	0.631	0.654	0.373	2.020
Seaside Heights					
2004	0.688	0.970	0.881	0.695	3.234
2005	0.781	1.022	0.938	0.784	3.525
2006	0.925	0.985	0.937	0.945	3.792
2007	0.257	0.241	0.281	0.212	0.991
2008		0.265	0.357	0.248	0.870
2009		0.265	0.440	0.250	0.955
2010		0.302	0.516	0.264	1.082
2011	0.289	0.312	0.544	0.271	1.416
2012	0.270	0.333	0.571	0.325	1.499
2013	0.267	0.328	0.813	0.417	1.825
Seaside Park					
2004	0.366	0.179	0.541	0.458	1.544
2005	0.425	0.189	0.575	0.502	1.691
2006	0.445	0.187	0.662	0.538	1.832
2007	0.532	0.190	0.681	0.576	1.979
2008	0.543	0.188	0.708	0.623	2.062
2009	0.338	0.099	0.430	0.359	1.226
2010	0.348	0.066	0.430	0.350	1.194
2011	0.382	0.062	0.430	0.377	1.251
2012	0.371	0.060	0.429	0.394	1.254
2013	0.372	0.717	0.876	0.417	2.382

Source: Municipal Tax Collector

**CENTRAL REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
Unaudited**

	2013			2004		
	Taxable Assessed Value	% of Total District Net Assessed Value	Rank	Taxable Assessed Value	% of Total District Net Assessed Value	
Berkeley Township						
Hovchild Partners	34,976,300	0.69%	1	N/A	N/A	
RK Creek LLC	28,289,800	0.56%	2	N/A	N/A	
Baywick Plaza	15,000,000	0.29%	3	N/A	N/A	
Berkeley Healthcare	13,500,000	0.27%	4	N/A	N/A	
NJ Pulverizing Co.	11,500,000	0.23%	5	N/A	N/A	
Shar-a-dee Apartment LLC	8,759,600	0.17%	6	N/A	N/A	
Bay HSE c/o Bank of NY/NJ	8,691,700	0.17%	7	N/A	N/A	
Millers Camp Inc	8,521,400	0.17%	8	N/A	N/A	
BNJ Realty LLC	8,000,000	0.16%	9	N/A	N/A	
Not available			10	N/A	N/A	
Total	\$137,238,800	2.70%				
Island Heights						
FLM Marine	N/A	N/A	1	N/A	N/A	
Taxpayer #1	N/A	N/A	2	N/A	N/A	
Taxpayer #2	N/A	N/A	3	N/A	N/A	
Taxpayer #3	N/A	N/A	4	N/A	N/A	
Taxpayer #4	N/A	N/A	5	N/A	N/A	
Taxpayer #5	N/A	N/A	6	N/A	N/A	
Belcor Builders	N/A	N/A	7	N/A	N/A	
Nelson Property Parnters	N/A	N/A	8	N/A	N/A	
Taxpayer #6	N/A	N/A	9	N/A	N/A	
Taxpayer #7	N/A	N/A	10	N/A	N/A	
Total						
Ocean Gate						
Taxpayer #1	\$1,201,700	0.47%	1	N/A	N/A	
Taxpayer #2	855,700	0.34%	2	N/A	N/A	
Taxpayer #3	777,700	0.31%	3	N/A	N/A	
Taxpayer #4	715,000	0.28%	4	N/A	N/A	
Taxpayer #5	701,200	0.28%	5	N/A	N/A	
Taxpayer #6	687,100	0.27%	6	N/A	N/A	
Taxpayer #7	675,000	0.27%	7	N/A	N/A	
Taxpayer #8	643,500	0.25%	8	N/A	N/A	
Taxpayer #9	603,900	0.24%	9	N/A	N/A	
Not available			10	N/A	N/A	
Total	\$6,860,800	2.69%				
Seaside Heights						
AFMV, LLC	N/A	N/A	1	N/A	N/A	
Belle Freeman Properties	N/A	N/A	2	N/A	N/A	
Taxpayer #1	N/A	N/A	3	N/A	N/A	
Taxpayer #2	N/A	N/A	4	N/A	N/A	
Tilles, Samuel, Inc	N/A	N/A	5	N/A	N/A	
Improved Land Inc	N/A	N/A	6	N/A	N/A	
Seaside Heights Imp. & Dev	N/A	N/A	7	N/A	N/A	
Saddy Family LLC	N/A	N/A	8	N/A	N/A	
Taxpayer #3	N/A	N/A	9	N/A	N/A	
Coin Castle Amusements	N/A	N/A	10	N/A	N/A	
Total						
Seaside Park						
Funtown Pier	N/A	N/A	1	N/A	N/A	
Taxpayer #1	N/A	N/A	2	N/A	N/A	
Joy-Jam	N/A	N/A	3	N/A	N/A	
Shree Jyoti LLC	N/A	N/A	4	N/A	N/A	
Seaside Park Yacht Club	N/A	N/A	5	N/A	N/A	
Seaside Operating Co.	N/A	N/A	6	N/A	N/A	
C Raley & R. Borton	N/A	N/A	7	N/A	N/A	
Taxpayer #2	N/A	N/A	8	N/A	N/A	
Taxpayer #3	N/A	N/A	9	N/A	N/A	
Taxpayer #4	N/A	N/A	10	N/A	N/A	
Total						

Source: Municipal Tax Assessor

**CENTRAL REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS
Unaudited**

Berkeley Township

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2004	69,858,340	68,770,246	98.44%	1,025,000
2005	74,193,873	72,199,611	98.39%	1,046,150
2006	78,363,792	76,983,206	98.24%	1,125,000
2007	83,291,421	81,912,967	98.34%	1,343,373
2008	88,097,099	86,427,505	98.10%	1,602,034
2009	90,845,577	88,725,383	97.66%	1,948,732
2010	94,445,148	91,457,924	96.83%	2,465,165
2011	93,298,408	90,359,508	96.85%	2,434,000
2012	95,308,308	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
Island Heights				
2004	4,552,387	4,463,321	98.04%	-
2005	4,703,656	4,559,895	96.94%	-
2006	4,983,941	4,825,946	97.39%	-
2007	5,059,435	4,960,776	98.05%	-
2008	5,282,432	5,187,348	98.20%	-
2009	5,593,649	5,527,085	98.81%	-
2010	5,743,409	5,596,952	97.45%	-
2011	5,944,428	5,743,306	96.62%	-
2012	6,013,829	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
Ocean Gate				
2004	N/A			-
2005	4,246,392	4,101,615	96.59%	-
2006	4,504,668	4,326,912	96.05%	-
2007	1,468,697	1,468,697	100.00%	-
2008	1,607,426	1,607,426	100.00%	-
2009	1,607,559	1,539,720	95.78%	-
2010	1,607,559	1,540,363	95.82%	-
2011	5,165,541	N/A	N/A	N/A
2012	5,178,885	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
Seaside Heights				
2004	7,535,096	7,531,138	99.94%	-
2005	8,263,644	8,255,653	99.90%	-
2006	8,966,445	8,890,570	99.94%	-
2007	9,996,035	9,985,522	99.89%	-
2008	10,797,197	10,791,744	99.94%	-
2009	11,422,745	N/A	N/A	N/A
2010	12,446,585	N/A	N/A	N/A
2011	12,576,819	N/A	N/A	N/A
2012	12,636,056	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
Seaside Park				
2004	10,493,392	10,244,905	97.63%	-
2005	11,532,983	11,292,339	97.91%	-
2006	12,582,995	12,299,032	97.74%	-
2007	13,458,216	13,211,252	98.15%	-
2008	14,147,610	13,816,393	97.66%	331,217
2009	14,257,771	13,792,919	96.73%	409,926
2010	13,907,985	13,455,501	96.74%	377,470
2011	14,554,319	14,231,848	97.78%	296,997
2012	14,572,688	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A

DEBT CAPACITY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited**

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE	TOTAL DISTRICT	PERCENTAGE OF	
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	ANTICIPATION NOTES (BANs)	ACTIVITIES CAPITAL LEASES		PER CAPITA INCOME	PER CAPITA
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	82,705	N/A	N/A	N/A	N/A	N/A
2011	17,915,000	137,463	N/A	N/A	N/A	N/A	N/A
2010	19,010,000	188,764	N/A	N/A	19,198,764	0.00%	N/A
2009	20,635,100	194,771	N/A	N/A	20,829,871	0.00%	N/A
2008	21,630,100	316,218	N/A	N/A	21,946,318	0.00%	N/A
2007	22,575,100	265,893	N/A	N/A	22,840,993	0.00%	N/A
2006	6,783,715	148,971	N/A	N/A	6,932,686	0.00%	163
2005	7,285,584	150,418	N/A	N/A	7,436,002	0.00%	175
2004	7,977,399	396,258	N/A	N/A	8,373,657	0.00%	198

ISLAND HEIGHES

2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	653,000	N/A	N/A	N/A	653,000	N/A	N/A
2011	1,623,000	N/A	N/A	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	N/A	N/A	773,000	0.00%	N/A
2009	833,000	N/A	N/A	N/A	833,000	0.00%	N/A
2008	893,000	N/A	N/A	N/A	893,000	0.00%	N/A
2007	371,407	8,521	N/A	N/A	379,928	0.00%	202
2006	372,394	8,178	N/A	N/A	380,572	0.00%	204
2005	399,944	8,257	N/A	N/A	408,201	0.00%	221
2004	427,942	21,257	N/A	N/A	449,199	0.00%	245

OCEAN GATE

2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,350,306	N/A	N/A	N/A	1,350,306	N/A	N/A
2011	1,512,239	N/A	N/A	N/A	1,512,239	N/A	N/A
2010	1,670,992	N/A	N/A	N/A	1,670,992	0.00%	N/A
2009	1,826,722	N/A	N/A	N/A	1,826,722	0.00%	N/A
2008	1,979,643	N/A	N/A	N/A	1,979,643	0.00%	929
2007	286,175	6,566	N/A	N/A	292,741	0.00%	137
2006	323,336	7,100	N/A	N/A	330,436	0.00%	157
2005	347,257	7,170	N/A	N/A	354,427	0.00%	167
2004	333,762	16,579	N/A	N/A	350,341	0.00%	166

SEASIDE HEIGHTS

2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	260,654	N/A	N/A	N/A	N/A	N/A	N/A
2010	386,196	N/A	N/A	N/A	N/A	N/A	N/A
2010	508,823	N/A	N/A	N/A	N/A	N/A	N/A
2009	628,278	N/A	N/A	N/A	N/A	N/A	N/A
2008	17,053,822	N/A	1,900,000	N/A	18,953,822	0.00%	N/A
2007	17,837,238	N/A		N/A	17,837,238	0.00%	233
2006	16,583,099	N/A	736,250	N/A	17,319,349	0.00%	207
2005	702,066	14,495		N/A	716,561	0.00%	224
2004	678,510	33,703		N/A	712,213	0.00%	224

SEASIDE PARK

2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	797,710	2,519,200	N/A	6,323,212	N/A	N/A
2010	3,208,868	869,408	463,424	N/A	4,541,700	N/A	N/A
2009	3,411,434	951,945	450,200	N/A	4,813,579	0.00%	N/A
2008	3,614,000	992,602		N/A	4,606,602	0.00%	2,036
2007			1,757,000	N/A	1,757,000	0.00%	1,231
2006			2,042,000	N/A	2,042,000	0.00%	1,403
2005	1,136,649	23,467		N/A	1,160,116	0.00%	504
2004	1,088,887	54,088		N/A	1,142,975	0.00%	499

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

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

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2013	N/A		N/A	N/A	N/A
2012	16,760,000		16,760,000		N/A
2011	17,915,000		17,915,000		N/A
2010	19,010,000		19,010,000	0.00%	N/A
2009	20,635,100		20,635,100	0.00%	N/A
2008	21,630,100		21,630,100	0.00%	N/A
2007	6,021,641		6,021,641	0.00%	N/A
2006	6,783,715		6,783,715	0.00%	163
2005	7,285,584		7,285,584	0.00%	175
2004	7,077,399		7,077,399	0.00%	198

ISLAND HEIGHTS

2013	N/A		N/A	N/A	N/A
2012	653,000		653,000		
2011	1,623,000		1,623,000	0.00%	
2010	773,000		773,000	0.00%	
2009	833,000		833,000	0.00%	
2008	893,000		893,000	0.00%	
2007	371,407		371,407	0.00%	
2006	372,394		372,394	0.00%	163
2005	399,944		399,944	0.00%	175
2004	427,942		427,942	0.00%	198

OCEAN GATE

2013	N/A		N/A	N/A	N/A
2012	N/A		N/A	N/A	N/A
2011	N/A		N/A	N/A	N/A
2010	19,010,000		19,010,000	0.00%	N/A
2009	20,635,100		20,635,100	0.00%	N/A
2008	21,630,100		21,630,100	0.00%	N/A
2007	6,021,641		6,021,641	0.00%	N/A
2006	6,783,715		6,783,715	0.00%	163
2005	7,285,584		7,285,584	0.00%	175
2004	7,077,399		7,077,399	0.00%	198

SEASIDE HEIGHTS

2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2009	20,295,858	9,208,628	11,087,230	0.00%	N/A
2008	745,959		745,959	0.00%	N/A
2007	739,249		739,249	0.07%	457
2006	653,704		653,704	0.28%	460
2005	702,066		702,066	0.31%	494
2004	678,510		678,510	0.30%	475

SEASIDE PARK

2013	N/A		N/A	N/A	N/A
2012	N/A		N/A	N/A	N/A
2011	3,006,302		3,006,302	0.24%	
2010	3,208,868		3,208,868	0.25%	
2009	3,411,434		3,411,434	0.00%	
2008	3,614,000		3,614,000	0.01%	
2007	1,053,027		1,053,027	0.15%	457
2006	1,058,351		1,058,351	0.15%	460
2005	1,136,649		1,136,649	0.17%	494
2004	1,088,887		1,088,887	0.16%	475

**CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013
Unaudited**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Berkeley			
Debt Repaid With Property Taxes:			
Berkeley Township			\$31,415,768
Berkeley Twp Sewerage Authority			\$11,085,853
Berkeley Township MUA			\$11,896,688
Ocean County General Obligation Debt			13,262,372
Regional School Debt			<u> </u>
Subtotal, Overlapping Debt			67,660,681
Berkeley Township Schools			<u>16,760,000</u>
Total Direct & Overlapping Debt			<u><u>\$84,420,681</u></u>
Island Heights			
Debt Repaid With Property Taxes:			
Island Heights			2,680,619
Ocean County General Obligation Debt			584,285
Regional School Debt			<u> </u>
Subtotal, Overlapping Debt			3,264,904
Island Heights Township School District			<u>653,000</u>
Total Direct & Overlapping Debt			<u><u>\$3,917,904</u></u>
Ocean Gate			
Debt Repaid With Property Taxes:			
Ocean Gate			N/A
Ocean County General Obligation Debt			N/A
Regional School Debt			<u>N/A</u>
Subtotal, Overlapping Debt			N/A
Ocean Gate School District			<u>N/A</u>
Total Direct & Overlapping Debt			<u><u> </u></u>
Seaside Heights			
Debt Repaid With Property Taxes:			
Seaside Heights			N/A
Ocean County General Obligation Debt			N/A
Regional School Debt			<u>N/A</u>
Subtotal, Overlapping Debt			N/A
Seaside Heights School District Direct Debt			<u> </u>
Total Direct & Overlapping Debt			<u><u> </u></u>
Seaside Park			
Debt Repaid With Property Taxes:			
Seaside Park			N/A
Ocean County General Obligation Debt			N/A
Regional School Debt			<u>N/A</u>
Subtotal, Overlapping Debt			N/A
Seaside Park School District Direct Debt			<u> </u>
Total Direct & Overlapping Debt			<u><u>\$88,338,585</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean 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 born by the residents and businesses of the above Townships. 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 government unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**CENTRAL REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
Unaudited**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$280,926,611	303,276,070	N/A	N/A	N/A	N/A	144,278,032	139,277,972	133,693,317	124,129,355
Total Net Debt Applicable to Limit	8,333,000	8,333,000	9,288,000	6,090,000	N/A	N/A	8,471,560	9,191,500	9,871,500	10,506,500
Legal Debt Margin	\$272,593,611	294,943,070	N/A	N/A	N/A	N/A	135,806,472	130,086,472	123,821,817	113,622,855
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.97%	2.75%	N/A	N/A	N/A	N/A	5.87%	6.60%	7.38%	8.46%

Legal Debt Margin Calculation for Fiscal Year 2012

	Berkeley	Equalized Valuation Basis				Total
		Island Heights	Ocean Gate	Seaside Hgts	Seaside Park	
2012	\$5,268,660,581	\$354,271,485	\$250,220,481	N/A	\$1,233,030,988	\$7,106,183,535
2011	5,578,068,902	392,819,317	260,722,537	770,748,017	1,259,339,047	8,261,697,820
2010	5,891,333,257	418,184,136	282,107,687	833,266,564	1,286,650,825	8,711,542,469
						<u>\$24,079,423,824</u>
Average Equalized Valuation of Taxable Property						<u>\$8,026,474,608</u>
Debt Limit (3.5 % of Average Equalization Value)						<u>\$280,926,611</u>
Net Bonded School Debt						<u>8,333,000</u>
Legal Debt Margin						<u>\$272,593,611</u>

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

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**CENTRAL REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
Unaudited**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Berkeley			
2013	N/A	N/A	N/A
2012	N/A	N/A	15.60%
2011	41,455	40,724	14.90%
2010	* 41,331	40,291	14.20%
2009	42,975	39,331	14.00%
2008	42,783	40,975	7.10%
2007	42,664	39,214	5.30%
2006	42,577	36,773	6.00%
2005	42,500	34,497	5.50%
2004	42,514	33,567	6.20%
Island Heights			
2013	N/A	N/A	N/A
2012	N/A	N/A	10.60%
2011	1,681	40,724	10.04%
2010	* 1,676	40,291	10.00%
2009	1,891	39,331	9.50%
2008	1,877	40,975	7.10%
2007	1,878	39,214	5.30%
2006	1,877	36,773	5.00%
2005	1,861	34,497	4.40%
2004	1,848	33,567	1.60%
Ocean Gate			
2013	N/A	N/A	N/A
2012	N/A	N/A	10.60%
2011	2,022	40,724	10.30%
2010	* 2,015	40,291	9.90%
2009	2,149	39,331	9.40%
2008	2,130	40,975	5.90%
2007	2,130	39,214	5.00%
2006	2,130	36,773	5.00%
2005	2,109	34,497	4.40%
2004	2,117	33,567	7.10%
Seaside Heights			
2013	N/A	N/A	N/A
2012	N/A	N/A	14.30%
2011	2,901	40,724	14.00%
2010	* 2,893	40,291	13.50%
2009	3,355	39,331	12.80%
2008	3,343	40,975	8.20%
2007	3,319	39,214	6.10%
2006	3,242	36,773	6.90%
2005	3,220	34,497	5.60%
2004	3,193	33,567	10.50%
Seaside Park			
2013	N/A	N/A	N/A
2012	N/A	N/A	13.50%
2011	1,587	40,724	13.20%
2010	* 1,582	40,291	12.70%
2009	2,329	39,331	12.10%
2008	2,317	40,975	12.10%
2007	2,306	39,214	5.70%
2006	2,302	36,773	6.50%
2005	2,301	34,497	5.80%
2004	2,301	33,567	5.20%

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* 2010 Census

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OPERATING INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

**CENTRAL REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR
Unaudited**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	109	108	108	107	107	126	126	126	123	121
Special Education	62	62	62	54	51	51	51	51	51	48
Vocational	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	35	35	35	42	42	41	41	41	41	40
General Administration	5	5	5	7	7	5	5	5	5	5
School Administrative Services	11	11	11	13	13	13	13	13	13	13
Central Service	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	3	2	2	1	1	2	2	2	2	2
Plant Operations & Maintenance	32	33	33	35	35	32	32	32	32	31
Pupil Transportation	32	32	32	32	32	32	32	32	32	33
Other Support Services	3	3	3	3	3	7	7	7	7	7
Total	299	298	298	301	298	316	316	316	313	307

Source: District Personnel Records

**CENTRAL REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL					
2013	2033	\$35,539,087	17,481	4.99%	162	14.4	10.7	1,895.2	1,789	-2.96%	94.38%	
2012	1981	32,984,005	16,650	22.45%	161	14.4	10.8	1,953.1	1,861	1.86%	95.26%	
2011	2002	33,379,039	13,597	-14.25%	178.00	15.2	11.9	1,917.5	1,814	-5.77%	94.60%	
2010	2049	32,489,353	15,856	15.42%	183.00	15.7	13.8	2,035.0	1,895	-4.91%	93.14%	
2009	2154	29,590,504	13,737	7.08%	199.00	15.7	13.8	2,140.0	1,993	0.47%	93.11%	
2008	2187	28,057,664	12,829	-10.15%	199.00	15.7	13.8	2,130.0	1,969	-3.79%	92.44%	
2007	2175	31,055,323	14,278	9.23%	199.00	15.7	13.8	2,130.0	1,969	-3.79%	92.44%	
2006	2218	28,993,695	13,072	3.05%	199.00	15.7	13.8	2,214.0	2,170	0.63%	98.01%	
2005	2236	28,363,090	12,685	3.56%	195.00	15.7	13.8	2,200.1	2,031	-5.77%	92.30%	
2004	2235	27,376,625	12,249	11.71%	188.00	16.1	17.9	2,334.7	2,131	4.74%	91.29%	

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)

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
Unaudited**

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Middle School:										
Middle School:										
Square Feet	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478
Capacity (Students)	812	812	812	812	812	812	812	812	812	812
Enrollment	680	693	730	730	730	793	730	730	793	834
High School:										
High School:										
Square Feet	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420
Capacity (Students)	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Enrollment	1,266	1,225	1,482	1,482	1,482	1,428	1,482	1,482	1,428	1,385
Other:										
Superintendent Office:										
Square Feet	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Board Office:										
Square Feet	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699

Number of Schools at June 30, 2013:

 Middle School = 1

 Senior High School = 1

 Other = 0

Source: District Facilities Office

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

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	* SCHOOL FACILITIES PROJECT #(s)	HIGH SCHOOL	MIDDLE SCHOOL	TOTAL
2004		365,597	23,380	388,977
2005		235,984	74,447	310,431
2006		234,296	87,307	321,603
2007		326,452	89,705	416,157
2008		339,837	86,000	425,837
2009		330,565	52,166	382,731
2010		1,131,949	56,883	1,188,832
2011		642,861	138,969	781,830
2012		318,040	123,639	441,679
2013		491,036	169,739	660,775

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

**CENTRAL REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building & Contents (All Locations)	\$ 77,652,298	\$ 1,000
Boiler and Machinery	100,000,000	5,000
General Automobile Liability	16,000,000	1,000
School Board Legal Liability	16,000,000	5,000
Employers Liability	2,000,000	-
Workers' Compensation	2,000,000	-
Student Accident Insurance (2)	1,000,000	
Surety Bonds (3)		
Treasurer	250,000	N/A
Board Secretary/Business Administrator	50,000	N/A

(1) New Jersey School Boards Association Insurance Group Policy #P-680W - Commercial Package Policy

(2) Peoples Benefit Life Insurance Company

(3) Western Surety

Source: District records

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SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

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EXHIBIT K-1

INDEPENDENT AUDITOR'S 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
Central Regional School District
County of Ocean
Bayville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Regional School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Central Regional School District's basic financial statements, and have issued our report thereon dated November 18, 2013 .

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Freehold, New Jersey
November 18, 2013



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04.**

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Central Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. Central Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 Central Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of Central Regional School District's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Central Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Central Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Regional School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the management of the Board of Education of the Central Regional School District, the New Jersey State Department of Education, other state and federal

awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'F B Holman III', with a long horizontal line extending to the right.

Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Freehold, New Jersey
November 18, 2013

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DEFERRED REVENUE AT JUNE 30, 2013	DUE TO GRANTOR AT JUNE 30, 2013
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH											
STATE DEPARTMENT OF EDUCATION:											
Food Distribution Program	10.550	\$47,192	7/1/12-6/30/13			47,192	(47,192)				
School Breakfast Program	10.553	32,166	7/1/12-6/30/13			30,569	(32,166)		(1,597)		
School Breakfast Program	10.553	36,904	7/1/11-6/30/12	(\$139)		139					
National School Lunch Program	10.555	260,561	7/1/11-6/30/12	(1,394)		1,394					
National School Lunch Program	10.555	241,438	7/1/12-6/30/13			230,782	(241,438)		(10,655)		
Total U.S. Department of Agriculture				(1,533)		310,077	(320,796)		(12,252)		

**U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH
STATE DEPARTMENT OF EDUCATION:**

General Fund:											
Medical Assistance Program	93.778	65,917	7/1/12-6/30/13			65,917	(65,917)				
Medical Assistance Program	93.778	37,827	7/1/11-6/30/12	(\$6,605)		6,605					
Total General Fund				(6,605)		72,522	(65,917)				
Special Revenue Fund:											
N.C.L.B.											
Title I	84.010	279,627	7/1/11-6/30/12	(1,317)		1,317					
Title I	84.010	456,070	9/1/12-8/31/13			456,070	(456,070)				
Title II Part A	84.367	56,784	9/1/12-8/31/13			9,752	(43,357)		(33,605)		
Title II Part A	84.367	82,623	7/1/11-6/30/12	(41,354)		41,354					
ProjectSERV	N/A	38,973	10/29/12-6/30/13			38,973	(38,973)				
I.D.E.A. Part B, Basic Regular	84.027	501,317	9/1/12-8/31/13			396,951	(501,317)		(104,366)		
I.D.E.A. Part B, Basic Regular	84.027	492,075	7/1/11-6/30/12	(42,089)		42,089					
Total Special Revenue Fund				(84,760)		986,506	(1,039,717)		(137,971)		
Total U.S. Department of Education				(91,365)		1,059,028	(1,105,634)		(137,971)		
Total Federal Financial Assistance				(\$92,898)		1,369,105	(1,426,430)		(150,223)		

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DEFERRED REVENUE AT JUNE 30, 2013	DUE TO GRANTOR AT JUNE 30, 2013	MEMO		
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:															
General Fund:															
Transportation Aid	13-495-034-5120-014	\$1,089,286	7/1/12-6/30/13			1,089,286	(1,089,286)						99,127	1,089,286	
Special Education Aid	13-495-034-5120-089	1,061,698	7/1/12-6/30/13			1,061,698	(1,061,698)						96,617	1,061,698	
Adjustment Aid	13-495-034-5120-085	201,538	7/1/12-6/30/13			201,538	(201,538)						18,340	201,538	
Security Aid	13-495-034-5120-084	280,686	7/1/12-6/30/13			280,686	(280,686)						25,543	280,686	
Choice Aid	13-495-034-5120-068	871,025	7/1/12-6/30/13			871,025	(871,025)						79,265	871,025	
Transportation Aid:															
Non-Public School Costs	12-495-034-5120-014	12,898	7/1/11-6/30/12	(\$12,898)										12,898	
Non-Public School Costs	13-495-034-5120-014	18,966	7/1/12-6/30/13							(18,966)				18,966	
Extraordinary Aid	12-495-034-5120-044	141,355	7/1/11-6/30/12	(141,355)		141,355								141,355	
Extraordinary Aid	13-495-034-5120-044	187,318	7/1/12-6/30/13				(187,318)			(187,318)				187,318	
Nonbudgeted:															
Reimbursed TPAF Social Security Contribution	12-495-034-5095-002	969,817	7/1/11-6/30/12	(47,842)		47,842								969,817	
Reimbursed TPAF Social Security Contribution	13-495-034-5095-002	965,524	7/1/12-6/30/13			917,789	(965,524)			(47,735)				965,524	
On-behalf TPAF Pension Contribution	13-495-034-5095-006	842,227	7/1/12-6/30/13			842,227	(842,227)							842,227	
On-behalf TPAF Pension Contribution - NCGH Premi	13-495-034-5095-007	44,313	7/1/12-6/30/13			44,313	(44,313)							44,313	
On-behalf TPAF Pension Contribution - Post Retirem	13-495-034-5095-001	1,002,453	7/1/12-6/30/13			1,002,453	(1,002,453)							1,002,453	
Total General Fund				(202,095)		6,513,110	(6,565,034)			(254,019)			318,892	7,689,104	
Capital P.rojects Fund:															
SCC Grant	0770-030-10-1001	1,039,975	4/19/11-6/30/13	(208,440)		206,216	2,224			-				1,042,199	
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	12-100-010-3360-067	7,891	7/1/11-6/30/12	(40)		40								7,891	
National School Lunch Program (State Share)	13-100-010-3360-067	6,419	7/1/12-6/30/13			6,143	(6,419)			(276)				6,419	
Total State Financial Assistance				(410,575)		6,725,509	(6,569,229)			(254,295)			318,892	8,745,613	

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2013**

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, Central 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 basis of accounting are described in Note 1 to the Board's 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 \$(37,832) for the general fund and \$1,233 for the special revenue fund. See Note 1 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 presented as follows:

**CENTRAL REGIONAL SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
 JUNE 30, 2013**

Note 3: Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$ 65,917	\$ 6,527,202	\$ 6,593,119
Special Revenue Fund	1,040,950		1,040,950
Capital Projects Fund		(2,224)	(2,224)
Food Service Fund	<u>320,796</u>	<u>6,837</u>	<u>327,633</u>
 Total Financial Assistance	 <u>\$1,427,663</u>	 <u>\$ 6,531,815</u>	 <u>\$ 7,959,478</u>

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, 2013. 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, 2013.

Note 6: Federal and State Loans Outstanding

The Central Regional School District had no loan balances outstanding at June 30, 2013.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	NCLB – Title I

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results (continued):

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	State Aid Public Cluster:
495-034-5120-085	Special Education Aid
495-034-5120-084	Adjustment Aid
495-034-5120-068	Security Aid
	School Choice Aid

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

Finding 2012-01:

Condition:

During our examination of the A.S.S.A., one out of ten LEP students tested should not have been reported as an LEP student as of October 15, 2011.

Current Status:

Corrective action has been implemented.