

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND REGIONAL
BOARD OF EDUCATION
SEABROOK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT
OUTLINE OF CAFR**

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	
Organizational Chart	
Roster of Officials	
Consultants and Advisors	

FINANCIAL SECTION

Independent Auditor’s Report	1-2
Required Supplementary Information - Part I Management’s Discussion and Analysis	
Basic Financial Statements	
A. District/Charter School-Wide Financial Statements:	
A-1 Statement of Net Position	3
A-2 Statement of Activities	4
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	5
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	6
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	7
Proprietary Funds:	
B-4 Statement of Net Position	8
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	9
B-6 Statement of Cash Flows	10
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	11
B-8 Statement of Changes in Fiduciary Net Position	12
Notes to Financial Statements	13-33
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	34-43
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	43a
C-2 Budgetary Comparison Schedule – Special Revenue Fund	44
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliations	45

**CUMBERLAND REGINAL SCHOOL DISTRICT
OUTLINE OF CAFR
(Continued)**

		<u>Page</u>
Other Supplementary Information		
D.	School Based Budget Schedules:	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund – Schedule of Expenditures Allocated By Resource Type – Actual	N/A
	D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	46-47
	E-2 Pre-School Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F.	Capital Projects Fund:	
	F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund balance – Budgetary Basis	48
	F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Repairs and Renovations, Furniture and Equipment	49
	F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Roof Replacement Project	50
	F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Solar Project	51
	F-2 Summary Schedule of Project Expenditures	52
G.	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Combining Schedule of Net Position	53
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	54
	G-3 Combining Schedule of Cash Flows	55
	Internal Service Fund:	
	G-4 Combining Schedule of Net Position	56
	G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	57
	G-6 Combining Schedule of Cash Flows	58
H.	Fiduciary Fund:	
	H-1 Combining Statement of Fiduciary Net Position	59
	H-2 Combining Statement of Changes in Fiduciary Net Position	60
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	61
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	62
I.	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	63
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	64

**CUMBERLAND REGIONAL SCHOOL DISTRICT
OUTLINE OF CAFR
(Continued)**

Introduction to the Statistical Section	<u>Page</u>
Financial Trends	
J-1 Net Position by Component	65
J-2 Changes in Net Position	66-67
J-3 Fund Balances – Governmental Funds	68
J-4 Changes in Fund Balances – Governmental Funds	69-70
J-5 General Fund Other Local Revenue by Source	71
 Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	
Deerfield Township	72
Fairfield Township	72
Greenwich Township	72
Hopewell Township	72
Shiloh Borough	73
Stow Creek Township	73
Upper Deerfield Township	73
J-7 Direct and Overlapping Property Tax Rates:	
Deerfield Township	74
Fairfield Township	74
Greenwich Township	75
Hopewell Township	75
Shiloh Borough	76
Stow Creek Township	76
Upper Deerfield Township	77
J-8 Principal Property Taxpayers*:	
Deerfield Township	78
Fairfield Township	79
Greenwich Township	80
Hopewell Township	81
Shiloh Borough	82
Stow Creek Township	83
Upper Deerfield Township	84
J-9 Property Tax Levies and Collections	85
 Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	86
J-11 Ratios of Net General Bonded Debt Outstanding	87
J-12 Direct and Overlapping Governmental Activities Debt	88
J-13 Legal Debt Margin Information	89
 Demographic and Economic Information	
J-14 Demographic and Economic Statistics	90
J-15 Principal Employers	91

CUMBERLAND REGIONAL SCHOOL DISTRICT
OUTLINE OF CAFR
(Continued)

Operating Information

J-16	Full-Time Equivalent District/Charter School Employees by Function/Program	92
J-17	Operating Statistics	93
J-18	School Building Information	94
J-19	Schedule of Required Maintenance Expenditures by School Facility	95
J-20	Insurance Schedule	96

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	97-98
K-2	Report on Compliance For Each Major Program; Report on Internal Control Over Compliance	99-100
K-3	Schedule of Expenditures of Federal Awards, Schedule A	101
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	102-103
K-5	Notes to the Schedules of Awards and Financial Assistance	104-105
K-6	Schedule of Findings and Questioned Costs	106-108
K-7	Summary Schedule of Prior Audit Findings	109

INTRODUCTORY SECTION

CUMBERLAND REGIONAL SCHOOL DISTRICT

65 Love Lane, Bridgeton, New Jersey 08302

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

November 15, 2013

HONORABLE PRESIDENT AND
MEMBERS OF THE BOARD OF EDUCATION
CUMBERLAND REGIONAL SCHOOL DISTRICT
65 LOVE LANE
BRIDGETON, NJ 08302

Dear Board Members:

The comprehensive annual financial report of the Cumberland Regional School District for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of education services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for handicapped children. The District completed the 2012-2013 fiscal year with a student enrollment of 1,219 students, which is 20 fewer than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Avg. Daily Enrollment</u>
2006-07	1,349
2007-08	1,298
2008-09	1,322
2009-10	1,224
2010-11	1,197
2011-12	1,239
2012-13	1,219

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

Cumberland Regional High School District continues to focus on initiatives developed in the summer of each ensuing school year. During the evaluation process conducted each spring the Chief Educational Officer reports out to the Board of Education on the progress made with each district goal. In September of each year when the staff returns the Chief Educational Officer addresses the staff outlining progress made on goals and the focus for the coming year. Our focus and vision remain the same. Specifically, the vision for CRSD is:

All Students Achieving through:

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

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

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

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

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

Focus:

- Revamp of Honors Program
- Address At-Risk Students

Thursday Workshops

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

Vertical Articulation Team(s)

Expansion of K-12 VAT

Mathematics and English VAT’s have been established. Focus for 2013-14 is in the areas of Social Studies.

- B. In the area of Safety and Security :**

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

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

Evacuation exercise took place in Fall of 2013. Logistics discussed during administrative retreat and Table Top exercise with County Emergency management.

Revisit policies and procedures on HIB. Workshops provided for staff and students

- C. In the area of Community Engagement:**

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

- Increase ways to communicate with stakeholders
 - E-Newsletter
 - Mobile App
 - Colt Courier
- Increase Awareness of facilities and programs
- Continue articulation with constituent districts

- D. In the area of management and Operations**

Refine and improve management practices and procedures to ensure the effective and

efficient operation of the District.

- Continue preparations for implementation of Unit Lunch program
- Update mission statement of school.
- Revisit academic schedule for short term and long term.
- Continue committee to be co-chaired by Mr. Mitchell & Mr. Dilks to monitor, new teacher and principal evaluation process.
- Sharing Curriculum Coordinator across all constituent districts.
- Re-form budget advisory committee
- In anticipation of preparing our 13-14 budget, we will continue to look at ways that will allow us to maintain programs.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting

system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note. 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its' responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2013, and the amount and percentage of increases in relation to prior year revenues.

Revenue

	Amount	% of Total	Increase/ (Decrease) for June 30, 2013	% of Increase/ (Decrease)
Local Sources	\$ 8,046,332	34.78%	\$ (222,426)	-2.76%
State Sources	14,455,667	62.48%	955,774	6.61%
Federal Sources	634,486	2.74%	(597,010)	-94.24%
Total	\$ 23,136,495	100.00%	\$ 135,429	0.59%

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

Expenditures

	Amount	% of Total	Increase/ (Decrease) for June 30, 2013	% of Increase/ (Decrease)
Current Expense				
Instruction	\$ 8,072,339	33.23%	\$ 146,413	1.81%
Undistributed Expense	14,570,516	59.98%	1,163,242	7.98%
Capital Outlay	472,339	1.94%	252,818	53.52%
Debt Service	1,176,468	4.84%	(131,975)	-11.22%
Total	\$24,291,662	100.00%	\$ 1,430,498	5.89%

8. DEBT ADMINISTRATION:

At June 30, 2013 the District's outstanding debt issues included \$9,967,000 of general obligation bonds.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan

which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit

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

12. ACKNOWLEDGMENTS:

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

Respectfully Submitted,


William J. Stonis
Superintendent


Bruce D. Harbinson
School Business Administrator

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

**ROSTER OF OFFICIALS
JUNE 30, 2012**

Members of the Board of Education

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

Other Officials

William J. Stonis, Superintendent

Andrew G. McIlvaine, School Business Administrator

Susan G. Robostello, Treasurer of School Monies

John G. Geppert, Esq., Solicitor

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

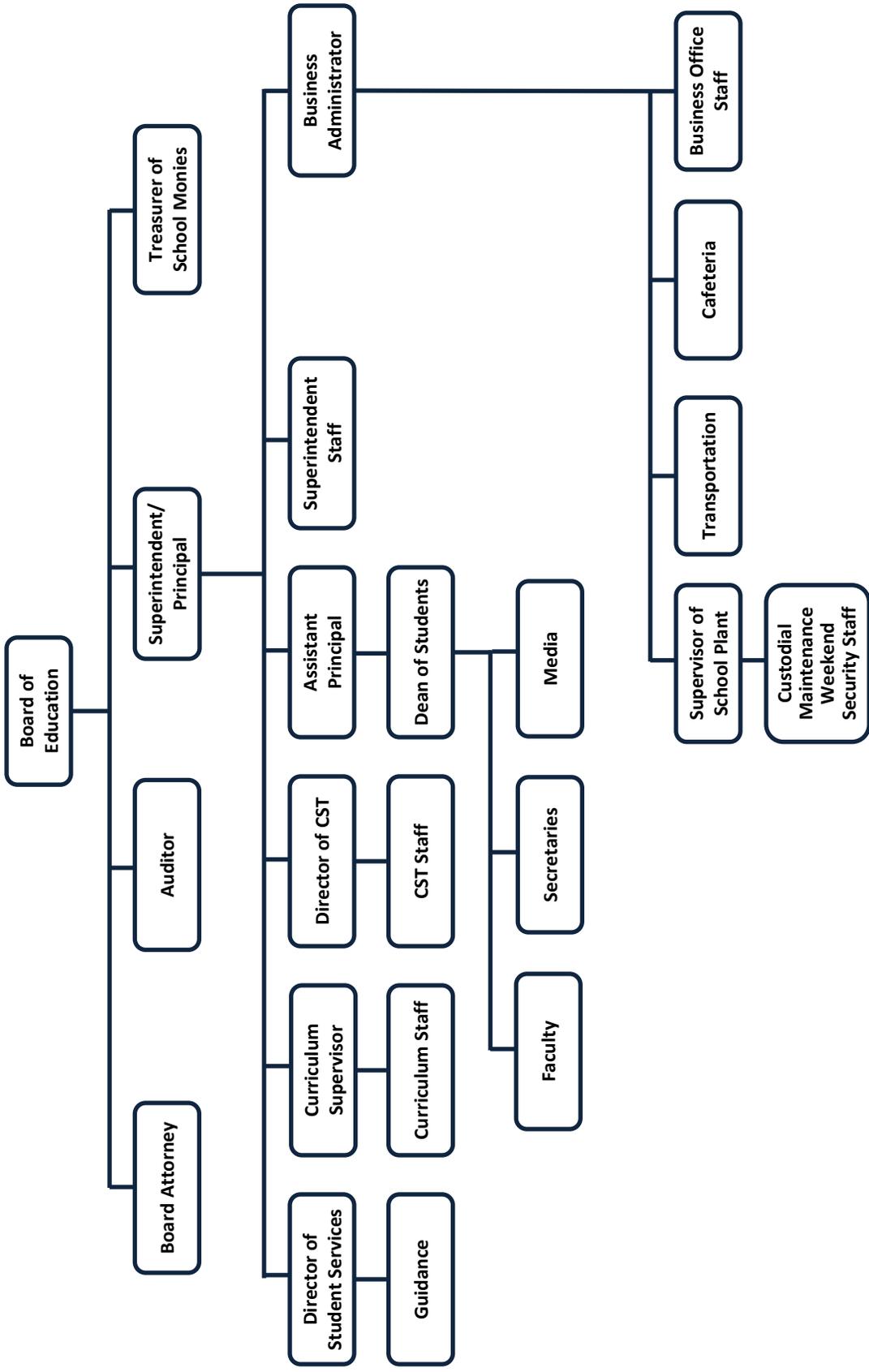
John G. Geppert
SSEC&K
44 Whippany Road
Suite 210
PO Box 2355
Morristown, New Jersey 07962

Official Depositories

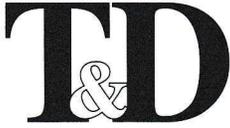
Colonial Bank, SLA
85 W. Broad Street
Bridgeton, NJ 08302

TD Banknorth
Bridgeton, NJ 08302

Cumberland Regional 2013 Organizational Chart



FINANCIAL SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

MEMBERS:

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on 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 Cumberland Regional School District in the County of Cumberland, in the State of New Jersey, as of and for the fiscal year ended June 30, 2013, and related notes to the financial statements, which collectively comprise the Board of Education'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 standard 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Cumberland Regional School District Board of Education in the County of Cumberland, 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.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 34 through 43a and 44 be presented to supplement the basic financial statements. Such information, although not 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 response 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 Cumberland Regional School District Board of Education's basic financial statements. The accompanying introductory information and other supplementary information such as the combining and individual fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of the Cumberland 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 the Cumberland Regional School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

November 15, 2013

REQUIRED SUPPLEMENTARY INFORMATION–PART I

MANAGEMENT'S DECISION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland Regional School District Board of Education's (CRSDBOE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid
------------------------------------	--	--	--	---

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has four kinds of funds:

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

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

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

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

Net assets. The District's *combined* net assets are \$35,590 on June 30, 2013 (see Table A-1). Approximately 1% of the total net assets are from business-type activities. The balance of the total net assets, which is in excess of 99%, is attributed to governmental activities.

Changes in net assets. The District's total revenues are \$23,855 for the fiscal period ending June 30, 2013 (see Table A-2). Property taxes and state formula aid accounted for 89% of the District's revenue. 9% is derived from state and federal aid for specific programs, and the remainder, 2% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students (56%). The purely administrative activities of the District accounted for 8% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total expenses surpassed revenues, decreasing net assets approximately \$1,922 last year, primarily in governmental activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$23,200. Total expenses amounted to \$25,098. The decrease in net assets in governmental activities was \$1,898 for 2013.

Business-type Activities

Revenues of the District's business-type activities amounted to \$655, and expenses were \$679.

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

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$3,332, including \$2,753 in the Capital Projects Fund. Actual miscellaneous revenues were less than the amounts anticipated in the 2013 budget. The District controlled expenditures.

General Fund Budgetary Highlights

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

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

The District's final budget anticipated utilizing \$894 in unrestricted general fund balance and \$513 of prior year encumbrances and legal reserves to fund the appropriation plan for this fiscal period. A decrease of \$1,071 in unrestricted fund balance was realized.

Actual expenditures for capital outlay amounted to \$428 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$44 was from the Special Revenue Fund and \$1,214 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2013, the District had invested \$61 million in a broad range of capital assets, including school buildings, athletic facilities, computer, audiovisual equipment and other equipment. (see Table A-3) (More detailed information about capital assets can be found in Note 6 to the financial statements.) Total depreciation expense for the year was \$2,021 while building improvements and additions to equipment and furniture amounted to \$1,462.

Long-term Debt

At year-end, the District had outstanding bonds in the amount of \$9,967. (More detailed information about long-term debt can be found in Note 7 to the financial statements.)

The State limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$51,828, of which \$41,831 is available for the issuance of debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- While the facilities project conducted under the supervision of the Schools Development Authority is substantially complete, there are a number of remaining issues. The district has identified a number of problems with the completed work under the primary contract, including potentially costly repairs to HVAC equipment. In addition, there are issues related to work approved by the New Jersey Department of Education that was omitted from the project. We have made the SDA aware of these issues, and are awaiting a formal response.
- The District originally anticipated substantial growth in our student population based on the demographic study conducted as part of the state mandated Long Range Facilities Plan (2005-2011). This growth did not take place for a variety of reasons. However, due to the age of the building, several key areas not addressed as part of our ongoing SDA project are being addressed in a roof replacement and solar energy project approved by the voters in 2009. Work on the roof was completed in the fall of 2011. Installation of solar panels was completed in the fall of 2012.
- The District remains concerned by the ongoing instability at the state level of school funding, property taxes, and its ongoing impact on school operations. Pressure on property tax rates which have been an ongoing concern of local taxpayers caused by increasing costs beyond the District's control (energy, transportation, insurance, health benefits, and special education, among others) continue to be a concern in light of the revenue projections and fund balance limitations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Bruce D. Harbinson, School Business Administrator, Cumberland Regional School District Board of Education, 65 Love Lane, Bridgeton, New Jersey 08302.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2012-2013
	2012	2013	2012	2013	2012	2013	
Current and Noncurrent Assets	\$ 6,025	\$ 3,654	\$ 224	\$ 215	\$ 6,249	\$ 3,869	-38.1%
Capital Assets	42,772	42,214	104	95	42,876	42,309	-1.3%
Total Assets	\$ 48,797	\$ 45,868	\$ 328	\$ 310	\$ 49,125	\$ 46,178	-6.0%
Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Current Liabilities	\$ 1,114	\$ 234	\$ 105	\$ 112	\$ 1,219	\$ 346	-71.6%
Noncurrent Liabilities	10,393	10,242			10,393	10,242	-1.5%
Total Liabilities	\$ 11,507	\$ 10,476	\$ 105	\$ 112	\$ 11,612	\$ 10,588	-8.8%
Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$ 32,001	\$ 32,247	\$ 104	\$ 95	\$ 32,105	\$ 32,342	0.7%
Restricted	5,819	3,963			5,819	3,963	-31.9%
Unrestricted	(530)	(818)	119	103	(411)	(715)	74.0%
Total Net Position	\$ 37,290	\$ 35,392	\$ 223	\$ 198	\$ 37,513	\$ 35,590	-5.1%

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2012-2013
	2012	2013	2012	2013	2012	2013	
Revenues							
Program Revenues							
Charges for Services	\$ 112	\$ 89	\$ 342	\$ 330	\$ 454	\$ 419	-7.7%
Federal & State Categorical Grants	1,406	1,710	302	324	1,708	2,034	19.1%
State Construction Grant	-						0.0%
General Revenues							
Property Taxes	8,034	7,834			8,034	7,834	-2.5%
State Formula Aid	14,017	13,422			14,017	13,422	-4.2%
Other	573	145	1	1	574	146	-74.6%
Total Revenues	\$ 24,142	\$ 23,200	\$ 645	\$ 655	\$ 24,787	\$ 23,855	-3.8%
Expenses							
Instruction - Related	\$ 9,115	\$ 9,386	\$ -		\$ 9,115	\$ 9,386	3.0%
Student Support Services	3,712	4,332	684	679	4,396	5,011	14.0%
Maintenance & Operations	2,134	2,210			2,134	2,210	3.6%
Transportation	1,694	1,897			1,694	1,897	12.0%
Administration	2,134	2,152			2,134	2,152	0.8%
Other	4,912	5,121			4,912	5,121	4.3%
Total Expenses	\$ 23,701	\$ 25,098	\$ 684	\$ 679	\$ 24,385	\$ 25,777	5.7%
Increase/ (decrease) in Net Position	\$ 441	\$ (1,898)	\$ (39)	\$ (24)	\$ 402	\$ (1,922)	-578.1%

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2012-2013
	2012	2013	2012	2013	2012	2013	
Land	\$ 263	\$ 263	\$ -	\$ -	\$ 263	\$ 263	0.0%
Construction in Progress	810	-	-	-	810	-	-100.0%
Site Improvements	140	127	-	-	140	127	-9.3%
Buildings & Improvements	41,286	41,456	-	-	41,286	41,456	0.4%
Machinery & Equipment	274	368	104	95	378	463	22.5%
Total	\$ 42,773	\$ 42,214	\$ 104	\$ 95	\$ 42,877	\$ 42,309	-1.3%

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,952,046.	\$ 55,674.	\$ 3,007,720.
Receivables, net	529,948.	145,401.	675,349.
Inventory		14,064.	14,064.
Bond issuance cost, net	171,918.		171,918.
Capital assets, net	42,213,776.	94,791.	42,308,567.
Total Assets	45,867,688.	309,930.	46,177,618.
DEFERRED OUTFLOW OF RESOURCES			
LIABILITIES:			
Accounts payable	141,579.	111,563.	253,142.
Deferred revenue	7,741.		7,741.
Accrued interest	85,004.		85,004.
Noncurrent liabilities:			
Due within one year	746,325.		746,325.
Due in more than one year	9,495,553.		9,495,553.
Total liabilities	10,476,202.	111,563.	10,587,765.
DEFERRED INFLOW OF RESOURCES			
NET POSITION:			
Invested in capital assets, net of related debt	32,246,776.	94,791.	32,341,567.
Restricted for:			
Debt service	16,935.		16,935.
Capital projects	2,753,216.		2,753,216.
Other purposes	1,192,413.		1,192,413.
Unrestricted	(817,854.)	103,576.	(714,278.)
Total Net Position	\$ 35,391,486.	\$ 198,367.	\$ 35,589,853.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues		Net (Expense) Revenues and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:	Expenses			Total
Instruction:				
Regular	\$ 7,060,822.	\$	\$ (7,060,822.)	\$ (7,060,822.)
Special education	1,297,464.		(1,297,464.)	(1,297,464.)
Other special instruction	264,763.		(264,763.)	(264,763.)
Other instruction	762,684.		(762,684.)	(762,684.)
Support services:				
Tuition	2,141,625.		(2,141,625.)	(2,141,625.)
Student & instruction related services	2,189,920.		(2,189,920.)	(2,189,920.)
School administrative services	1,106,844.		(1,106,844.)	(1,106,844.)
General and business admin services	655,712.		(655,712.)	(655,712.)
Central services	264,251.		(264,251.)	(264,251.)
Admin info tech.	125,283.		(125,283.)	(125,283.)
Plant operations and maintenance	2,210,077.		(2,210,077.)	(2,210,077.)
Pupil transportation	1,896,746.		(1,896,746.)	(1,896,746.)
Employee benefits	4,610,423.	1,709,674.	(2,900,749.)	(2,900,749.)
NJ Debt Service Assessment	224,824.		(224,824.)	(224,824.)
Interest on long-term debt	271,061.		(271,061.)	(271,061.)
Amortization of debt issuance cost	15,271.		(15,271.)	(15,271.)
Total governmental activities	25,097,770.	1,709,674.	(23,299,451.)	0.
Business-type activities:				
Food service	679,488.	324,557.	(25,267.)	(25,267.)
Total business-type activities	679,488.	324,557.	0.	(25,267.)
Total primary government	\$ 25,777,258.	\$ 2,034,231.	\$ (23,299,451.)	\$ (23,324,718.)

General revenues:			
Taxes:			
Prop taxes levied for general purposes, net	\$ 7,280,077.	\$	\$ 7,280,077.
Taxes levied for debt service	554,082.		554,082.
Federal and state aid not restricted	12,458,489.		12,458,489.
Federal and state aid restricted	963,944.		963,944.
Tuition received	8,757.		8,757.
Investment earnings	39,006.	940.	39,946.
Miscellaneous income	96,818.		96,818.
Total general revenues, special items, extraordinary items and transfers	21,401,173.	940.	21,402,113.
Change in net position	(1,898,278.)	(24,327.)	(1,922,605.)
Prior year adjustment	(450.)		(450.)
Net position - beginning	37,290,214.	222,694.	37,512,908.
Net position - ending	<u>\$ 35,391,486.</u>	<u>\$ 198,367.</u>	<u>\$ 35,589,853.</u>

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 319,554.	\$(130,759.)	\$ 2,789,002.	\$(26,509.)	\$	\$ 2,951,288.
Due from other funds				43,444.		43,444.
Receivables from other governments	433,100.	216,348.	7,657.			657,105.
Total assets	\$ 752,654.	\$ 85,589.	\$ 2,796,659.	\$ 16,935.	\$ 0.	\$ 3,651,837.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 63,731.	\$ 77,848.	\$	\$	\$	\$ 141,579.
Interfund payable	127,157.		43,444.			170,601.
Deferred revenue		7,741.				7,741.
Total liabilities	190,888.	85,589.	43,444.	0.	0.	319,921.
Fund Balances:						
Restricted for:						
Excess surplus-current year	273,097.					273,097.
Excess surplus-designated for subsequent year's expenditures	670,835.					670,835.
Maintenance reserve	248,481.					248,481.
Capital reserve	1.					1.
Debt service				16,935.		16,935.
Capital projects			2,753,215.			2,753,215.
Committed to:						
Other purposes	47,911.					47,911.
Assigned to:						
Designated by BOE for subsequent year's expenditures	10,920.					10,920.
Unassigned:						
General fund	(689,479.)					(689,479.)
Total fund balances	561,766.	0.	2,753,215.	16,935.	0.	3,331,916.
Total liabilities and fund balances	\$ 752,654.	\$ 85,589.	\$ 2,796,659.	\$ 16,935.	\$ 0.	

Amounts reported for *government activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,038,493. and the accumulated depreciation is \$18,824,717.
(See Note)

\$ 42,213,776.

Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.
(See Note)

(10,326,882.)

Internal service fund balance
Bond issuance costs, net

758.

171,918.

Net assets of governmental activities

\$ 35,391,486.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 7,280,077.	\$	\$	\$ 554,082.	\$	\$ 7,834,159.
Tuition charges	8,757.					8,757.
Transportation	88,645.					88,645.
Interest earned	17,953.		21,053.			39,006.
Miscellaneous	83,934.	12,884.				96,818.
Total local sources	7,479,366.	12,884.	21,053.	554,082.	0.	8,067,385.
State sources	14,138,964.	65,757.	41,953.	250,946.		14,497,620.
Federal sources	29,198.	605,288.				634,486.
Total revenues	21,647,528.	683,929.	63,006.	805,028.	0.	23,199,491.
EXPENDITURES:						
Current:						
Regular instruction	5,949,489.					5,949,489.
Special education instruction	903,017.	394,447.				1,297,464.
Other special instruction	62,702.					62,702.
Other instruction	762,684.					762,684.
Support services:						
Tuition	2,112,427.	29,198.				2,141,625.
Student & instruction related services	2,044,710.	145,210.				2,189,920.
School administrative services	854,269.					854,269.
Other administrative services	403,137.					403,137.
Central services	264,251.					264,251.
Administration information tech	125,283.					125,283.
Plant operations and maintenance	2,008,016.					2,008,016.
Pupil transportation	1,896,746.					1,896,746.
Employee benefits	4,616,574.	70,695.				4,687,269.
Debt service:						
Principal				893,000.		893,000.
Interest and other charges				283,468.		283,468.
Capital outlay	427,960.	44,379.	1,214,328.			1,686,667.
Total expenditures	22,431,265.	683,929.	1,214,328.	1,176,468.	0.	25,505,990.
Excess (deficiency) of revenues over exp.	(783,737.)		(1,151,322.)	(371,440.)		(2,306,499.)
OTHER FINANCING SOURCES (USES):						
Transfers in				318,982.		318,982.
Transfers out	(297,929.)		(21,053.)			(318,982.)
Total other financing sources (uses)	(297,929.)	0.	(21,053.)	318,982.	0.	0.
Net change in fund balances	(1,081,666.)		(1,172,375.)	(52,458.)		(2,306,499.)
Fund balance - July 1	1,643,432.		3,925,590.	69,393.		5,638,415.
Fund balance - June 30	\$ 561,766.	\$ 0.	\$ 2,753,215.	\$ 16,935.	\$ 0.	\$ 3,331,916.

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>Business-Type Activities</u> <u>Enterprise-Fund</u>		<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Fund</u>
	<u>Food Service</u> <u>Fund</u>	<u>Totals</u>	
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 55,674.	\$ 55,674.	\$ 758.
Accounts receivable:			
State	359.	359.	
Federal	18,347.	18,347.	
Interfund	126,695.	126,695.	
Inventories	14,064.	14,064.	
Total current assets	<u>215,139.</u>	<u>215,139.</u>	<u>758.</u>
Noncurrent assets:			
Furniture, machinery & equipment	214,994.	214,994.	
Less accumulated depreciation	(120,203.)	(120,203.)	
Total noncurrent assets	<u>94,791.</u>	<u>94,791.</u>	<u>0.</u>
Total assets	<u>\$ 309,930.</u>	<u>\$ 309,930.</u>	<u>\$ 758.</u>
DEFERRED OUTFLOW OF RESOURCES			
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 111,563.	\$ 111,563.	\$
Total current liabilities	<u>111,563.</u>	<u>111,563.</u>	<u>0.</u>
Total liabilities	<u>111,563.</u>	<u>111,563.</u>	<u>0.</u>
DEFERRED INFLOW OF RESOURCES			
NET POSITION:			
Invested in capital assets net of related debt	94,791.	94,791.	
Unrestricted	103,576.	103,576.	758.
Total net assets	<u>\$ 198,367.</u>	<u>\$ 198,367.</u>	<u>\$ 758.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Fund	Totals	
Operating revenues:			
Charges for services:			
Daily sales-reimbursable programs	\$ 123,327.	\$ 123,327.	\$
Daily sales-non-reimbursable programs	206,337.	206,337.	
Total operating revenues	<u>329,664.</u>	<u>329,664.</u>	
Operating expenses:			
Cost of sales	250,220.	250,220.	
Salaries	213,986.	213,986.	
Employee benefits	45,820.	45,820.	
Management fee	50,985.	50,985.	
Repair and maintenance	8,490.	8,490.	
General supplies	42,445.	42,445.	
Energy	38,261.	38,261.	
Depreciation	9,507.	9,507.	
Miscellaneous	19,774.	19,774.	
Total operating expenses	<u>679,488.</u>	<u>679,488.</u>	0.
Operating income/(loss)	<u>(349,824.)</u>	<u>(349,824.)</u>	0.
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,925.	5,925.	
Federal sources:			
National school breakfast program	53,247.	53,247.	
National school lunch program	223,599.	223,599.	
Food distribution program	41,786.	41,786.	
Interest on investment	940.	940.	
Total nonoperating revenues (expenses)	<u>325,497.</u>	<u>325,497.</u>	0.
Change in net position	(24,327.)	(24,327.)	
Total net position - beginning	<u>222,694.</u>	<u>222,694.</u>	758.
Total net position - ending	<u>\$ 198,367.</u>	<u>\$ 198,367.</u>	<u>\$ 758.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>		<u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Fund</u>
	<u>Food Service</u> <u>Fund</u>	<u>Total</u> <u>Enterprise</u>	
CASH FLOWS FROM OPERATING ACT.			
Receipts from customers	\$ 329,665.	\$ 329,665.	\$
Payments to suppliers	(624,510.)	(624,510.)	
Net cash provided by (used for) operating activities	<u>(294,845.)</u>	<u>(294,845.)</u>	<u>0.</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State sources	3,432.	3,432.	
Federal sources	150,682.	150,682.	
Interest on investments	940.	940.	
Net cash provided by (used for) non-capital financing activities	<u>155,054.</u>	<u>155,054.</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	(139,791.)	(139,791.)	
Balances-beginning of year	195,465.	195,465.	758.
Balances-end of year	<u>\$ 55,674.</u>	<u>\$ 55,674.</u>	<u>\$ 758.</u>
Reconciliation of operating income (loss)			
to net cash provided (used) by operating activities:			
Operating income (loss)	\$(349,824.)	\$(349,824.)	\$
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	9,507.	9,507.	
Federal commodities	41,786.	41,786.	
(Increase)/decrease in inventories	(2,454.)	(2,454.)	
Increase/(decrease) in accounts payable	6,140.	6,140.	
Total adjustments	<u>54,979.</u>	<u>54,979.</u>	<u>0.</u>
Net cash provided by (used for) operating activities	<u>\$(294,845.)</u>	<u>\$(294,845.)</u>	<u>\$ 0.</u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Payroll/Agency Fund	Student Activity
ASSETS:				
Cash and cash equivalents	\$ 27,086.	\$ 9,016.	\$ 25,768.	\$ 188,210.
Investments		2,202.		
Due from Scholarship Fund				300.
Due from General			462.	
Due from Agency	9,527.			
Total assets	\$ 36,613.	\$ 11,218.	\$ 26,230.	\$ 188,510.
DEFERRED OUTFLOW OF RESOURCES				
LIABILITIES:				
Due to student groups	\$	\$	\$	\$ 188,510.
Due to payroll withholdings			16,703.	
Due to Student Activity Fund		300.		
Due to Unemployment			9,527.	
Total liabilities	0.	300.	\$ 26,230.	\$ 188,510.
DEFERRED INFLOW OF RESOURCES				
NET POSITION:				
Held in trust for unemployment claims	<u>\$ 36,613.</u>			
Reserved for scholarships		<u>\$ 10,918.</u>		

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Plan member	\$ 18,634.	\$
Other		2,405.
Total contributions	<u>18,634.</u>	<u>2,405.</u>
Investment earnings:		
Interest	69.	60.
Net investment earnings	<u>69.</u>	<u>60.</u>
DEDUCTIONS:		
Scholarships awarded		800.
Unemployment claims	73,861.	
Other	424.	667.
Total deductions	<u>74,285.</u>	<u>1,467.</u>
Change in net position	(55,582.)	998.
NET POSITION - JULY 1	<u>92,195.</u>	<u>9,920.</u>
NET POSITION - JUNE 30	<u>\$ 36,613.</u>	<u>\$ 10,918.</u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Cumberland Regional School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine (9) members elected to three (3) year terms. These terms are staggered so that three (3) members' terms expire each year. The purpose of the District is to educate students in grades 9-12. The Cumberland Regional School District had an approximate enrollment at June 30, 2013 of 1,273 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 had no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB No. 54, *Fund Reporting and Governmental Fund Type Descriptions*, and GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District Wide Statements: The statement of net position and the statement of activities display information about 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. Governmental activities generally are financed

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

NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Basis of Presentation: (Cont'd)

District Wide Statements: (Cont'd)

through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the 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. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

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

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

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

NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Fund Accounting: (Cont'd)

GOVERNMENTAL FUNDS (Cont'd)

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

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

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

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

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

The District's Enterprise Funds is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with

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

NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (Cont'd)

their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Food Service Fund:	
Equipment	12 years

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

FIDUCIARY FUNDS

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

Trust and Agency Funds: The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and scholarship funds.

Nonexpendable Trust Fund: A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

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

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

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

NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting and Measurement Focus: (Cont'd)

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the 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 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 the operating results of proprietary fund types and nonexpendable 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.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

NOTE 2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which 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.

A reconciliation of the special revenue funds 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 Revenue 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 are shown on Exhibit C-3.

E. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The district received no tuition students during the 2012/2013 school year.

G. Tuition Payable:

Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

J. Assets, Liabilities and Equity:

Transactions

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Assets, Liabilities and Equity: (Cont'd)

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013. The inventory in the Food Service Fund at June 30, 2013 was \$14,064.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets:

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at the estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2013 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of the normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	20 years
Building & Building Improvements	25-50 years
Machinery & Equipment	5-20 years

K. Accrued Salaries and Wages

Certain District employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$0.

L. 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 governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Compensated Absences: (Cont'd)

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

M. Deferred Revenue:

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

N. Long-term Debt

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

P. 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 not reported separately in the Statement of Activities. 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.

Q. 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.

R. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Management Estimates

The preparation of financial statements in conformity with generally accepting accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide Financial Statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

V. Net Position

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

W. Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted: The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed: The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purposes unless the Board of Education removes, or changes, the specific use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Fund Balance (Cont'd)

Assigned: The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned: The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

X. Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

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

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

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2013, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

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

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2013, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents	Investments	Total
Checking account	\$3,262,034.	\$	\$3,262,034.
Certificates of Deposit		2,202.	2,202.
TOTAL	\$3,262,034.	\$2,202.	\$3,264,236.

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

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

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2013, the District's bank balance of \$4,502,819. was insured or collateralized as follows:

Insured by Depository Insurance	\$ 280,413.
Collateralized under GUDPA	<u>4,222,406.</u>
TOTAL	<u>\$4,502,819.</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 4.CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$16,682,713. as shown in the 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	\$297,230.
Interest earnings	0.
Deposits	
Approved in 2012/2013 Budget	0.
Board Resolution	0.
Withdrawals	
Approved in 2012/2013 Budget	297,229.
Board Resolution	<u>0.</u>
Total Withdrawals	<u>297,229.</u>
Ending balance, June 30, 2013	<u>\$1.</u>

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

NOTE 5. MAINTENANCE RESERVE

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.* 18A:7G-9) as amended by P.L. 2004, c. 73 (\$1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.* 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

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

Beginning Balance July 1, 2012	\$328,481.
Deposits	0.
Withdrawals – Board Resolution	<u>(80,000.)</u>
Ending balance June 30, 2013	<u>\$248,481.</u>

The June 30, 2013 maximum maintenance reserve amount is \$1,416,787.

NOTE 6. FIXED ASSETS

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

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Construction in progress	\$810,267.	\$	\$(810,267.)	\$	\$
Land	263,190.				263,190.
Total Capital Assets not being Depreciated	<u>\$1,073,457.</u>	<u>0.</u>	<u>(810,267.)</u>	<u>0.</u>	<u>263,190.</u>
Bldg & Bldg Improvements	52,430,850.	2,102,755.			54,533,605.
Site Improvements	907,743.				907,743.
Machinery & Equipment	5,164,599.	169,356.			5,333,955.
Totals at Historical Cost	<u>58,503,192.</u>	<u>2,272,111.</u>	<u>0.</u>	<u>0.</u>	<u>60,775,303.</u>
Less: Accum Deprec for:					
Bldg & Bldg Improvements	(11,146,167.)	(1,931,356.)			(13,077,523.)
Site Improvements	(767,438.)	(13,807.)			(781,245.)
Machinery & Equipment	(4,890,507.)	(75,442.)			(4,965,949.)
Total Accum Depreciation	<u>(16,804,112.)</u>	<u>(2,020,605.)</u>	<u>0.</u>	<u>0.</u>	<u>(18,824,717.)</u>
Total Capital Assets being depreciated net of Accum Depreciation	<u>41,699,080.</u>	<u>251,506.</u>	<u>0.</u>	<u>0.</u>	<u>41,950,586.</u>
Government Activities Capital Assets, net	<u>\$42,772,537.</u>	<u>\$251,506.</u>	<u>\$(810,267.)</u>	<u>\$ 0.</u>	<u>\$42,213,776.</u>
Business-type Activities:					
Equipment	\$214,994.	\$	\$	\$	\$214,994.
Less Accum Dep for: Equipment	(110,696.)	(9,507.)			(120,203.)
Business-type Activities Capital Assets, net	<u>\$104,298.</u>	<u>\$(9,507.)</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$94,791.</u>

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

NOTE 6. FIXED ASSETS (Cont'd)

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

Instruction:	
Regular	\$(1,111,333.)
Other Instruction	(202,061.)
Support Services:	
School Administration	(252,575.)
General and Business Administrative Services	(252,575.)
Plant Operations and Maintenance	(202,061.)
Total Depreciation Expense	<u>\$(2,020,605.)</u>

NOTE 7. OPERATING LEASES

The District had operating leases for postage and copying equipment during the year ended June 30, 2013. The total operating lease payments made during the year were \$40,312. The leases expire on various dates. Future minimum payments due on the leases are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2014	\$40,053.
June 30, 2015	24,633.
June 30, 2016	19,492.
June 30, 2017	12,578.
TOTAL	<u>\$96,756.</u>

NOTE 8. LONG-TERM DEBT

<u>Type of Debt</u>	<u>Balance at 6/30/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at 6/30/13</u>	<u>Amounts Due Within 1 Year</u>
Governmental Act.:					
Compen Absen. Pay	\$351,724.	\$7,625.	\$(84,471.)	\$274,878.	\$66,325.
Bonds payable	10,772,000.	3,785,000.	(4,590,000.)	9,967,000.	680,000.
Accrued interest on bonds	97,411.		(12,407.)	85,004.	85,004.
Total	<u>\$11,221,135.</u>	<u>\$3,792,625.</u>	<u>\$(4,686,878.)</u>	<u>\$10,326,882.</u>	<u>\$831,329.</u>

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

A. Bonds Payable:

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

On August 16, 2012, the District issued School Refunding Bonds in the amount of \$3,785,000. in order to refund all or a portion of the outstanding callable school bonds of the Board of Education originally issued in the principal amount of \$6,877,000. and dated April 15, 2004. The 2004 bonds are redeemable at the option of the Board of Education in whole or in part with a 30 day notice of redemption at a price of 100% of the principal amount thereof.

The \$3,785,000. Refunding Bonds included issuance costs of \$72,518. \$3,697,000. was issued to retire bonds from the 2004 issue and \$0. was returned to the District. The gross debt service savings to the District is \$179,023. and the economic benefit to the District is estimated to be \$161,023. The 2012 Refunding Bonds, 2012 Series are payable in annual installments through 2024.

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

NOTE 8. LONG-TERM DEBT (Cont'd)

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$680,000.	\$307,489.	\$987,489.
2015	710,000.	286,849.	996,849.
2016	720,000.	267,986.	987,986.
2017	740,000.	248,936.	988,936.
2018	775,000.	228,563.	1,003,563.
2019-2023	4,240,000.	762,255.	5,002,255.
2024-2026	2,102,000.	127,282.	2,229,282.
TOTAL	\$9,967,000.	\$2,229,360.	\$12,196,360.

As of June 30, 2013, the Board had no authorized bonds that were not issued.

B. Capital Leases Payable:

As of June 30, 2013, the District has no liabilities under capital leases.

NOTE 9. PENSION PLANS

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund.

These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the systems’ other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees’ Retirement System (PERS) – The Public Employees’ Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees’ Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

NOTE 9. PENSION PLANS (Cont'd)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey retirement systems.

Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

NOTE 9. PENSION PLANS (Cont'd)

<u>Three-Year Trend Information for PERS</u>			
Year	Annual Pension	Percentage Of APC	Net Pension
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
June 30, 2013	\$183,001.	0%	\$183,001.
June 30, 2012	203,751.	0%	203,751.
June 30, 2011	176,814.	0%	176,814.

<u>Three-Year Trend Information for TPAF</u> <u>(Paid on Behalf of the District)</u>			
Year	Annual Pension	Percentage Of APC	Net Pension
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
June 30, 2013	\$1,108,575.	100%	\$0.
June 30, 2012	795,934.	100%	0.
June 30, 2011	538,874.	100%	0.

During the fiscal year ended June 30, 2013, the State of New Jersey contributed \$1,108,575. to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$601,099. during 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 general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS, TPAF 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.

NOTE 11. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government 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.

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

NOTE 11. COMPENSATED ABSENCES (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

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, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Allen Associates
Thomas Seeley Agency
Vanguard

NOTE 13. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$0.	\$18,634.	\$69.	\$74,285.	\$36,613.
2011-2012	0.	16,382.	155.	17,424.	92,195.
2010-2011	225,000.	15,751.	25.	171,604.	93,082.

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

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$	\$127,157.
Enterprise Fund	126,695.	
Fiduciary Fund	462.	
	<hr/>	<hr/>
	\$127,157.	\$127,157.

The amounts due between the General Fund and Fiduciary Fund results from adjustments to amounts paid during 2012-2013. The amounts due from the General Fund to the Enterprise Fund results from the cafeteria reimbursements received by the General Fund and not yet remitted to the cafeteria account.

NOTE 15. CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 16. 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 \$943,932.

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0. in the General Fund and \$0. in the Special Revenue Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0. is equal to (or) is less than the last state aid payments.

NOTE 18. FUND BALANCE APPROPRIATED

General Fund

Of the \$561,766. General Fund balance at June 30, 2013, \$47,911. is reserved for encumbrances; \$0. has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23A-3.1(f)(8)*; \$943,932. is

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

NOTE 18.FUND BALANCE APPROPRIATED (Cont'd)

General Fund (Cont'd)

reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$670,835. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$1. has been reserved in the Capital Reserve Account; \$248,481. has been reserved in the Maintenance Reserve Account; (\$100,000. of the total maintenance reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$10,920. has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$(689,479.) is unreserved and undesignated.

Capital Project Fund

Of the \$2,753,215. Capital Project Fund balance at June 30, 2013, \$466,296. has been appropriated as a transfer to the Debt Service Fund and included as anticipated revenue in the Debt Service Fund for the year ending June 30, 2014.

Debt Service Fund

Of the \$16,935. Debt Service Fund fund balance at June 30, 2013; \$0. is reserved in accordance with *N.J.S.A. 7F-41c(2)* and \$16,935. is unreserved and undesignated.

NOTE 19.FUND BALANCE

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2013.

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus: In accordance with *N.J.S.A.18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of 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 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 \$943,932., \$670,835. has been restricted and designated for utilization in the 2013-2014 budget.

Capital Reserve Account: As of June 30, 2013, the balance in the capital reserve account is \$1. These funds are restricted for the future approved capital projects of school facilities.

Maintenance Reserve Account – As of June 30, 2013, the balance in the maintenance reserve account was \$248,481. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c.73 (S1701).

Capital Projects Fund – As of June 30, 2013, the restricted fund balance amount was \$2,753,215. Budgets of district projects are approved and funded by voter referendum and the School Development Authority.

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

NOTE 19.FUND BALANCE (Cont'd)

RESTRICTED (Cont'd)

Debt Service Fund – As of June 30, 2013, the restricted fund balance was \$16,935. These funds are restricted for the future debt service payments.

COMMITTED

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2013, the School District had \$47,911. of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014, \$10,920. of general fund balance at June 30, 2013.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund:

As of June 30, 2013, the unassigned fund balance of the general fund was \$(689,479.).

NOTE 20.SUBSEQUENT EVENTS

Subsequent events were evaluated by management through October 11, 2013.

NOTE 21.OTHER INFORMATION – SDA CAPITAL PROJECT

Under the terms of the construction contract with the New Jersey School Development Authority, the District is entitled to the interest income earned on the proceeds from the \$6,877,000. bond issue. The interest income is not available for the District's use until completion of the project. During the 2007-2008 year, the District received the interest in the amount of \$830,883. However, since the project is not yet complete, the interest is not yet available for use by the District. During the 2010-2011 and 2011-2012 fiscal years, the District budgeted and transferred \$426,245. and \$404,368. of this amount as a transfer from the Capital Project Fund to the General Fund and Debt Service Fund.

The District has recorded expenditures over the life of this project based on information received from the New Jersey School Development Authority. The most recent information received by the District resulted in the adjustments reflected on Exhibits F-1a and F-2. It is the District's position that this project has not yet been completed.

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local sources:					
Local tax levy	\$ 7,280,077.	\$	\$ 7,280,077.	\$ 7,280,077.	\$ 8,757.
Tuition				8,757.	(61,355.)
Transportation	150,000.		150,000.	88,645.	17,953.
Interest earned				17,953.	8,934.
Miscellaneous	75,000.		75,000.	83,934.	(25,711.)
Total local sources	7,505,077.	0.	7,505,077.	7,479,366.	
State sources:					
Equalization Aid	10,358,997.		10,358,997.	10,358,997.	
School Choice Aid	744,268.		744,268.	744,268.	
Categorical Transportation Aid	127,662.		127,662.	127,662.	
Special Education Aid	684,030.		684,030.	684,030.	
Security Aid	211,006.		211,006.	211,006.	
On behalf TPAF pension contribution (non-budgeted)				1,108,575.	1,108,575.
Reimbursed TPAF social security contribution (non-budgeted)				601,099.	601,099.
Extraordinary aid	75,000.	224,336.	299,336.	299,336.	
Additional non-public transportation aid				14,584.	14,584.
Total state sources	12,200,963.	224,336.	12,425,299.	14,149,557.	1,724,258.
Federal sources:					
Education Jobs Fund		1,049.	1,049.	1,049.	
Medical Assistance Program	30,320.		30,320.	28,149.	(2,171.)
Total federal sources	30,320.	1,049.	31,369.	29,198.	(2,171.)
Total revenues	19,736,360.	225,385.	19,961,745.	21,658,121.	1,696,376.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current expense:					
Regular programs:					
Grades 9-12 instruction:					
Salaries of teachers	\$ 5,055,089.	\$ 32,820.	\$ 5,087,909.	\$ 5,087,909.	\$ 5,644.
Home instruction:					
Salaries of teachers	50,000.	(9,216.)	40,784.	35,140.	
Other salaries for instruction	93,906.	(93,906.)			
Other purchased services	134,610.	(99,363.)	35,247.	35,247.	
Regular programs-undistributed instruction:					
Other salaries for instruction	90,000.	5,314.	95,314.	95,314.	
Other salaries		74,881.	74,881.	74,881.	
Repairs and maintenance		24,202.	24,202.	21,265.	2,937.
Equipment lease purchase		60,000.	60,000.	57,390.	2,610.
Communications		21,698.	21,698.	21,698.	
Travel expense		12,013.	12,013.	9,640.	2,373.
General supplies	320,837.	121,652.	442,489.	437,453.	5,036.
Textbooks	41,453.	4,462.	45,915.	45,915.	
Other objects	30,000.	(1,938.)	28,062.	27,637.	425.
Total regular programs - instruction	5,815,895.	152,619.	5,968,514.	5,949,489.	19,025.
Special education-instruction:					
Learning and/or language disabilities:					
Salaries of teachers	67,780.		67,780.	59,818.	7,962.
General supplies	1,500.		1,500.	600.	900.
Textbooks	1,000.	(689.)	311.	311.	
Total and/or language disabilities	70,280.	(689.)	69,591.	60,729.	8,862.
Behavioral disabilities:					
Salaries of teachers	322,909.	(159.)	322,750.	322,750.	
General supplies	5,500.	(434.)	5,066.	5,066.	
Textbooks	5,500.	25.	5,525.	5,525.	
Total emotionally disturbed	333,909.	(568.)	333,341.	333,341.	0.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Multiply handicapped:					
Other salaries for instruction	\$ 110,000.	\$(8,985.)	\$ 101,015.	\$ 95,336.	\$ 5,679.
General supplies	3,700.	32.	3,732.	3,732.	
Total multiply handicapped	113,700.	(8,953.)	104,747.	99,068.	5,679.
Resource room/resource center:					
Salaries of teachers	421,009.	(12,913.)	408,096.	408,096.	
General supplies	1,530.		1,530.	1,430.	100.
Textbooks	1,000.	(628.)	372.	353.	19.
Total resource room/resource center	423,539.	(13,541.)	409,998.	409,879.	119.
Total special ed - instruction	941,428.	(23,751.)	917,677.	903,017.	14,660.
Basic skills/remedial-instruction:					
Salaries of teachers	140,202.	(90,312.)	49,890.	49,890.	
Miscellaneous expenditures	12,250.	562.	12,812.	12,812.	
Total basic skills/remedial-instruction	152,452.	(89,750.)	62,702.	62,702.	0.
School sponsored co-curricular act-instruction:					
Salaries	104,000.		104,000.	97,923.	6,077.
Purchased technical services		2,800.	2,800.	2,800.	
Repairs and maintenance		500.	500.	293.	207.
Purchased services	4,050.	(4,050.)			
Contracted services other		750.	750.		750.
Supplies and materials	1,000.	967.	1,967.	1,257.	710.
Other objects	37,700.	6,056.	43,756.	34,258.	9,498.
Total school spon co-curricular act-instruction	146,750.	7,023.	153,773.	136,531.	17,242.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School sponsored athletics-instruction:					
Salaries	\$ 315,014.	\$(315,014.)	\$	\$	\$
Salaries of secretarial assistant		43,970.	43,970.	43,970.	
Other salaries		256,415.	256,415.	245,696.	10,719.
Other purchased professional services		84,649.	84,649.	80,359.	4,290.
Cleaning, repair, and maintenance		15,000.	15,000.	1,223.	13,777.
Other purchased property		6,005.	6,005.		
Purchased services	97,510.	(97,510.)			
Travel expenses		4,995.	4,995.	530.	4,465.
Miscellaneous purchased services		8,260.	8,260.	7,207.	1,053.
Supplies and materials	39,500.	11,014.	50,514.	47,499.	3,015.
Other objects	17,000.	(5,321.)	11,679.	9,829.	1,850.
Total school sponsored athletics-instruction	469,024.	12,463.	481,487.	442,318.	39,169.
Alternative education program-instruction:					
Salaries of teachers	175,000.	(15,000.)	160,000.	133,574.	26,426.
General supplies	2,000.		2,000.	829.	1,171.
Total alternative education program-instruction	177,000.	(15,000.)	162,000.	134,403.	27,597.
Alternative education program-support services:					
Salaries	46,871.	2,561.	49,432.	49,432.	0.
Total alternative education program-support services	46,871.	2,561.	49,432.	49,432.	0.
Total instruction	7,749,420.	46,165.	7,795,585.	7,677,892.	117,693.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed expenditures:					
Instruction:					
Tuition -co voc school district-regular	\$ 110,900.	\$ 31,084.	\$ 31,084.	\$ 31,084.	\$ 795.
Tuition -co voc school district-special	64,000.	119,786.	230,686.	229,891.	
Tuition-co special services/reg day schools	756,166.	76,990.	140,990.	140,990.	
Tuition priv schools handicapped w/state	488,439.	75,140.	831,306.	811,306.	20,000.
Tuition-priv school disabled & other LEAs	173,352.	232,910.	721,349.	555,620.	165,729.
Tuition-state facilities	145,582.	24,602.	197,954.	197,954.	
Tuition-other	39,000.	(39,000.)	145,582.	145,582.	
Total undistributed expenditures-education	1,777,439.	521,512.	2,298,951.	2,112,427.	186,524.
Attendance and social work services:					
Salaries	43,599.	(43,599.)	43,970.	43,970.	
Salaries of secretarial assistants	43,599.	43,970.	43,970.	43,970.	
Total attendance and social work services	87,198.	0.	87,940.	87,940.	0.
Health services:					
Salaries	90,751.	(90,751.)	90,880.	90,880.	
Salaries of other professional staff	42,456.	90,880.	90,880.	90,880.	
Purchased prof/technical services		(42,456.)			
Other purchased professional services		78,073.	78,073.	77,486.	587.
Supplies and materials	1,600.	(24.)	1,576.	1,576.	
Other objects	150.	35.	185.	185.	
Total health services	134,957.	35,757.	170,714.	170,127.	587.
Undistributed exp -speech, OT, PT, & related services:					
Purchased prof/educational services	0.	2,779.	2,779.	2,779.	
Total undistributed exp-speech, OT, PT & related services	0.	2,779.	2,779.	2,779.	0.
Undistributed exp -other supp serv students-extra serv.					
Purchased prof/educational services	0.	363,867.	363,867.	363,867.	
Total undistributed exp-other supp serv stud-extra serv.	0.	363,867.	363,867.	363,867.	0.
Guidance:					
Salaries of other professional staff	443,062.	33,260.	476,322.	476,322.	
Salaries of secretarial and clerical assistants	87,197.	1,310.	88,507.	88,507.	
Purchased professional services	22,500.	(22,500.)	23,677.	23,677.	
Other professional & technical services	500.	(500.)	9,071.	8,758.	313.
Other purchased services	7,735.	1,336.	10,845.	10,845.	
Supplies and materials	16,940.	(6,095.)	10,845.	10,845.	
Other objects	577,934.	30,488.	608,422.	608,109.	313.
Total guidance	1,188,368.	27,009.	1,215,377.	1,215,377.	313.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Child Study Team:					
Salaries of other professional staff	\$ 238,458.	\$(29,702.)	\$ 208,756.	\$ 206,564.	\$ 2,192.
Salaries of secretarial & clerical assistants	44,907.	383.	45,290.	45,290.	
Other purchased professional & technical services	10,000.	1,415.	11,415.	11,415.	
Miscellaneous purchased services		360.	360.	360.	
Supplies and materials	200.		200.	149.	51.
Total child study team	293,565.	(27,544.)	266,021.	263,778.	2,243.
Improve of instruct serv/other support serv-instruct staff					
Salaries of supervisors of instruction	404,671.	(21,397.)	383,274.	379,144.	4,130.
Salaries of secretarial & clerical assistants	44,907.	383.	45,290.	45,290.	
Other purchased/professional services	87,000.	(44,778.)	42,222.	42,222.	
Total improvement of instructional services	536,578.	(65,792.)	470,786.	466,656.	4,130.
Educational media services:					
Salaries of technology coordinators	89,974.		89,974.	89,829.	145.
Cleaning, repair, and maintenance		1,250.	1,250.	500.	750.
Other purchased services	1,250.	(1,250.)			
Supplies and materials	33,500.	1,680.	35,180.	35,095.	85.
Total educational media services/school library	124,724.	1,680.	126,404.	125,424.	980.
Support services-general administration:					
Salaries	211,200.	(211,200.)			
Salaries of other professional staff	163,780.		163,780.	163,780.	
Salaries of secretarial assistants	47,420.		47,420.	47,420.	
Legal services	90,000.	(12,093.)	77,907.	77,907.	
Audit fees	27,000.	(27,000.)			
Other purchased professional services	31,500.	(5,000.)	26,500.	26,500.	
Communications/telephone	37,202.	19,717.	56,919.	56,025.	894.
Travel expense		75.	75.	75.	
Other purchased services	20,722.	(16,353.)	4,369.	4,369.	
Supplies and materials	200.		200.	200.	
Miscellaneous expenditures	14,043.	14,028.	28,071.	27,061.	200.
BOE membership dues and fees	17,448.	(17,448.)			1,010.
Total support services-general administration	449,315.	(44,074.)	405,241.	403,137.	2,104.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support services school administration:					
Salaries of principals/asst.	\$ 465,405.	\$(50,847.)	\$ 414,558.	\$ 414,558.	\$
Salaries of other professional staff	211,290.	5,000.	216,290.	216,290.	
Salaries of secretarial assistants	220,562.	2,339.	222,901.	222,901.	
Other objects	2,151.	(1,631.)	520.	520.	
Total support services school administration	899,408.	(45,139.)	854,269.	854,269.	0.
Central services:					
Salaries	249,776.	(249,776.)	110,400.	110,400.	
Salaries of other professional staff		110,400.	138,256.	138,256.	
Salaries of secretarial assistants		3,700.	8,568.	8,568.	
Other salaries		168.	500.	500.	
Purchased technical services	8,400.	(17.)	3,152.	3,152.	
Miscellaneous purchased services	500.		175.	175.	
Supplies and materials	3,579.	(1,266.)	265,161.	264,251.	
Miscellaneous expenses	1,441.				
Total central services	263,696.	1,465.	265,161.	264,251.	910.
Admin. Information Technology					
Salaries	122,239.	(122,239.)	125,283.	125,283.	
Other salaries for instruction		125,283.	125,283.	125,283.	
Total admin. information technology	122,239.	3,044.	125,283.	125,283.	0.
Required maintenance for school facilities:					
Cleaning, repair and maintenance	100,000.	134,585.	234,585.	204,915.	29,670.
General supplies	100,000.	9,291.	109,291.	96,636.	12,655.
Total required maintenance for school facilities	200,000.	143,876.	343,876.	301,551.	42,325.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Custodial services:					
Salaries	\$ 643,997.	\$(643,997.)	\$	\$	\$
Other salaries		694,605.	694,605.	694,605.	
Purchased professional & technical services	205.	(205.)			
Cleaning, repair and maintenance of services	50,000.	7,148.	57,148.	57,147.	1.
Other purchased property services	55,000.	(7,575.)	47,425.	47,425.	
Insurance	109,273.	2,457.	111,730.	111,730.	
General supplies	69,156.	4,824.	73,980.	73,179.	801.
Energy (electricity)	630,000.	(109,718.)	520,282.	520,282.	
Total custodial services	1,557,631.	(52,461.)	1,505,170.	1,504,368.	802.
Care and upkeep of grounds:					
Salaries	68,384.	(30,286.)	38,098.	38,098.	
Total care and upkeep of grounds	68,384.	(30,286.)	38,098.	38,098.	0.
Security:					
Salaries	155,409.	8,590.	163,999.	163,999.	
Total security	155,409.	8,590.	163,999.	163,999.	0.
Total operation and maintenance of building	1,981,424.	69,719.	2,051,143.	2,008,016.	43,127.
Students transportation services:					
Salaries for pupil trans (home/school) spec ed	56,332.	1,873.	58,205.	58,205.	
Cleaning, repair and maintenance	4,016.	(3,621.)	395.	395.	
Contracted services home	6,365.	(6,365.)			
Contracted services other	276,888.	(88,408.)	188,480.	200,122.	(11,642.)
Transportation jointure	758,720.		758,720.	758,720.	
Contracted services special ed	1,334.	(421.)	913.	685.	228.
Trans jointure special ed	525,000.	199,421.	724,421.	724,421.	
Aid in lieu	190,803.	(47,831.)	142,972.	142,972.	
General supplies	11,950.	(11,900.)	50.	50.	
Energy		11,176.	11,176.	11,176.	
Total student transportation services	1,831,408.	53,924.	1,885,332.	1,896,746.	(11,414.)

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated benefits:					
Social security contribution	\$ 250,651.	\$(11,555.)	\$ 239,096.	\$ 239,096.	\$
Other retirement contributions regular	247,500.	(64,499.)	183,001.	183,001.	
Unemployment compensation	150,000.	(150,000.)			
Workmen's compensation	142,000.	(8,286.)	133,714.	133,714.	
Health benefits	2,325,704.	(153,639.)	2,172,065.	2,171,016.	1,049.
Tuition reimbursement	40,000.	(22,151.)	17,849.	17,849.	
Other employee benefits	67,272.	94,952.	162,224.	162,224.	
Total unallocated benefits	3,223,127.	(315,178.)	2,907,949.	2,906,900.	1,049.
On behalf TPAF pension contributions (non-budgeted)				1,108,575.	(1,108,575.)
Reimbursed TPAF soc sec contributions (non-budgeted)				601,099.	(601,099.)
Total undistributed expenditures	12,259,413.	586,879.	12,846,292.	14,325,413.	(1,479,121.)
Total expenditures-current expense	20,008,833.	633,044.	20,641,877.	22,003,305.	(1,361,428.)
CAPITAL OUTLAY:					
Equipment:					
Regular programs:					
Grades 9-12 Instruction:					
Instructional equipment	99,046.	(44,738.)	54,308.	52,846.	1,462.
Regular programs - undistributed instruction:					
Instructional equipment		107,583.	107,583.	107,583.	
School sponsored athletics:					
Non-instructional		6,274.	6,274.	6,274.	
Operation and maintenance of building:					
Non-instructional		36,433.	36,433.	36,433.	
Total equipment	99,046.	105,552.	204,598.	203,136.	1,462.
Facilities Acquisition and Construction:					
Assessment for debt service on SDA funding	224,824.		224,824.	224,824.	
Total facilities acquisition and construction	224,824.	0.	224,824.	224,824.	0.
Total capital outlay expenditures	323,870.	105,552.	429,422.	427,960.	1,462.

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Total expenditures	\$ 20,332,703.	\$ 738,596.	\$ 21,071,299.	\$ 22,431,265.	\$(1,359,966.)
Excess (deficiency) of revenues over (under) expenditures	(596,343.)	(513,211.)	(1,109,554.)	(773,144.)	336,410.
Other financing sources:					
Operating transfer out:					
Transfer to/from Debt Service Fund	(297,929.)		(297,929.)	(297,929.)	
Total other financing sources	(297,929.)	0.	(297,929.)	(297,929.)	0.
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(894,272.)	(513,211.)	(1,407,483.)	(1,071,073.)	336,410.
Fund balance, July 1	2,751,333.		2,751,333.	2,751,333.	
Fund balance, June 30	\$ 1,857,061.	\$(513,211.)	\$ 1,343,850.	\$ 1,680,260.	\$ 336,410.
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1.	
Maintenance Reserve				248,481.	
Excess surplus-designated for subsequent year's expenditures				670,835.	
Excess Surplus-Current Year				273,097.	
Committed Fund Balance:					
Year-end encumbrances				47,911.	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				10,920.	
Unassigned Fund Balance				429,015.	
				<u>1,680,260.</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Less State Aid Payment not Recognized on GAAP Basis				(1,118,494.)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 561,766.</u>	

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
EDUCATION JOBS FUND - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal sources:					
Education Jobs Fund	\$ 0.	\$ 1,049.	\$ 1,049.	\$ 1,049.	\$ 0.
Total federal sources	0.	1,049.	1,049.	1,049.	0.
Total revenues	0.	1,049.	1,049.	1,049.	0.
EXPENDITURES:					
General current expense:					
Regular Programs-Instruction	0.	1,049.	1,049.	1,049.	0.
Salaries of teachers	0.	1,049.	1,049.	1,049.	0.
Total regular programs-instruction	0.	1,049.	1,049.	1,049.	0.
Total expenditures	0.	1,049.	1,049.	1,049.	0.
Excess (deficiency) of revenues over (under) expenditures	0.	0.	0.	0.	0.
Fund balances, July 1	0.	0.	0.	0.	0.
Fund balances, June 30	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

CUMBERLAND REGIONAL BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources	\$ 15,842.	\$	\$ 15,842.	\$ 12,884.	\$(2,958.)
State sources	65,757.		65,757.	65,757.	
Federal sources	655,766.		655,766.	584,352.	(71,414.)
Total revenues	737,365.	0.	737,365.	662,993.	(74,372.)
EXPENDITURES:					
Instruction:					
Salaries of teachers	321,595.		321,595.	304,658.	16,937.
Purchased professional & technical services	30,501.		30,501.	26,281.	4,220.
Tuition	29,198.		29,198.	29,198.	
General supplies	109,384.	(44,379.)	65,005.	37,283.	27,722.
Other objects	6,532.		6,532.	5,708.	824.
Total instruction	497,210.	(44,379.)	452,831.	403,128.	49,703.
Support Services:					
Salaries of other professional staff	40,000.		40,000.	35,896.	4,104.
Salaries of secretaries & clerical assistants	48,008.		48,008.	45,300.	2,708.
Personal services - employee benefits	72,874.		72,874.	70,695.	2,179.
Other purchased professional services	23,700.		23,700.	16,870.	6,830.
Other purchased services	21,403.		21,403.	17,315.	4,088.
Supplies & materials	31,670.		31,670.	27,910.	3,760.
Other objects	2,500.		2,500.	1,500.	1,000.
Total support services	240,155.	0.	240,155.	215,486.	24,669.
Facilities Acquisition and Construction Services:					
Instructional equipment		44,379.	44,379.	44,379.	
Total facilities acquisition and construction serv.	0.	44,379.	44,379.	44,379.	0.
Total expenditures	737,365.	0.	737,365.	662,993.	74,372.
Total outflows	737,365.	0.	737,365.	662,993.	74,372.
Excess (deficiencies) of revenues over/(under) expenditures and other financing sources (uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

CUMBERLAND REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 21,658,121.	\$ 662,993.
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:		
Add: Prior year encumbrance	N/A	25,720.
Less: Current year encumbrance	N/A	(4,784.)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	1,107,901.	0.
State aid payment is recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(1,118,494.)	0.
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 21,647,528.	\$ 683,929.
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 22,729,194.	\$ 662,993.
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Add: Prior year encumbrance	N/A	25,720.
Less: Current year encumbrance	N/A	(4,784.)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	(297,929.)	0.
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 22,431,265.	\$ 683,929.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Title I Part A	Title I, Part A Prior Year	Title II, Part A	Title II, Part A Prior Year	Title II, Part A Prior Year	IDEA Part B	IDEA Part B Prior Year
Revenues:							
Local sources	\$	\$	\$	\$	\$	\$	\$
State sources	202,413.	7,022.	25,334.	25,555.	261,134.	41,784.	
Federal sources	\$ 202,413.	\$ 7,022.	\$ 25,334.	\$ 25,555.	\$ 261,134.	\$ 41,784.	
Total revenues							
Expenditures:							
Instruction:							
Salaries of teachers	\$ 158,330.	\$ 4,445.	\$	\$ 13,150.	\$ 128,733.	\$	
Purchased prof/educ services					24,197.		29,198.
Purchased prof/tech services					4,024.		12,586.
Other purchased services	2,325.				1,349.		
Tuition							
General supplies							
Other objects							
Total instruction	160,655.	4,445.	0.	13,150.	158,303.	41,784.	
Support services:							
Salaries of other prof staff					35,896.		
Other salaries				12,402.	30,898.		
Personal serv-employ bene	34,658.				36,037.		
Other purchased professional serv.			5,750.				
Other purchased services	5,600.	2,577.	6,451.				
Supplies and materials			13,133.	3.			
Other objects	1,500.						
Total support services	41,758.	2,577.	25,334.	12,405.	102,831.	0.	
Facilities acquisition & constr serv:							
Instructional equipment	0.	0.	0.	0.	0.	0.	0.
Total facilities acquisition & constr serv							
Total expenditures	\$ 202,413.	\$ 7,022.	\$ 25,334.	\$ 25,555.	\$ 261,134.	\$ 41,784.	

CUMBERLAND REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Race To The Top	Perkins Vocational	NJ Dept. Agriculture	NJSBAIG Safety Grant	Other Local Grant	Totals 2013
Revenues:						
Local sources	\$	\$	\$	\$	\$	\$
State sources		58,245.	7,512.	11,040.	1,844.	12,884.
Federal sources	12,857.	8,253.				65,757.
Total revenues	<u>\$ 12,857.</u>	<u>\$ 66,498.</u>	<u>\$ 7,512.</u>	<u>\$ 11,040.</u>	<u>\$ 1,844.</u>	<u>\$ 662,993.</u>
Expenditures:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$
Purchased prof/educ services						304,658.
Purchased prof/tech services		2,084.				26,281.
Other purchased services						
Tuition						29,198.
General supplies		10,836.	7,512.			37,283.
Other objects		4,359.				5,708.
Total instruction	0.	17,279.	7,512.	0.	0.	403,128.
Support services:						
Salaries of other prof staff						35,896.
Other salaries		2,000.				45,300.
Personal serv-employ bene						70,695.
Other purchased professional serv.	8,867.	153.		2,100.		16,870.
Other purchased services		2,687.				17,315.
Supplies and materials	3,990.			8,940.	1,844.	27,910.
Other objects						1,500.
Total support services	12,857.	4,840.	0.	11,040.	1,844.	215,486.
Facilities acquisition & constr serv:						
Instructional equipment		44,379.				44,379.
Total facilities acquisition & constr serv	0.	44,379.	0.	0.	0.	44,379.
Total expenditures	<u>\$ 12,857.</u>	<u>\$ 66,498.</u>	<u>\$ 7,512.</u>	<u>\$ 11,040.</u>	<u>\$ 1,844.</u>	<u>\$ 662,993.</u>

CAPITAL PROJECTS FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

Revenues and Other Financing Sources:	
Interest	\$ 21,053.
Total revenues	<u>21,053.</u>
Expenditures and Other Financing Uses:	
Purchased professional/technical services	21,695.
Construction in progress	<u>1,192,633.</u>
Total expenditures	<u>1,214,328.</u>
Excess (deficiency) of revenues over (under) expenditures	(1,193,275.)
Other financing sources (uses):	
Transfers in	0.
Transfers out	(21,053.)
Prior year adjustment - SDA Project	<u>(213,948.)</u>
Net change in fund balance	(1,428,276.)
Fund balance - beginning	<u>4,745,574.</u>
Fund balance - ending	<u>\$ 3,317,298.</u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPAIRS AND RENOVATIONS, FURNITURE AND EQUIPMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Adjustment	Totals	Revised Authorized Cost
Revenues and other financing sources:					
State sources - SCC Grant	\$ 27,175,540.	\$	\$(435,823.)	\$ 26,739,717.	\$ 26,739,717.
Bond proceeds	6,877,404.			6,877,404.	6,877,404.
Total revenues	34,052,944.	0.	(435,823.)	33,617,121.	33,617,121.
Expenditures and Other Financing Uses:					
Construction in progress	33,838,997.		(221,876.)	33,617,121.	1,882,427.
Purchased professional & technical services					1,533,030.
Land and improvements					28,344,139.
Construction services					1,857,525.
Equipment purchases					
Total expenditures	33,838,997.	0.	(221,876.)	33,617,121.	33,617,121.
Excess (deficiency) or revenues over (under) expenditures	\$ 213,947.	\$ 0.	\$(213,947.)	\$ 0.	\$ 0.

Additional project information:	
Project Number	0997-030-02-0926
Grant Date	08/12/04
Bond Authorization Date	12/09/03
Bonds Authorized	\$ 6,877,000.
Bonds Issued	\$ 6,877,000.
Original Authorized Cost	\$ 15,923,704.
Additional Authorized Cost	Unknown
Revised Authorized Cost	Unknown
Percentage Increase Over Original Authorized Cost	Unknown
Percentage Completion	Unknown
Original Target Completion Date	Unknown
Revised Target Completion Date	Unknown

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SCC Grant	\$ 3,482,972.	\$	\$ 3,482,972.	\$ 3,482,972.
Bond proceeds	2,058,618.		2,058,618.	2,058,618.
Total revenues	5,541,590.	0.	5,541,590.	5,541,590.
Expenditures and Other Financing Uses:				
Purchased professional & technical services	254,516.	750.	255,266.	749,600.
Construction services	4,322,836.		4,322,836.	4,791,990.
Total expenditures	4,577,362.	750.	4,578,102.	5,541,590.
Excess (deficiency) or revenues over (under) expenditures	\$ 964,238.	\$(750.)	\$ 963,488.	\$ 0.
Additional project information:				
Project Number	0997-030-09-2001			
Grant Date	06/10/10			
Bond Authorization Date	08/18/10			
Bonds Authorized	\$ 2,058,618.			
Bonds Issued	09/02/10			
Original Authorized Cost	\$ 5,541,590.			
Additional Authorized Cost	\$ 0.			
Revised Authorized Cost	\$ 5,541,590.			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	82.60%			
Original Target Completion Date	08/31/11			
Revised Target Completion Date	08/31/13			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Transfer from general fund	\$ 151.	\$	\$ 151.	\$ 151.
Bond proceeds	4,418,382.		4,418,382.	4,418,382.
Total revenues	4,418,533.	0.	4,418,533.	4,418,533.
Expenditures and Other Financing Uses:				
Purchased professional & technical services	268,741.	21,696.	290,437.	569,633.
Construction services		1,191,883.	1,191,883.	448,900.
Equipment purchases	582,403.		582,403.	3,400,000.
Total expenditures	851,144.	1,213,579.	2,064,723.	4,418,533.
Excess (deficiency) or revenues over (under) expenditures	\$ 3,567,389.	\$(1,213,579.)	\$ 2,353,810.	\$ 0.
Additional project information:				
Project Number	0997-030-09-1000			
Grant Date	06/10/10			
Bond Authorization Date	08/18/10			
Bonds Authorized	\$ 4,418,382.			
Bonds Issued	09/02/10			
Original Authorized Cost	\$ 4,418,533.			
Additional Authorized Cost	\$ 0.			
Revised Authorized Cost	\$ 4,418,533.			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	27.47%			
Original Target Completion Date	08/31/11			
Revised Target Completion Date	08/31/13			

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2013

Description	Revised Appropriations	Expenditures to Date Prior Year	Current Year	Adjustment	Unexpended Balance June 30, 2013
0097-030-02-0926 Repairs and renovations to Cumberland Regional High School, including on-site and off-site improvements and the purchase of furniture and equipment.	\$ 34,052,944.	\$ 33,838,997.	\$	\$ 221,876.	\$
Adjustment	(435,823.)				
0997-030-09-2001 Roof Replacement Project	5,541,590.	4,577,352.	750.		963,488.
0997-030-09-1000 Solar Project	4,418,533.	851,144.	1,213,579.		2,353,810.
Total	\$ 43,577,244.	\$ 39,267,493.	\$ 1,214,329.	\$ 221,876.	\$ 3,317,298.

PROPRIETARY FUNDS

ENTERPRISE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 55,674.
Accounts receivable:	
State	359.
Federal	18,347.
Interfund	126,695.
Inventories	14,064.
Total current assets	215,139.
Fixed assets:	
Equipment	214,994.
Accumulated depreciation	(120,203.)
Total fixed assets	94,791.
Total assets	\$ 309,930.
DEFERRED OUTFLOW OF RESOURCES	
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 111,563.
Total current liabilities	111,563.
Total liabilities	111,563.
DEFERRED INFLOW OF RESOURCES	
NET POSITION:	
Invested in capital assets	94,791.
Unrestricted	103,576.
Total net position	\$ 198,367.

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs	\$ 123,327.
Daily sales-nonreimbursable programs	<u>206,337.</u>
Total operating revenues	<u>329,664.</u>
OPERATING EXPENSES:	
Cost of sales	250,220.
Salaries	213,986.
Employee benefits	45,820.
Management fee	50,985.
General supplies	42,445.
Repairs and maintenance	8,490.
Energy	38,261.
Depreciation	9,507.
Miscellaneous	<u>19,774.</u>
Total operating expenses	<u>679,488.</u>
Operating income/(loss)	(349,824.)
Nonoperating revenues:	
State sources:	
State school lunch program	5,925.
Federal sources:	
National school breakfast program	53,247.
National school lunch program	223,599.
Food distribution program	41,786.
Interest on investments	<u>940.</u>
Total nonoperating revenues	<u>325,497.</u>
Change in net position	(24,327.)
Net position - July 1	<u>222,694.</u>
Net position - June 30	<u><u>\$ 198,367.</u></u>

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 329,665.
Cash payments to suppliers	<u>(624,510.)</u>
Net cash provided (used) by operating activities	<u>(294,845.)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	3,432.
Federal sources	150,682.
Interest on investments	<u>940.</u>
Net cash provided by noncapital financing activities	<u>155,054.</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of equipment	<u>0.</u>
Net cash provided by financing activities	<u>0.</u>
Net increase/(decrease) in cash and cash equivalents	(139,791.)
Cash and cash equivalents - July 1,	<u>195,465.</u>
Cash and cash equivalents - June 30,	<u>\$ 55,674.</u>
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:	
Operating income/(loss)	\$(349,824.)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation expense	9,507.
Federal commodities	41,786.
Change in assets and liabilities:	
(Increase)/decrease in inventory	(2,454.)
Increase/(decrease) in accounts payable	<u>6,140.</u>
Net cash provided by (used) by operating activities	<u>\$ (294,845.)</u>

INTERNAL SERVICE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Curriculum Consortium Internal Service Fund	Total
OPERATING REVENUES:		
Charges for services	\$	\$
Total operating revenues		
OPERATING EXPENSES:		
Purchased services		
Total operating expenses		
Operating income/(loss)		
Change in net position		
NET POSITION - JULY 1	758.	758.
NET POSITION - JUNE 30	\$ 758.	\$ 758.

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

FIDUCIARY FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013

	Student Activity	Payroll/Agency	Private Purpose Scholarship Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash and cash equivalents	\$ 188,210.	\$ 25,768.	\$ 9,016.	\$ 27,086.	\$ 250,080.
Investments			2,202.		2,202.
Due from Scholarship Fund	300.				300.
Due from General		0.			462.
Due from Agency				9,527.	9,527.
Total assets	\$ 188,510.	\$ 26,230.	\$ 11,218.	\$ 36,613.	\$ 262,571.
DEFERRED OUTFLOW OF RESOURCES					
LIABILITIES:					
Due to student groups	\$ 188,510.	\$	\$	\$	\$ 188,510.
Due to payroll withholdings		16,703.			16,703.
Due to Unemployment		9,527.			9,527.
Due to Student Activity Fund			300.		300.
Total liabilities	\$ 188,510.	\$ 26,230.	\$ 300.	\$ 0.	\$ 215,040.
DEFERRED INFLOW OF RESOURCES					
Net position	0.	0.	10,918.	36,613.	47,531.
Total net position	\$ 0.	\$ 0.	\$ 10,918.	\$ 36,613.	\$ 47,531.

CUMBERLAND REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Plan member	\$ 18,634.	\$	\$ 18,634.
Other		2,405.	2,405.
Total contributions	<u>18,634.</u>	<u>2,405.</u>	<u>21,039.</u>
Investment earnings:			
Interest	69.	60.	129.
Net investment earnings	<u>69.</u>	<u>60.</u>	<u>129.</u>
Total additions	<u>18,703.</u>	<u>2,465.</u>	<u>21,168.</u>
DEDUCTIONS:			
Scholarships awarded		800.	800.
Other	424.	667.	1,091.
Unemployment claims	73,861.		73,861.
Total deductions	<u>74,285.</u>	<u>1,467.</u>	<u>75,752.</u>
Change in net position	(55,582.)	998.	(54,584.)
NET POSITION, JULY 1	<u>92,195.</u>	<u>9,920.</u>	<u>102,115.</u>
NET POSITION, JUNE 30	<u>\$ 36,613.</u>	<u>\$ 10,918.</u>	<u>\$ 47,531.</u>

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

	Cash Balance July 1, 2012	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2013
Cumberland Regional High School	\$ 152,991.	\$ 391,422.	\$ 356,203.	\$ 188,210.
Total	\$ 152,991.	\$ 391,422.	\$ 356,203.	\$ 188,210.

CUMBERLAND REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
ASSETS:				
Cash and cash equivalents	\$ 15,073.	\$ 12,411,592.	\$ 12,400,897.	\$ 25,768.
Due from General		462.		462.
Due from Unemployment	606.		606.	
Total assets	\$ 15,679.	\$ 12,412,054.	\$ 12,401,503.	\$ 26,230.
LIABILITIES:				
Net payroll	\$	\$ 6,905,511.	\$ 6,905,511.	\$
Payroll deductions and withholdings	12,990.	5,497,016.	5,493,303.	16,703.
Interfund payable	2,689.		2,689.	
Due to Unemployment		9,527.		9,527.
Total liabilities	\$ 15,679.	\$ 12,412,054.	\$ 12,401,503.	\$ 26,230.

LONG-TERM DEBT

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2013

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Improvements to Cumberland Regional High School	4/1/1998	\$ 1,948,000.	4/1/2013	\$ 158,000.	4.700%	\$ 158,000.	\$ 0.	\$ 158,000.	\$ 0.
Repairs and renovations to Cumberland Regional High School, including on-site and off-site improvements, and the purchase of furniture and equipment.	4/15/2004	6,877,000.	4/15/12-23	370,000.	3.625%-4.400%	4,437,000.	0.	4,067,000.	370,000.
Roof replacement and solar energy project	9/1/2010	6,477,000.	3/1/2013	300,000.	2.000%				
			3/1/2014	300,000.	2.250%				
			3/1/2015	325,000.	2.250%				
			3/1/2016	340,000.	2.250%				
			3/1/2017	365,000.	2.500%				
			3/1/2018	400,000.	2.500%				
			3/1/2019	425,000.	2.500%				
			3/1/2020	450,000.	3.000%				
			3/1/2021	475,000.	3.000%				
			3/1/2022	500,000.	3.000%				
			3/1/2023	550,000.	3.000%				
			3/1/2024	550,000.	3.125%				
			3/1/2025	600,000.	3.250%				
			3/1/2026	597,000.	3.375%	6,177,000.	0.	300,000.	5,877,000.
School refunding bond Series 2012	8/16/2012	3,785,000.	4/15/2013	65,000.	2.000%				
			4/15/2014	10,000.	2.000%				
			4/15/2015	385,000.	3.000%				
			4/15/2016	380,000.	3.000%				
			4/15/2017	375,000.	3.000%				
			4/15/2018	375,000.	3.000%				
			4/15/2019	370,000.	4.000%				
			4/15/2020	370,000.	4.000%				
			4/15/2021	370,000.	4.000%				
			4/15/2022	365,000.	4.000%				
			4/15/2023	365,000.	3.000%				
			4/15/2024	355,000.	3.000%	0.	3,785,000.	65,000.	3,720,000.
Total						\$10,772,000.	\$3,785,000.	\$4,590,000.	\$9,967,000.

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 554,082.	\$	\$ 554,082.	\$ 554,082.	\$
State sources:					
Debt service aid - type II	250,946.		250,946.	250,946.	
Total revenues	805,028.	0.	805,028.	805,028.	0.
EXPENDITURES:					
Regular debt service:					
Interest	361,958.	(65,766.)	296,192.	283,468.	12,724.
Redemption of principal	828,000.	65,766.	893,766.	893,000.	766.
Total regular debt service	1,189,958.	0.	1,189,958.	1,176,468.	13,490.
Total expenditures	1,189,958.	0.	1,189,958.	1,176,468.	13,490.
Excess (deficiency) of revenues over (under) expenditures	(384,930.)		(384,930.)	(371,440.)	13,490.
Other financing sources (uses):					
Transfers from Capital Project Fund				21,053.	21,053.
Transfers from Capital Reserve Fund	297,929.		297,929.	297,929.	
Fund balance, July 1	69,393.		69,393.	69,393.	
Fund balance, June 30	\$(17,608.)	\$ 0.	\$(17,608.)	\$ 16,935.	\$ 34,543.

**INTRODUCTION TO THE
STATISTICAL SECTION**

FINANCIAL TRENDS

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

	FISCAL YEAR ENDING JUNE 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 6,854,132.	\$ 1,302,029.	\$ 1,428,212.	\$ 9,533,500.	\$ 26,912,369.	\$ 31,768,032.	\$ 35,222,943.	\$ 31,129,007.	\$ 32,000,537.	\$ 32,246,776.
Restricted	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.	1,738,805.	578,217.	6,808,606.	5,819,179.	3,962,564.
Unrestricted	(37,059.)	(370,430.)	932,499.	(124,603.)	(266,411.)	(1,118,269.)	39,079.	(1,088,440.)	(529,502.)	(817,854.)
Total governmental activities net assets	\$ 7,059,513.	\$ 16,108,918.	\$ 17,127,289.	\$ 14,597,427.	\$ 27,618,094.	\$ 32,388,568.	\$ 35,840,239.	\$ 36,849,173.	\$ 37,290,214.	\$ 35,391,486.
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 7,167.	\$ 5,120.	\$ 3,073.	\$ 85,141.	\$ 83,138.	\$ 77,004.	\$ 86,554.	\$ 94,674.	\$ 104,298.	\$ 94,791.
Unrestricted	91,303.	104,030.	159,962.	102,507.	127,313.	185,753.	216,392.	166,947.	118,396.	103,576.
Total business-type activities net assets	\$ 98,470.	\$ 109,150.	\$ 163,035.	\$ 187,648.	\$ 210,451.	\$ 262,757.	\$ 302,946.	\$ 261,621.	\$ 222,694.	\$ 198,367.
District-Wide:										
Invested in capital assets, net of related debt	\$ 6,861,299.	\$ 1,307,149.	\$ 1,431,285.	\$ 9,618,641.	\$ 26,995,507.	\$ 31,845,036.	\$ 35,309,497.	\$ 31,223,681.	\$ 32,104,835.	\$ 32,341,567.
Restricted	242,440.	15,177,319.	14,766,578.	5,188,530.	972,136.	1,738,805.	578,217.	6,808,606.	5,819,179.	3,962,564.
Unrestricted	54,244.	(266,400.)	1,092,461.	(22,096.)	(139,098.)	(932,516.)	255,471.	(921,493.)	(411,106.)	(714,278.)
Total District Net Assets	\$ 7,157,983.	\$ 16,218,068.	\$ 17,290,324.	\$ 14,785,075.	\$ 27,828,545.	\$ 32,651,325.	\$ 36,143,185.	\$ 37,110,794.	\$ 37,512,908.	\$ 35,589,853.

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction:										
Regular	\$ 5,955,965.	\$ 6,577,041.	\$ 6,210,763.	\$ 6,684,655.	\$ 6,574,338.	\$ 6,866,395.	\$ 7,076,450.	\$ 7,230,958.	\$ 6,718,516.	\$ 7,060,822.
Special education	847,366.	827,615.	902,063.	984,507.	1,029,619.	1,080,884.	1,060,733.	966,272.	1,524,815.	1,297,464.
Other special instruction	7,933.	111,533.	106,833.	88,847.	110,087.	140,855.	141,838.	120,132.	117,980.	264,763.
Other instruction	564,297.	689,117.	587,760.	613,073.	601,667.	614,723.	857,358.	970,277.	754,075.	762,684.
Support Services:										
Tuition	1,461,788.	980,614.	1,193,815.	1,478,707.	1,680,257.	1,861,021.	1,820,801.	1,852,404.	1,936,348.	2,141,625.
Student & instruction related services	1,076,975.	1,073,146.	1,123,703.	1,326,831.	1,218,117.	1,513,717.	1,809,532.	1,645,759.	1,775,396.	2,189,920.
School administrative services	937,650.	835,610.	946,444.	1,026,127.	1,018,786.	1,041,338.	1,050,667.	1,061,442.	1,090,146.	1,106,844.
General & business administrative services	661,300.	825,830.	785,093.	770,059.	764,760.	755,022.	878,492.	984,290.	1,043,852.	1,045,246.
Plant operations & maintenance	1,438,307.	1,452,562.	1,544,137.	1,708,201.	1,649,149.	1,883,236.	2,106,751.	2,154,245.	2,133,769.	2,210,077.
Pupil transportation	1,133,878.	1,306,972.	1,444,504.	1,467,968.	1,658,630.	1,839,592.	1,800,206.	1,746,441.	1,693,695.	1,896,746.
Employee benefits	2,869,596.	3,140,595.	3,335,934.	4,046,141.	4,220,554.	3,858,617.	3,928,212.	4,190,953.	4,367,967.	4,610,423.
Debt Service Assessment								251,888.	148,479.	224,824.
Claim cost					131,575.					
Special schools									5,049.	
Internal Service Fund				18,491.	18,938.	16,060.		493.		
Interest on long-term debt	182,094.	424,225.	391,596.	356,480.	305,850.	291,554.	245,632.	380,703.	382,352.	271,061.
Amortization of debt issuance cost					3,944.	3,994.	3,994.	5,941.	7,938.	15,271.
Unallocated depreciation										
Total governmental activities	17,137,149.	18,244,860.	18,572,645.	20,570,087.	20,986,271.	21,767,008.	22,780,666.	23,572,198.	23,700,377.	25,097,770.
Business-type activities:										
Food service	418,460.	475,444.	531,170.	540,389.	564,083.	549,049.	561,555.	666,456.	684,314.	679,488.
Total business-type activities expense	418,460.	475,444.	531,170.	540,389.	564,083.	549,049.	561,555.	666,456.	684,314.	679,488.
Total district expenses	\$ 17,555,609.	\$ 18,720,304.	\$ 19,103,815.	\$ 21,110,476.	\$ 21,550,354.	\$ 22,316,057.	\$ 23,342,221.	\$ 24,238,654.	\$ 24,384,691.	\$ 25,777,258.
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 651,571.	\$ 119,441.	\$ 36,006.	\$	\$	\$	\$	\$	\$	\$
Pupil transportation	139,948.	144,642.	150,656.	146,620.	157,740.	154,268.	133,808.	136,814.	109,822.	88,645.
Central and other support services	30,000.		1,800.	20,528.	22,645.	1,800.	1,800.	1,950.	2,550.	
Operating grants & contributions	738,238.	830,599.	985,790.	1,530,794.	1,594,561.	1,121,507.	1,149,409.	1,138,101.	1,405,498.	1,709,674.
Total governmental activities program revenues	1,559,757.	1,094,682.	1,172,452.	1,697,942.	1,774,946.	1,275,775.	1,285,017.	1,276,865.	1,517,870.	1,798,319.

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Food service	\$ 298,263.	\$ 311,763.	\$ 347,962.	\$ 353,456.	\$ 358,549.	\$ 361,801.	\$ 325,654.	\$ 342,363.	\$ 341,700.	\$ 329,664.
Operating grants & contributions	127,800.	144,142.	209,768.	211,546.	228,337.	238,567.	274,371.	281,119.	302,150.	324,557.
Total business type activities program revenues	426,063.	455,905.	557,730.	565,002.	586,886.	600,368.	600,025.	623,482.	643,850.	654,221.
Total district program revenues	\$ 1,985,820.	\$ 1,550,587.	\$ 1,730,182.	\$ 2,262,944.	\$ 2,361,832.	\$ 1,876,143.	\$ 1,885,042.	\$ 1,900,347.	\$ 2,161,720.	\$ 2,452,540.
Net (Expense)/Revenue										
Governmental activities	\$(15,577,392.)	\$(17,150,178.)	\$(17,400,193.)	\$(18,872,145.)	\$(19,211,325.)	\$(20,491,233.)	\$(21,495,649.)	\$(22,295,333.)	\$(22,182,507.)	\$(23,299,451.)
Business-type activities	7,603.	(19,539.)	26,560.	24,613.	22,803.	51,319.	38,470.	(42,974.)	(40,464.)	(25,267.)
Total district-wide net expense	\$(15,569,789.)	\$(17,169,717.)	\$(17,373,633.)	\$(18,847,532.)	\$(19,188,522.)	\$(20,439,914.)	\$(21,457,179.)	\$(22,338,307.)	\$(22,222,971.)	\$(23,324,718.)
General Revenues & Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,943,940.	\$ 6,268,390.	\$ 7,259,096.	\$ 7,686,422.	\$ 8,094,435.	\$ 7,594,435.	\$ 7,594,435.	\$ 7,369,435.	\$ 7,369,435.	\$ 7,280,077.
Taxes levied for debt service	233,327.	709,931.	674,421.	734,005.	778,712.	786,544.	790,194.	664,875.	664,875.	554,082.
Grants and contributions	9,569,991.	19,121,330.	10,495,773.	16,106,653.	23,110,167.	16,753,085.	16,430,771.	14,745,987.	14,016,810.	13,422,433.
Tuition received	30,264.	26,040.	49,164.	58,533.	37,679.	6,818.	6,818.	43,904.	43,904.	8,757.
Investment earnings	23,853.	29,187.	58,174.	99,280.	53,535.	36,736.	35,059.	502,827.	476,043.	39,006.
Miscellaneous income	73,939.	74,924.	12,249.	18,518.	98,351.	62,141.	96,861.	21,143.	52,481.	96,818.
Capital assets acquired by fiduciary fund			10,106.							
Donation of equipment from Student Activity Fund			(113,094.)			21,948.				
Adjustment to beginning accrued interest					(5,967.)					
Adjustment to fixed assets			(27,325.)							
Transfers	(33,541.)	(30,219.)								
Total governmental activities	15,841,773.	26,199,583.	18,418,564.	24,703,411.	32,166,912.	25,261,707.	24,947,320.	23,304,267.	22,623,548.	21,401,173.
Business-type activities:										
Investment earnings	21,999.	30,219.	27,325.		0.	987.	1,719.	1,649.	1,537.	940.
Transfers										
Total business-type activities	21,999.	30,219.	27,325.	0.	0.	987.	1,719.	1,649.	1,537.	940.
Total district-wide	\$ 15,863,772.	\$ 26,229,802.	\$ 18,445,889.	\$ 24,703,411.	\$ 32,166,912.	\$ 25,262,694.	\$ 24,949,039.	\$ 23,305,916.	\$ 22,625,085.	\$ 21,402,113.
Change in net assets										
Governmental activities	\$ 264,381.	\$ 9,049,405.	\$ 1,018,371.	\$ 5,831,266.	\$ 12,955,587.	\$ 4,770,474.	\$ 3,451,671.	\$ 1,008,934.	\$ 441,041.	\$(1,898,278.)
Business-type activities	29,602.	10,680.	53,885.	24,613.	22,803.	52,306.	40,189.	(41,325.)	(38,927.)	(24,327.)
Total district	\$ 293,983.	\$ 9,060,085.	\$ 1,072,256.	\$ 5,855,879.	\$ 12,978,390.	\$ 4,822,780.	\$ 3,491,860.	\$ 967,609.	\$ 402,114.	\$(1,922,605.)

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 240,077.	\$ 301,341.	\$ 999,310.	\$ 743,958.	\$ 968,873.	\$ 1,729,568.	\$ 1,616,220.	\$ 1,720,890.	\$ 2,326,800.	\$ 1,251,245.
Unreserved	322,327.	24,870.	265,360.	217,714.	136,443.	(732,586.)	(639,302.)	(651,432.)	(683,368.)	(689,479.)
Total general fund	\$ 562,404.	\$ 326,211.	\$ 1,264,670.	\$ 961,672.	\$ 1,105,316.	\$ 996,982.	\$ 976,918.	\$ 1,069,458.	\$ 1,643,432.	\$ 561,766.
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$(3,320.)	\$(3,320.)	\$(3,320.)	\$(3,320.)	\$(11,858.)	\$	\$	\$	\$	\$
Capital projects fund	6,863,596.	14,797,239.	14,717,703.	4,441,859.	(28,993.)	5,036,006.	(28,993.)	5,036,006.	3,925,590.	2,753,215.
Debt service fund	2,363.	39,626.	38,558.	2,713.	3,263.	9,237.	17,909.	55,673.	69,393.	16,935.
Permanent fund										
Total all other governmental funds	\$ 6,862,639.	\$ 14,833,545.	\$ 14,752,941.	\$ 4,441,252.	\$(8,595.)	\$ 9,237.	\$(11,084.)	\$ 5,091,679.	\$ 3,994,983.	\$ 2,770,150.

CUMBERLAND 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
Revenues										
Tax levy	\$ 6,177,267.	\$ 6,978,321.	\$ 7,933,517.	\$ 8,420,427.	\$ 8,873,147.	\$ 8,380,979.	\$ 8,384,629.	\$ 8,034,310.	\$ 8,034,310.	\$ 7,834,159.
Tuition charges	30,264.	26,040.	49,164.	58,533.	37,679.	6,818.		43,904.	43,904.	8,757.
Transportation fees	139,948.	144,642.	150,656.	146,620.	157,740.	154,268.	133,808.	136,814.	109,822.	88,645.
Interest earnings	23,853.	29,187.	58,174.	99,280.	53,535.	36,736.	35,059.	502,827.	476,043.	39,006.
Miscellaneous	73,939.	74,924.	12,249.	18,518.	98,351.	62,141.	96,861.	21,143.	52,481.	96,818.
State sources	9,655,688.	19,446,828.	10,942,342.	17,145,660.	24,180,355.	17,325,050.	14,883,593.	14,850,458.	14,189,903.	14,497,620.
Federal sources	652,541.	505,101.	539,221.	491,787.	524,373.	549,542.	2,696,586.	1,033,630.	1,232,405.	634,486.
Total revenue	16,753,500.	27,205,043.	19,685,323.	26,380,825.	33,925,180.	26,515,534.	26,230,536.	24,579,182.	24,138,868.	23,199,491.
Expenditures										
Instruction:										
Regular instruction	5,700,600.	6,269,129.	5,928,616.	6,417,331.	6,347,172.	6,639,472.	6,487,744.	6,283,699.	5,712,050.	5,949,489.
Special education instruction	847,366.	827,315.	902,063.	984,507.	1,029,619.	1,080,884.	1,060,733.	966,272.	1,341,821.	1,297,464.
Other special instruction	7,933.	111,533.	106,833.	88,847.	110,087.	140,855.	141,838.	120,132.	117,980.	62,702.
School sponsored/other instruction	564,297.	628,023.	536,461.	564,469.	560,364.	573,464.	750,321.	798,048.	754,075.	762,684.
Support Services:										
Tuition	810,217.	872,726.	1,193,815.	1,478,707.	1,680,257.	1,861,021.	1,820,801.	1,852,404.	1,936,348.	2,141,625.
Student & instruction related services	849,131.	1,061,593.	1,095,060.	1,326,831.	1,218,117.	1,513,717.	1,809,532.	1,645,759.	1,775,396.	2,189,920.
General administration	362,656.	373,151.	720,969.	709,303.	377,841.	353,494.	361,529.	393,757.	426,861.	854,269.
School administration services	829,441.	878,666.	882,320.	965,371.	967,157.	989,764.	916,870.	846,156.	861,404.	403,137.
Central services		246,805.			225,730.	237,806.	260,691.	265,766.	266,763.	264,251.
Administration information tech					109,560.	112,148.	122,475.	119,481.	121,486.	125,283.
Plant operations & maintenance	1,429,709.	1,450,280.	1,500,144.	1,659,597.	1,607,847.	1,841,978.	1,999,714.	1,982,016.	1,950,775.	2,008,016.
Pupil transportation	1,146,491.	1,319,914.	1,458,290.	1,467,968.	1,658,630.	1,839,592.	1,800,206.	1,746,441.	1,693,695.	1,896,746.
Other support services	410,695.	10,450.								
Employee benefits	2,847,401.	3,132,390.	3,360,904.	4,023,641.	4,168,079.	3,877,695.	3,952,824.	4,193,235.	4,374,546.	4,687,269.
Claim cost					131,575.					
Special schools										
Charter schools										
Capital outlay	192,209.	1,285,911.	153,180.	7,898,775.	16,990,220.	4,496,303.	3,745,284.	3,887,161.	2,019,947.	1,686,667.
Debt service:										
Principal	345,000.	550,000.	560,000.	680,000.	715,000.	750,000.	780,000.	530,000.	830,000.	893,000.
Interest & other charges	182,094.	424,225.	399,488.	369,037.	334,128.	297,843.	260,359.	230,552.	478,443.	283,468.
Total expenditures	16,525,240.	19,442,111.	18,798,143.	28,634,384.	38,231,383.	26,606,036.	26,270,921.	25,860,879.	24,661,590.	25,505,990.

CUMBERLAND 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	\$ 228,260.	\$ 7,762,932.	\$ 887,180.	\$(2,253,559.)	\$(4,306,203.)	\$(90,502.)	\$(40,385.)	\$(1,281,697.)	\$(522,722.)	\$(2,306,499.)
Other Financing Sources/(Uses):	6,877,000.							6,477,000.		
Proceeds from sale of bonds	21,965.									
Capital leases (non-budgeted)	20,637.	7,091.	932.	1,781.	1,482.	5,974.	8,823.	473,246.	447,802.	318,982.
Transfers in	(54,178.)	(37,310.)	(28,257.)	(1,781.)	(1,482.)	(5,974.)	(8,823.)	(473,246.)	(447,802.)	(318,982.)
Transfers out										
Total other financing sources/(uses)	6,865,424.	(30,219.)	(27,325.)	0.	0.	0.	0.	6,477,000.	0.	0.
Net change in fund balances	\$ 7,093,684.	\$ 7,732,713.	\$ 859,855.	\$(2,253,559.)	\$(4,306,203.)	\$(90,502.)	\$(40,385.)	\$ 5,195,303.	\$(522,722.)	\$(2,306,499.)
Debt Service as a Percentage of Noncapital Expenditures	3.23%	5.37%	5.15%	5.06%	4.94%	4.74%	4.62%	3.46%	5.78%	4.94%

Source: District records

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

Fiscal Year Ended June 30	Alternative School Fees	Transport. Fees	Interest on Investments	Tuition	Prior Year Refunds	Game Receipts	Other	Total
2004	\$ 30,264.	\$ 139,948.	\$ 6,021.	\$	\$ 49,906.	\$ 10,806.	\$ 13,188.	\$ 250,133.
2005	26,040.	144,642.	22,096.		5,320.	16,660.	52,944.	267,702.
2006	49,164.	150,656.	57,242.				12,249.	269,311.
2007	58,533.	146,620.	99,280.				18,518.	322,951.
2008	37,679.	157,740.	53,535.		80,105.		18,246.	347,305.
2009	6,818.	154,268.	30,762.		6,172.		52,495.	250,515.
2010		133,808.	26,387.				86,407.	246,602.
2011		136,814.	29,644.				14,076.	180,534.
2012		109,822.	28,241.	43,904.			48,518.	230,485.
2013		88,645.	17,943.	8,757.	7,008.		76,936.	199,289.

Source: District Records

REVENUE CAPACITY

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

	Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Deerfield Township	2003	\$ 104,410,023.	\$ 138,179,414.	75.56%
	2004	171,956,001.	151,941,354.	113.17%
	2005	171,360,347.	165,079,460.	103.80%
	2006	175,514,121.	175,966,921.	99.74%
	2007	181,724,786.	195,082,197.	93.15%
	2008	183,451,765.	248,607,502.	73.79%
	2009	186,638,215.	231,679,673.	80.56%
	2010	185,633,978.	225,667,615.	82.26%
	2011	187,619,461.	224,370,817.	83.62%
	2012	189,386,599.	216,339,370.	87.54%
Fairfield Township	2003	157,780,656.	162,793,713.	96.92%
	2004	157,904,546.	169,100,321.	93.38%
	2005	159,109,561.	174,745,352.	91.05%
	2006	161,019,200.	207,971,432.	77.42%
	2007	165,821,170.	244,093,827.	67.93%
	2008	169,030,680.	290,722,820.	58.14%
	2009	170,519,800.	325,356,981.	52.41%
	2010	171,681,417.	317,234,116.	54.12%
	2011	321,041,461.	303,667,283.	105.72%
	2012	319,694,847.	325,283,562.	98.28%
Greenwich Township	2003	36,451,520.	49,245,352.	74.02%
	2004	62,079,954.	52,707,942.	117.78%
	2005	61,732,103.	52,433,375.	117.73%
	2006	61,795,059.	58,383,194.	105.84%
	2007	62,572,212.	69,173,486.	90.46%
	2008	63,006,214.	73,216,059.	90.46%
	2009	63,006,639.	74,274,473.	84.83%
	2010	63,075,566.	72,565,942.	86.92%
	2011	63,271,494.	69,359,566.	91.22%
	2012	63,420,152.	86,386,734.	73.41%
Hopewell Township	2003	220,152,490.	214,790,949.	102.50%
	2004	222,645,464.	226,962,976.	98.10%
	2005	224,987,536.	245,932,455.	91.48%
	2006	226,734,338.	276,406,251.	82.03%
	2007	229,567,880.	320,914,069.	71.54%
	2008	231,067,147.	366,986,033.	62.96%
	2009	232,402,044.	372,356,981.	62.41%
	2010	237,083,911.	366,880,823.	64.62%
	2011	236,624,009.	352,382,212.	67.15%
	2012	237,253,558.	342,556,122.	69.26%

Source: Abstract of Ratables, County Board of Taxation

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

	Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Shiloh Borough	2003	18,627,827.	20,328,235.	91.64%
	2004	18,679,878.	19,970,123.	93.54%
	2005	19,094,488.	21,548,207.	88.61%
	2006	19,357,592.	25,614,565.	75.57%
	2007	19,430,642.	30,578,719.	63.54%
	2008	19,412,258.	31,880,075.	60.89%
	2009	19,509,700.	38,337,607.	50.89%
	2010	19,510,575.	36,952,673.	52.80%
	2011	33,589,433.	32,213,091.	104.27%
	2012	33,504,226.	29,035,564.	115.39%
Stow Creek Township	2003	73,971,704.	71,588,086.	103.33%
	2004	74,470,906.	70,072,723.	106.28%
	2005	76,278,901.	80,587,911.	94.65%
	2006	76,703,027.	86,625,829.	88.55%
	2007	78,598,259.	95,076,364.	82.67%
	2008	79,845,215.	87,920,303.	90.82%
	2009	79,988,399.	113,537,433.	70.45%
	2010	80,216,486.	127,228,042.	63.05%
	2011	81,264,600.	119,487,463.	68.01%
	2012	81,115,597.	112,973,919.	71.80%
Upper Deerfield Township	2003	384,445,670.	394,538,896.	97.44%
	2004	391,223,338.	413,492,516.	94.61%
	2005	399,407,924.	464,315,523.	86.02%
	2006	414,074,483.	528,714,356.	78.32%
	2007	421,881,678.	588,207,884.	71.72%
	2008	433,113,262.	728,773,880.	59.43%
	2009	434,564,399.	757,247,096.	57.39%
	2010	419,994,185.	683,593,123.	61.44%
	2011	424,194,653.	696,056,777.	60.94%
	2012	630,201,916.	631,326,018.	99.82%

Source: Abstract of Ratables, County Board of Taxation

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

Fiscal Year Ended June 30,	Deerfield Township School Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	General		(From J-6)		Cumberland		Cumberland		
	Basic Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate	Regional School Dist.	Deerfield Township	Fairfield Township	Cumberland County		
2003	N/A	N/A	\$ 1.835	\$ 0.783	\$ 0.020	\$ 1.284	\$ 3.922		
2004	N/A	N/A	1.099	0.667	0.012	0.858	2.636		
2005	N/A	N/A	1.181	0.677	0.012	0.996	2.866		
2006	\$ 1.102	\$ 0.149	1.251	0.660	0.013	1.048	2.972		
2007	N/A	N/A	1.291	0.567	0.010	1.059	2.927		
2008	N/A	N/A	1.308	0.611	0.010	1.290	3.220		
2009	N/A	N/A	1.295	0.526	0.011	1.116	2.948		
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980		
2011	N/A	N/A	1.336	0.542	0.050	1.147	3.075		
2012	N/A	N/A	1.339	0.472	0.071	1.089	2.971		

Fiscal Year Ended June 30,	Fairfield Township School Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	General		(From J-6)		Cumberland		Cumberland		
	Basic Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate	Regional School Dist.	Fairfield Township	Fairfield Township	Cumberland County		
2003	N/A	N/A	\$ 0.365	\$ 0.649	\$ 0.214	\$ 0.999	\$ 2.227		
2004	N/A	N/A	0.436	0.820	0.215	1.039	2.510		
2005	N/A	N/A	0.479	0.832	0.221	1.141	2.673		
2006	N/A	N/A	0.577	0.897	0.198	1.332	3.004		
2007	N/A	N/A	0.606	0.948	0.412	1.451	3.417		
2008	N/A	N/A	0.622	0.823	0.520	1.638	3.603		
2009	N/A	N/A	0.623	0.866	0.545	1.707	3.741		
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980		
2011	N/A	N/A	0.378	0.434	0.375	0.896	2.083		
2012	N/A	N/A	0.384	0.470	0.384	0.965	2.203		

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

Fiscal Year Ended June 30,	Greenwich Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General (From J-6)		Cumberland Regional School Dist.	Greenwich Township	Cumberland County	
		Obligation Debt Service (b)	Total Direct School Tax Rate				
2003	\$ 1.806	N/A	\$ 1.806	\$ 0.848	\$ 0.395	\$ 1.310	\$ 4.359
2004	1.073	N/A	1.073	0.484	0.256	0.822	2.635
2005	1.156	N/A	1.156	0.484	0.286	0.883	2.809
2006	1.207	N/A	1.207	0.522	0.319	0.982	3.030
2007	1.226	N/A	1.226	0.646	0.379	1.093	3.344
2008	1.265	N/A	1.265	0.506	0.379	1.104	3.254
2009	1.289	N/A	1.289	0.475	0.410	1.054	3.228
2010	1.295	N/A	1.295	0.555	0.436	1.052	3.338
2011	1.245	N/A	1.245	0.527	0.446	1.052	3.270
2012	1.241	N/A	1.241	0.580	0.474	1.297	3.592

Fiscal Year Ended June 30,	Hopewell Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General (From J-6)		Cumberland Regional School Dist.	Hopewell Township	Cumberland County	
		Obligation Debt Service (b)	Total Direct School Tax Rate				
2003	\$ 0.930	\$ 0.253	\$ 1.183	\$ 0.527	\$ 0.080	\$ 0.947	\$ 2.737
2004	1.038	0.183	1.221	0.605	0.074	0.989	2.889
2005	1.122	0.180	1.302	0.717	0.074	1.137	3.230
2006	1.147	0.226	1.373	0.736	0.120	1.267	3.496
2007	N/A	N/A	1.386	0.837	0.151	1.397	3.771
2008	N/A	N/A	1.395	0.759	0.193	1.512	3.859
2009	N/A	N/A	1.386	0.761	0.207	1.443	3.797
2010	N/A	N/A	1.470	0.659	0.217	1.415	3.761
2011	N/A	N/A	1.421	0.735	0.217	1.429	3.802
2012	N/A	N/A	1.353	0.645	0.240	1.374	3.612

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

Fiscal Year Ended June 30,	Shiloh Borough School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Shiloh Borough	Cumberland County	
2003	\$ 1.578	N/A	\$ 1.578	\$ 0.665	\$ 0.400	\$ 1.058	\$ 3.701
2004	1.319	N/A	1.319	0.671	0.390	1.037	3.417
2005	1.280	N/A	1.280	0.751	0.419	1.175	3.625
2006	1.332	N/A	1.332	0.878	0.465	1.375	4.050
2007	0.710	N/A	0.710	0.931	0.470	1.553	3.664
2008	0.738	N/A	0.712	0.874	0.523	1.562	3.671
2009	0.708	N/A	0.708	0.976	0.533	1.765	3.982
2010	0.794	N/A	0.794	1.203	0.544	1.732	4.273
2011	0.552	N/A	0.552	0.488	0.316	0.922	2.278
2012	0.639	N/A	0.639	0.487	0.317	0.825	2.268

Fiscal Year Ended June 30,	Stow Creek Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Stow Creek Township	Cumberland County	
2003	N/A	N/A	\$ 0.690	\$ 0.580	\$ 0.042	\$ 0.939	\$ 2.251
2004	N/A	N/A	0.771	0.587	0.091	0.913	2.362
2005	N/A	N/A	0.894	0.737	0.090	1.098	2.819
2006	N/A	N/A	1.007	0.751	0.144	1.172	3.074
2007	N/A	N/A	1.022	0.709	0.144	1.194	3.069
2008	N/A	N/A	1.046	0.523	0.177	1.048	2.795
2009	N/A	N/A	1.074	0.613	0.200	1.274	3.161
2010	N/A	N/A	1.084	0.742	0.211	1.411	3.448

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

Fiscal Year Ended June 30,	Upper Deerfield Township School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Cumberland Regional School Dist.	Deerfield Township	Cumberland County	
2003	\$ 0.977	\$ 0.150	\$ 1.127	\$ 0.573	N/A	\$ 0.996	\$ 2.696
2004	1.143	0.114	1.257	0.595	N/A	1.026	2.878
2005	1.219	0.138	1.357	0.647	N/A	1.210	3.214
2006	1.256	0.129	1.385	0.714	N/A	1.326	3.425
2007	1.297	0.113	1.410	0.746	N/A	1.376	3.532
2008	1.329	0.114	1.443	0.739	N/A	1.601	3.783
2009	1.363	0.116	1.479	0.735	N/A	1.566	3.780
2010	1.419	0.123	1.542	0.707	N/A	1.467	3.716
2011	1.428	0.119	1.547	0.670	N/A	1.570	3.787
2012	0.984	0.081	1.065	0.455	\$0.030	0.947	2.497

Source: Municipal Tax Collector

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

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

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 5,486,300.	1	2.90%	\$ 7,214,600.	1	6.91%
Pipitone Realty, LLC	2,153,500.	2	1.14%	1,707,300.	2	1.64%
F&S Realty Assoc.	2,075,200.	3	1.10%	1,631,200.	4	1.56%
S&L Realty Assoc.-711 Landis Ave.	755,300.	4	0.40%			
Verizon	751,770.	5	0.40%			
Taxpayer 2	597,600.	6	0.32%	810,100.	8	0.78%
Lartland, LLC	564,200.	7	0.30%			
556 Irving Avenue	553,300.	8	0.29%			
4 Star R.E., LLC	547,600.	9	0.29%			
S&L Realty Assoc.-713 Landis Ave.	507,300.	10	0.27%			
Eatmor Market				1,636,700.	3	1.57%
LoBiondo Motor Express				1,462,200.	5	1.40%
Taxpayer 3				1,247,200.	6	1.19%
Taxpayer 4				819,100.	7	0.78%
Taxpayer 5				787,000.	9	0.75%
Laidlaw Transit, Inc.				488,500.		0.47%
Total	\$ 13,992,070.		7.39%	\$ 17,803,900.		17.05%

Source: Municipal Tax Assessor

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
South State, Inc.	\$ 4,926,900.	1	1.54%	\$ 2,356,400.	1	1.49%
Tip's Trailer Park, Inc.	3,935,600.	2	1.23%			
Taxpayer 1	2,800,100.	3	0.88%			
Laning Bros. Farms, Inc.	2,528,900.	4	0.79%	881,000.	5	0.56%
Milner Corp.	2,031,300.	5	0.64%	2,303,500.	2	1.46%
Cumberland Self Storage LLC	1,971,700.	6	0.62%			
NJ Oak Solar LLC	1,630,200.	7	0.51%			
T Zander & Sons, Inc., Profit Sharing	1,525,300.	8	0.48%			
Taxpayer 3	1,231,000.	9	0.39%			
Taxpayer 4	1,211,800.	10	0.38%			
Bell Atlantic				1,397,846.	3	0.89%
Miza Pharmaceuticals, USA				987,700.	4	0.63%
Eagles Manor				871,500.	6	0.55%
Taxpayer 5				848,200.	7	0.54%
CPM Developers				838,400.	8	0.53%
Exelon (PSEG)				697,600.	9	0.44%
Taxpayer 6				667,100.	10	0.42%
Total	\$ 23,792,800.		7.44%	\$ 11,849,246.		7.51%

Source: Municipal Tax Assessor

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
PSE&G	\$ 3,500,100.	1	5.52%	\$		
Arnold Gifford - Hancock Harbor	978,500.	2	1.54%			
Taxpayer 1	894,800.	3	1.41%			
TJK Landholdings, LLC	798,100.	4	1.26%			
Marvin Hitchner, III	777,200.	5	1.23%			
Taxpayer 2	746,200.	6	1.18%			
Taxpayer 3	582,900.	7	0.92%			
Taxpayer 4	575,600.	8	0.91%			
Taxpayer 5	497,300.	9	0.78%			
Taxpayer 6	476,000.	10	0.75%			
Conectiv				3,500,100.	1	9.60%
Taxpayer 7				978,500.	2	2.68%
Taxpayer 8				957,900.	3	2.63%
Taxpayer 9				894,800.	4	2.45%
Taxpayer 10				746,200.	5	2.05%
Taxpayer 11				582,900.	6	1.60%
Taxpayer 12				575,600.	7	1.58%
Taxpayer 13				500,800.	8	1.37%
Taxpayer 14				472,500.	9	1.30%
Taxpayer 15				427,400.	10	1.17%
Total	<u>\$ 9,826,700.</u>		<u>15.49%</u>	<u>\$ 9,636,700.</u>		<u>26.44%</u>

Source: Municipal Tax Assessor

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Cumberland Mutual Fire Ins. Co.	\$ 5,528,900.	1	2.33%	\$ 2,450,200.	1	1.11%
Sunny Slope Farms of NJ	1,758,300.	2	0.74%	1,758,300.	2	0.80%
Solvista LLC	1,256,200.	3	0.53%			
ACM Realty LLC	1,218,000.	4	0.51%			
Taxpayer 1	1,014,200.	5	0.43%			
Taxpayer 2	924,200.	6	0.39%			
Blue Sterling Nursery LLC	835,200.	7	0.35%			
Cottages at Dutch Neck	793,600.	8	0.33%			
Taxpayer 3	611,700.	9	0.26%			
Verizon	608,158.	10	0.26%	1,090,464.	4	0.50%
Taxpayer 4				1,372,700.	3	0.62%
Taxpayer 5				845,600.	5	0.38%
Taxpayer 6				835,200.	6	0.38%
Taxpayer 7				704,000.	7	0.32%
CAM Realty Co				704,000.	8	0.32%
Taxpayer 8				688,900.	9	0.31%
D'Angelo & Brown				553,000.	10	0.25%
Total	\$ 14,548,458.		6.13%	\$ 11,002,364.		5.00%

Source: Municipal Tax Assessor

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 756,400.		2.27%			
Solavista, LLC	639,500.		1.92%			
Taxpayer 2	617,600.		1.85%			
Sarju Realty, LLC	495,200.		1.49%			
Taxpayer 3	398,400.		1.19%			
DeWilde Farm Associates, LP	375,700.		1.13%			
Taxpayer 4	356,200.		1.07%			
Taxpayer 5	341,100.		1.02%			
Taxpayer 6	289,800.		0.87%			
Taxpayer 7	283,300.		0.85%			
Total	\$ 4,553,200.		13.66%	\$ 0.		0.00%

Information Not Available

Source: Municipal Tax Assessor

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Walmart TRS, LLC	\$ 13,962,200.		2.22%	\$		
Cedar-Carl's Corner, LLC	10,755,600.		1.71%	6,236,000.	4	1.62%
KMT Properties, LLC	9,335,700.		1.48%			
Clement Papas Co., Inc.	6,864,000.		1.09%	6,615,700.	3	1.72%
Upper Deerfield Station LP	6,629,700.		1.05%			
Seabrook Bros. & Sons	6,591,300.		1.05%	15,822,700.	1	4.12%
Founders Realty III	6,153,400.		0.98%	5,078,300.	5	1.32%
Upper Deerfield Adult Living, LLC	6,014,500.		0.95%	4,355,000.	6	1.13%
Bridgeton Realty Assoc., LLP	3,616,400.		0.57%			
Atlantic Electric	3,215,000.		0.51%			
Seabrook Associates				13,822,100.	2	3.60%
Gilmar Assoc.				4,240,900.	7	1.10%
Seabrook Housing Corp.				3,364,700.	8	0.88%
Atlantic Electric				1,993,500.	9	0.52%
Perdue Farm, Inc.				1,872,300.	10	0.49%
Total	\$ 73,137,800.		11.61%	\$ 63,401,200.		16.49%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year	Collected Within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 6,177,267.	\$ 6,177,267.	100.00%	\$
2005	6,978,321.	6,978,321.	100.00%	
2006	7,933,517.	7,933,517.	100.00%	
2007	8,420,427.	8,420,427.	100.00%	
2008	8,873,147.	8,873,147.	100.00%	
2009	8,380,979.	8,380,979.	100.00%	
2010	8,384,629.	8,384,629.	100.00%	
2011	8,034,310.	8,034,310.	100.00%	
2012	8,034,310.	8,034,310.	100.00%	
2013	7,834,159.	7,834,159.	100.00%	

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

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

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2004	\$ 9,690,000.	\$	\$ 121,024.	\$	\$	\$ 9,811,024.	1.41%	\$ 387.
2005	9,140,000.		21,092.			9,161,092.	1.31%	358.
2006	8,580,000.		0.			8,580,000.	1.19%	336.
2007	7,900,000.		0.			7,900,000.	1.06%	307.
2008	7,185,000.		0.			7,185,000.	0.94%	277.
2009	6,435,000.		0.			6,435,000.	0.78%	246.
2010	5,655,000.		0.			5,655,000.	0.67%	215.
2011	11,602,000.		0.			11,602,000.	1.40%	476.
2012	10,772,000.		0.			10,772,000.	1.24%	438.
2013	9,996,700.		0.			9,996,700.	N/A	403.

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	\$ 9,690,000.	\$	\$ 9,690,000.	1.39%	\$ 382.
2005	9,140,000.		9,140,000.	0.82%	357.
2006	8,580,000.		8,580,000.	0.75%	336.
2007	7,900,000.		7,900,000.	0.67%	307.
2008	7,185,000.		7,185,000.	0.61%	277.
2009	6,435,000.		6,435,000.	0.55%	246.
2010	5,655,000.		5,655,000.	0.47%	215.
2011	11,602,000.		11,602,000.	1.38%	476.
2012	10,772,000.		10,772,000.	1.21%	438.
2013	9,996,700.		9,996,700.	N/A	403.

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

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Deerfield Township	\$ 220,000.	100%	\$ 220,000.
Deerfield Township School District	1,360,000.	100%	1,360,000.
Fairfield Township	4,111,498.	100%	4,111,498.
Fairfield Township School District	5,551,000.	100%	5,551,000.
Greenwich Township		100%	
Greenwich Township School District		100%	
Hopewell Township	464,625.	100%	464,625.
Hopewell Township School District	2,927,000.	100%	2,927,000.
Shiloh Borough		100%	
Stow Creek Township		100%	
Stow Creek Township School District		100%	
Upper Deerfield Township	475,000.	100%	475,000.
Upper Deerfield Township School District	3,590,904.	100%	3,590,904.
Other Debt			
Cumberland County	61,068,145.	18.77%	11,462,491.
Cumberland County Improvement and Utilities Authority	80,485,000.	18.77%	15,107,035.
Subtotal, Overlapping Debt			45,269,552.
Cumberland Regional School District Direct Debt			<u>9,996,700.</u>
Total Direct & Overlapping Debt			<u><u>\$ 55,266,252.</u></u>

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

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

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

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 30,459,595.	\$ 32,347,570.	\$ 26,861,341.	\$ 39,636,130.	\$ 45,672,123.	\$ 51,239,347.	\$ 54,482,678.	\$ 54,741,721.	\$ 53,141,120.	\$ 51,828,271.
Total Net Debt Applicable to Limit	9,690,000.	9,140,000.	8,580,000.	7,900,000.	7,185,000.	6,435,000.	5,655,000.	11,602,000.	10,772,000.	9,996,700.
Legal Debt Margin	\$ 20,769,595.	\$ 23,207,570.	\$ 18,281,341.	\$ 31,736,130.	\$ 38,487,123.	\$ 44,804,347.	\$ 48,827,678.	\$ 43,139,721.	\$ 42,369,120.	\$ 41,831,571.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.81%	28.26%	31.94%	19.93%	15.73%	12.56%	10.38%	21.19%	20.27%	19.29%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis	
Deerfield Township	\$ 213,691,070.
Fairfield Township	313,449,100.
Greenwich Township	77,396,095.
Hopewell Township	338,724,247.
Shiloh Borough	32,224,314.
Stow Creek Township	116,080,130.
Upper Deerfield Township	636,044,091.

Total 3 year average equalized valuation of taxable property	<u>\$ 1,727,609,048.</u>
Debt Limit (3 % of Average Equalization Value)	51,828,271. (a)
Total Net Debt Applicable to Limit	9,996,700.
Legal Debt Margin	<u>\$ 41,831,571.</u>

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

(a) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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

Year	Population (a)	Per Capita		Unemployment Rate (d)
		Personal Income (b)	Personal Income (c)	
2003	25,344	\$ 659,501,568.	\$ 26,022.	8.60%
2004	25,617	697,397,208.	27,224.	7.14%
2005	25,567	719,685,483.	28,149.	4.55%
2006	25,729	741,869,986.	28,834.	5.31%
2007	25,917	767,117,283.	29,599.	6.50%
2008	26,158	829,757,918.	31,721.	8.00%
2009	26,333	839,417,041.	31,877.	12.70%
2010	24,396	827,195,172.	33,907.	10.00%
2011	24,592	867,409,024.	35,272.	11.50%
2012	24,808	N/A	N/A	12.90%

Source:

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

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

Employer	2012		2003		Percentage of Total Municipal Employment
	Employees	Rank	Employees	Rank (Optional)	

NO INFORMATION IS AVAILABLE

Source:

OPERATING INFORMATION

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:										
Regular	114	116	117	115	114	114	114	102	105	94
Other Instruction	24	24	25	25	22	25	25	25	21	25
Support Services:										
Student & Instruction Related Services	4	4	4	4	4	4	4	4	5	24
General Administration	9	8	8	9	9	9	10	10	10	14
Other Administrative Services	19	17	16	16	15	15	15	16	18	6
Administrative Information Technology	1	1	1	1	1	2	2	3	3	2
Plant Operations & Maintenance	14	14	14	14	17	14	13	14	14	14
Other Support Services	7	6	6	6	6	6	6	8	10	6
Total	192	190	191	190	188	189	189	182	186	185

Source: District Personnel Records

CUMBERLAND REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Senior High School					
2004	1,352	\$ 15,805,937.	\$ 11,691.	(3.90)%	111.00	11.81	1,311	1,215	5.98%	92.68%	
2005	1,410	17,181,975.	12,186.	4.23%	111.00	12.20	1,354	1,315	3.28%	97.12%	
2006	1,416	17,685,475.	12,490.	2.49%	113.00	12.12	1,369	1,273	1.11%	92.99%	
2007	1,378	19,686,472.	14,286.	14.38%	111.00	12.15	1,349	1,254	(1.46)%	92.96%	
2008	1,335	20,192,035.	15,125.	5.87%	110.00	11.84	1,302	1,213	(3.48)%	93.19%	
2009	1,343	21,061,890.	15,683.	3.69%	110.00	11.82	1,300	1,235	(0.15)%	95.00%	
2010	1,356	21,485,278.	15,845.	1.03%	110.00	11.13	1,224	1,138	(5.85)%	92.97%	
2011	1,330	21,213,166.	15,950.	0.66%	100.00	11.97	1,197	1,137	(2.21)%	95.00%	
2012	1,291	21,333,200.	16,525.	3.61%	105.00	11.80	1,239	1,163	3.51%	93.87%	
2013	1,273	22,642,855.	17,787.	7.63%	98.00	12.44	1,219	1,149	(1.61)%	94.26%	

Sources: District records

Note: Enrollment based on annual October district count.

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Primary:</u>										
High School										
Square Feet	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690	247,690
Capacity (Students)	N/A									
Enrollment	1,352	1,410	1,486	1,486	1,375	1,322	1,429	1,238	1,291	1,278
<u>Other:</u>										
Administration Building										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Storage										
Square Feet	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Storage										
Square Feet	960	960	960	960	960	960	960	960	960	960

Number of Schools at June 30, 2013:
Senior High School = 1
Other = 3

Source: District Facilities Office

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

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

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

*School Facilities	Cumberland	Total
Project #(s)	Regional	Total
2004	\$ 130,173.	\$ 130,173.
2005	120,000.	120,000.
2006	129,243.	129,243.
2007	146,298.	146,298.
2008	85,568.	85,568.
2009	169,174.	169,174.
2010	198,016.	198,016.
2011	174,865.	174,865.
2012	314,163.	314,163.
2013	301,551.	301,551.
Total School Facilities	<u>\$ 1,769,051.</u>	<u>\$ 1,769,051.</u>

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

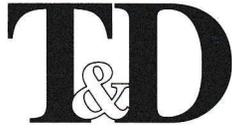
Source: District records

CUMBERLAND REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-Republic Franklin Insurance Co.		
Property-Blanket Building and Contents	\$61,955,065.	\$ 1,000.
Comprehensive General Liability	3,000,000.	
School District Legal Liability	1,000,000.	7,500.
Comprehensive Crime Coverage	100,000.	
Employee Benefits Program Liability	1,000,000.	1,000.
Commercial Inland Marine	913,864.	250.
Earthquake Changes	1,000,000.	25,000.
Flood Coverage	1,015,000.	25,000.
Limited Water Damage	500,000.	1,000.
Limited Backup of Sewers or Drains Coverage	1,000,000.	
Commercial Automobile-Republic Franklin Insurance Co.	1,000,000.	1,000.
Umbrella Liability - Utica Mutual Insurance Company		
Umbrella Policy	10,000,000.	10,000.
Workers' Compensation and Employers Liability - Educational Risk Insurance Consortium	2,000,000.	
Student Accident - Berkley Life and Health Insurance Co.	1,000,000.	
Student Accident-Catastrophic Injury-Markel Insurance Co.	2,500,000.	25,000.
Catastrophic Excess Liability - Fireman's Fund	10,000,000.	
Bonds:		
Treasurer - Susan Robostello	225,000.	
Board Secretary/Business Administrator	10,000.	

Source: District records

SINGLE AUDIT SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to
achieve success.

MEMBERS:

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

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

K-1

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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 the Board of Education of the Cumberland Regional School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Cumberland Regional School District Board of Education’s basic financial statements, and have issued our report thereon dated November 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cumberland Regional School District Board of Education’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 the Cumberland Regional School District Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cumberland Regional School District Board of Education’s internal.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *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 the internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weakness may exist that have not been identified.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-1

Compliance and Other Matters

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

Purpose of this Report

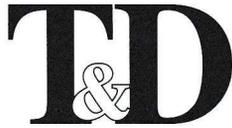
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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 and use of the audit committee, management, the Cumberland Regional School District Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies, and pass through entities and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

November 15, 2013



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to
achieve success.

MEMBERS:

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

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

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cumberland Regional School District's Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as 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 the Cumberland Regional School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Cumberland Regional School District Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Cumberland Regional School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2013.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-2

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the Cumberland Regional School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements above. In planning and performing our audit of compliance, we considered Cumberland Regional School District Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and the New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland Regional School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 the 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 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 NJ OMB Circular 04-04. This report is intended solely for the information and use of the audit committee, management, the Cumberland Regional School District Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

November 15, 2013

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance 6/30/2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Yrs Balances	Balance at June 30, 2013	
											Accounts Receivable	Deferred Revenue
U.S. Department of Education Passed												
General Fund:												
Education Jobs Fund	84.410	N/A	421,335.	7/1/11-9/30/12	\$ (9,402.)	\$	\$ (1,049.)	\$	\$	\$	\$(1,049.)	\$
Medical Assistance Program	93.778	N/A	28,148.	7/1/12-6/30/13	(9,402.)	0.	37,550.	(28,148.)	0.	0.	(1,049.)	0.
Total General Fund												
U.S. Department of Education Passed												
Through State Dept. of Education:												
Special Revenue Fund:												
Title I, Part A	84.010	NCLB-099713	210,075.	9/1/12-8/31/13	(108,234.)	205,061.	(202,413.)					2,648.
Title I, Part A	84.010	NCLB-099712	239,074.	9/1/11-8/31/12		115,257.	(7,022.)		(1.)			
Title II, Part A	84.168	NCLB-099713	38,772.	9/1/12-8/31/13		24,463.	(25,334.)		303.		(568.)	
Title II, Part A	84.168	NCLB-099712	44,721.	9/1/11-8/31/12	(8,604.)	34,378.	(25,555.)		(1.)			218.
I.D.E.A. Part A Basic	84.027	FT-099713	290,735.	9/1/12-8/31/13		121,433.	(261,134.)				(139,701.)	
I.D.E.A. Part A Basic	84.027	FT-099712	290,735.	9/1/11-8/31/12	(123,708.)	164,358.	(41,784.)		1,543.			409.
Perkins Vocational	84.027	PERK-099713	8,253.	7/1/12-6/30/13			(8,253.)				(8,253.)	
Race To The Top	84.413	RTTT-099711	19,040.	9/1/11-11/30/15			(12,857.)				(12,857.)	
Total Special Revenue Fund					(240,546.)	0.	664,950.	(584,352.)	1,844.	0.	(161,379.)	3,275.
U.S. Department of Agriculture												
Passed Through State Dept. of Educ.												
Enterprise Fund:												
Food Distribution Program	10.550	N/A	33,868.	7/1/11-6/30/12	1,671.		(1,671.)					
Food Distribution Program	10.550	N/A	41,786.	7/1/12-6/30/13		41,786.	(36,820.)					4,966.
National School Breakfast Program	10.553	N/A	51,856.	7/1/11-6/30/12	(2,823.)	2,823.						
National School Breakfast Program	10.553	N/A	53,247.	7/1/12-6/30/13		48,628.	(53,247.)				(4,619.)	
National School Lunch Program	10.555	N/A	209,737.	7/1/11-6/30/12	(10,169.)	10,169.						
National School Lunch Program	10.555	N/A	223,599.	7/1/12-6/30/13		209,871.	(223,599.)				(13,728.)	
Total Enterprise Fund					(11,321.)	0.	313,277.	(315,337.)	0.	0.	(18,347.)	4,966.
Total Federal Awards					\$(261,269.)	\$ 0.	\$ 1,015,777.	\$(928,886.)	\$ 1,844.	\$ 0.	\$(180,775.)	\$ 8,241.

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

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

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2012			Cash Received	Budgetary Expenditures	Adjustments Repayment of Prior Yrs. Bal.
				Deferred Revenue Accts. Rec.	Deferred Revenue	Carryover (Walkover) Amount			
State Dept. of Education:									
General Fund:									
Equalization Aid	13-495-034-5120-078	\$10,358,997.	7/1/12-6/30/13	\$	\$	\$	\$10,358,997.	\$(10,358,997.)	\$
School Choice Aid	13-495-034-5120-068	744,268.	7/1/12-6/30/13				744,268.	(744,268.)	
Transportation Aid	13-495-034-5120-014	127,662.	7/1/12-6/30/13				127,662.	(127,662.)	
Special Education Categorical Aid	13-495-034-5120-089	684,030.	7/1/12-6/30/13				684,030.	(684,030.)	
Categorical Security Aid	13-495-034-5120-084	211,006.	7/1/12-6/30/13				211,006.	(211,006.)	
Extraordinary Aid	12-495-034-5120-044	108,805.	7/1/11-6/30/12	(108,805.)			108,805.		
Extraordinary Aid	13-495-034-5120-044	299,336.	7/1/12-6/30/13					(299,336.)	
On behalf TPAF Pens Con	13-495-034-5095-001	1,108,575.	7/1/12-6/30/13				1,108,575.	(1,108,575.)	
Reimb TPAF Soc Sec Con	12-495-034-5095-002	609,564.	7/1/11-6/30/12	(23,160.)			23,160.		
Reimb TPAF Soc Sec Con	13-495-034-5095-002	601,099.	7/1/12-6/30/13				523,722.	(601,099.)	
Additional Non-Public Trans	12-495-034-5120	13,566.	7/1/11-6/30/12	(13,566.)			13,566.		
Additional Non-Public Trans	13-495-034-5120	14,584.	7/1/12-6/30/13	(145,531.)	0.	0.	13,903,791.	(14,149,557.)	0.
Total General Fund									
Special Revenue Fund:									
NJ Department of Agriculture		10,000.	7/1/11-6/30/12	7,512.				(7,512.)	
Perkins Secondary		34,766.	7/1/12-6/30/13	(500.)			34,766.	(34,766.)	
REBEL		1,000.	7/1/09-6/30/10	7,012.	0.	0.	34,766.	(42,278.)	500.
Total Special Revenue Fund									500.
Capital Project Fund:									
Educ Fac Constr & Fin Act	0997-030-02-0926	3,482,972.		(7,657.)			485,969.	(606,037.)	
School addition & renovation	0997-030-09-2001			(444,016.)			485,969.	(606,037.)	0.
Roof replacement project				(451,673.)	0.	0.			
Total Capital Project Fund									
Debt Service Fund:									
Debt Service Aid Type II	12-495-034-5120-125	250,946.	7/1/12-6/30/13	0.	0.	0.	250,946.	(250,946.)	0.
Total Debt Service Fund									
State Dept. of Agriculture:									
Enterprise Fund:									
Nat'l School Lunch Pgm.(State)	12-100-010-3350-023	6,689.	7/1/11-6/30/12	(308.)			308.		
Nat'l School Lunch Pgm.(State)	11-100-010-3350-023	5,925.	7/1/12-6/30/13	(308.)	0.	0.	5,566.	(5,925.)	0.
Total Enterprise Fund									
Total State Financial Assistance				\$ (590,500.)	\$ 0.	\$ 0.	\$ 14,681,346.	\$(15,054,743.)	\$ 500.

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

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

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2013			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expend.
State Dept. of Education:								
General Fund:								
Equalization Aid	13-495-034-5120-078	\$10,358,997.	7/1/12-6/30/13	\$	\$	\$	\$941,797.	\$10,358,997.
School Choice Aid	13-495-034-5120-068	744,268.	7/1/12-6/30/13				74,427.	744,268.
Transportation Aid	13-495-034-5120-014	127,662.	7/1/12-6/30/13				12,766.	127,662.
Special Education Categorical Aid	13-495-034-5120-089	684,030.	7/1/12-6/30/13				68,403.	684,030.
Categorical Security Aid	13-495-034-5120-084	211,006.	7/1/12-6/30/13				21,101.	211,006.
Extraordinary Aid	12-495-034-5120-044	108,805.	7/1/11-6/30/12					
Extraordinary Aid	13-495-034-5120-044	299,336.	7/1/12-6/30/13	(299,336.)				299,336.
On behalf TPAF Pens Con	13-495-034-5095-001	1,108,575.	7/1/12-6/30/13					1,108,575.
Reimb TPAF Soc Sec Con	12-495-034-5095-002	609,564.	7/1/11-6/30/12					
Reimb TPAF Soc Sec Con	13-495-034-5095-002	601,099.	7/1/12-6/30/13	(77,377.)				601,099.
Additional Non-Public Trans	12-495-034-5120	13,566.	7/1/11-6/30/12					
Additional Non-Public Trans	13-495-034-5120	14,584.	7/1/12-6/30/13	(14,584.)				14,584.
Total General Fund				(391,297.)	0.	0.	1,118,494.	14,149,557.
Special Revenue Fund:								
NJ Department of Agriculture		10,000.	7/1/11-6/30/12					7,512.
Perkins Secondary		34,766.	7/1/12-6/30/13					34,766.
REBEL		1,000.	7/1/09-6/30/10					1,000.
Total Special Revenue Fund				0.	0.	0.	0.	43,278.
Capital Project Fund:								
Educ Fac Constr & Fin Act								
School addition & renovation	0997-030-02-0926			(7,657.)				26,739,717.
Roof replacement project	0997-030-09-2001	3,482,972.		(564,084.)				2,918,888.
Total Capital Project Fund				(571,741.)	0.	0.	0.	29,658,605.
Debt Service Fund:								
Debt Service Aid Type II	12-495-034-5120-125	250,946.	7/1/12-6/30/13	0.	0.	0.	0.	250,946.
Total Debt Service Fund				0.	0.	0.	0.	250,946.
State Dept. of Agriculture:								
Enterprise Fund:								
Nat'l School Lunch Pgm.(State)	12-100-010-3350-023	6,689.	7/1/11-6/30/12	(359.)				5,925.
Nat'l School Lunch Pgm.(State)	11-100-010-3350-023	5,925.	7/1/12-6/30/13	(359.)	0.	0.	0.	5,925.
Total Enterprise Fund				\$963,397.)	\$ 0.	\$ 0.	\$1,118,494.	\$44,108,311.
Total State Financial Assistance								

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

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 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, Cumberland Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2.BASIS OF ACCOUNTING

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

NOTE 3.RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,593.) for the general fund and \$20,936. for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$29,198.	\$14,138,964.	\$14,168,162.
Special Revenue Fund	605,288.	65,757.	671,045.
Capital Projects Fund		41,953.	41,953.
Debt Service Fund		250,946.	250,946.
Food Service Fund	318,632.	5,925.	324,557.
Total Financial Assis.	<u>\$953,118.</u>	<u>\$14,503,545.</u>	<u>\$15,456,663.</u>

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2013

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.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? __Yes xNo
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? __Yes xNone Reported

Noncompliance material to general purpose financial statements noticed? __Yes xNo

Federal Awards

Internal Control over major programs:

- 1. Material weakness(es) identified? __Yes xNo
- 2. Significant Deficiencies identified that are considered to be material weaknesses? __Yes xNone Reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? __Yes xNo

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	National School Breakfast Program
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee? xYes __No

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

Section I – Summary of Auditor’s Results

(Continued)

State Awards

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

\$451,642.

Auditee qualified as low risk auditee?

Yes No

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

Unmodified

Internal Control over major programs:

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

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

Yes No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-068	School Choice Aid
495-034-5120-014	Transportation Aid
495-034-5120-044	Extraordinary Aid

Section II – Financial Statement Findings

None.

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

FEDERAL AWARDS

None

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

STATE AWARDS

2013-01

Information on Program:

Extraordinary Aid 495-034-5120-044

Criteria or Specific Requirements:

For out of district placements to a private school tuition and services stated in the EXAID application be properly supported.

Condition:

Questioned Cost:

\$28,314.00

Context:

The EXAID application included services for a one on one aide to a qualified student where that service was not provided.

Effect:

The EXAID application was over stated by \$28,314.

Cause:

Clerical error.

Recommendation:

The EXAID application should be corrected.

Views of responsible officials and planned corrective action:

The district officials concur with the finding and will make necessary corrections.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATUS OF PRIOR YEAR FINDINGS

Finding:

2012-01

Status:

The district is maintaining the required inventory list for items purchased with federal funds.