

CENTRAL REGIONAL SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CENTRAL REGIONAL SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Central Regional Board of Education

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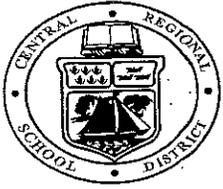
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INTRODUCTORY SECTION

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Central Regional School District

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TRIANTAFILLOS PARLAPANIDES, Ed.D.
Superintendent of Schools

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

November 30, 2015

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

Dear Board Member:

The Comprehensive Annual Financial Report (CAFR) for the Central Regional School District for the fiscal year ending June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "*Audits of State and Local Governments and Non-Profit Organizations*," and New Jersey OMB's Circular(s) 04-04 and/or 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aids*." Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Central Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement 34. All funds and account groups of the District are included in this report. The Central Regional Board of Education and all its schools constitute the District's reporting entity.

2) ECONOMIC CONDITION AND OUTLOOK:

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

3) MAJOR INITIATIVES:

District

In 2014, the district unveiled its new state of the art, \$2.3 million track and turf project. With an 8-lane track, coupled with a 10-lane straightaway, the district now has the premier track and field facility in the State of New Jersey. The district also installed field turf onto its football field as part of the project. Football, soccer, field hockey and Lacrosse are all able to be played on the turf field, which will provide advantages to student athletes at Central Regional to obtain athletic scholarships for higher education after graduation.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions, embodied in the annual appropriated budget approved by the voters, or the representatives of each municipality or the State of New Jersey. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT SERVICE

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

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The

law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

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

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

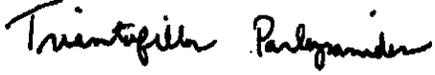
10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Central Regional School District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Government, non-profit organizations, and State Treasury OMB Circular(s) 04-04 and/or 15-08," "Single Audit Policy for Receipts of Federal Grants, State Grants and State Aid Payments." The auditor's report on the basic financial statements 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.

11) ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Central Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the

school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

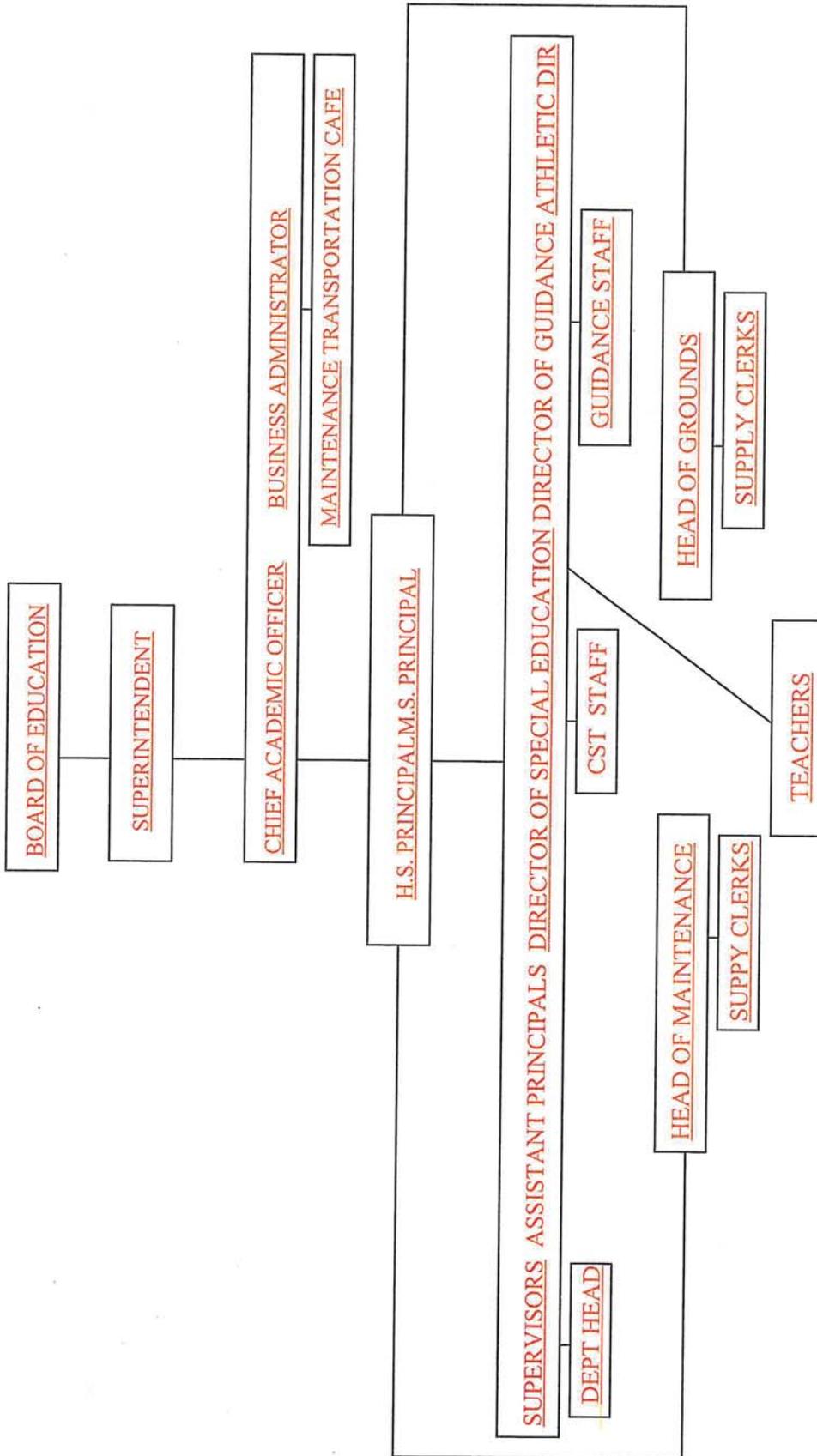


Triantafillos Parlapanides, Ed.D.
Superintendent of Schools



Kevin O'Shea
Business Administrator/Board Secretary

CHAIN OF COMMAND



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CENTRAL REGIONAL SCHOOL DISTRICT
509 Forest Hills Parkway
Bayville, New Jersey 08721

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	MUNICIPALITY	TERM EXPIRES
Robert Everett, President	Berkeley	2015
Tracy Mianulli, Vice President	Seaside Park	2017
Susan Cowdrick	Island Heights	2015
Michael Graichen	Seaside Heights	2017
John Hudak	Berkeley	2016
Jennifer Leicht	Berkeley	2016
Nick Mackres	Berkeley	2018
Joseph Mielewski	Berkeley	2016
Michael Passeri	Ocean Gate	2018

OTHER OFFICIALS

Triantafillos Parlapanides, ED.D., Superintendent

Kevin O'Shea, CPA, Business Administrator

Carmen Memoli, CPA, Treasurer of School Monies

Thomas Gannon, Board Attorney

CENTRAL REGIONAL SCHOOL DISTRICT
Bayville, New Jersey 08721

CONSULTANTS AND ADVISORS

AUDIT FIRM

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680 Hooper Ave, Bldg B, Suite 201
Toms River, New Jersey 08753

ATTORNEY

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Heiring, Gannon, and McKenna
29 Hadley Ave
Toms River, New Jersey 08753

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975 Hooper Ave
Toms River, New Jersey 08753

FINANCIAL SECTION

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Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey 08721

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 Central Regional School District, County of Ocean, State of New Jersey, as of June 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Regional School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance 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(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information 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 30, 2015 on our consideration of the Central Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 30, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**CENTRAL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

UNAUDITED

The discussion and analysis of Central Regional School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the basic financial statements and financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is required and is presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2015 are as follows:

- Superstorm Sandy hit the State of New Jersey on October 29, 2012. The municipalities of Seaside Heights, Seaside Park, Ocean Gate, and parts of Berkeley Township in particular were severely affected. The Ratable base of which property taxes are levied have been, and will continue to be, affected for years to come. To mitigate the impact, the District qualified for a Loan through FEMA known as the Community Disaster Loan program. The District was approved up to \$5,000,000 to utilize towards stabilizing taxes levied on the 4 affected municipalities in the aftermath of the storm. The District utilized \$1,977,153 from the loan program for the 2013-14 fiscal year and \$2,721,517 for the 2014-15 fiscal year. The District expects a portion of this loan to be forgiven in the future based on the criteria and historical trends surrounding this Federal Program.
- The District applied for and was approved to be a Choice School District beginning in the 2011-12 school year. This program, authorized by State statute and administered by the NJ Department of Education, allows students from other towns to enroll at Central Regional. For each student enrolled through the program, the District receives additional state aid. For the 2014-15 school year, the program brought in \$1,344,559 in additional state aid. Over the last several years the District was able to utilize Choice Funds for various capital improvements, purchases of textbooks, equipment, and to finance some innovative programs such as our Humanities Academy and Partnership with Georgian Court (2012-13), as well as the ROTC program (2013-14). These funds should hopefully mitigate, if not eliminate, the need to seek voter approval and issue bonds for capital improvements over the next 2 to 3 years should the revenue continue uninterrupted.
- The District, utilizing primarily the aforementioned Choice aid coupled with the proceeds from a \$768,690 lease, substantially completed its new Track and Turf Project during the 2014-15 school year. The new state of the art track and field at Central Regional is now the premier facility in the State of New Jersey. The project includes an 8-lane track with a 10-lane straightaway that surrounds a state of the art *Field Turf* playing field. In addition there are 2 stations each for long jump, high jump, discus, javelin, and pole vault. The facility hosted its inaugural football home game in Thanksgiving 2014, and hosted an NJSIAA state sectional track and field event over Memorial Day weekend 2015. The facility is expected to generate revenue to the District in terms of facility use rental fees and concessional stand sales and provide Central Regional student athletes enjoyment for many years to come. Besides Football, the turf field is also striped to host soccer, field hockey, and Lacrosse.

- The Board of Education and Administration has worked diligently over the last several years to eliminate structural deficits in its general fund budget and to continue to build up its financial position such that there are healthy amount of reserves established for its long-term facility needs. As of June 30, 2015, the structural deficit in the budget that was approved for the 2015-16 school year stood at \$350,000, or about 1% of the General Fund Budget. The Board of Education and Administration believe that this is a reasonable and manageable amount of budgetary deficit moving forward and will continue to monitor this as future budgets are developed.
- The District issued \$4,113,000 in Bonds in April of 2011 following a successful referendum approval by the voters in January of 2011. The money from these bonds, along with a state grant of \$1,039,975 have gone towards much needed repairs and upgrades to the District. The repairs include a new roof and windows for the High School (completed October 2011), District-wide connection to city water (completed September 2011), and various paving projects for both the High School and Middle School (completed August 2014). As of June 30, 2015, all projects related to this referendum were completed.
- As described in Note 17 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$11,165,812 as indicated in Note 17 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.
- Total spending for all our programs was \$41,821,226 for the school year ending June 30, 2015. Most of the School District's taxes and state aid program funds were used to support the cost of services for regular instructional programs. State and Federal aid in the amount of \$3,063,850 supported the educational programs for all our students. The School District's taxes, state aid, grants and contributions and other revenue sources were sufficient to cover all unfunded costs incurred in the 2014-2015 school year.
- General revenues accounted for \$30,834,753 in revenue or 78.47 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$8,460,941 or 19.95 percent of total revenues of \$39,295,694.
- Cash and cash equivalents decreased by \$63,904, receivables increased by \$93,845 and net capital assets increased by \$891,431.
- Among governmental funds, the general fund had \$33,868,007 in revenues and \$37,544,803 in expenditures. The District's general fund balance decreased \$162,725 from 2014.
- For the 2014-2015 school year total expenses were more than total revenue. Thus, there was a decrease in the General Activities Net position of \$1,676,178 or a 14.58% decrease from 2014.
- The District remains committed to sound financial management practices in response to the challenges posed by a stagnant economy, Superstorm Sandy, and the state's budget crisis. Overall state revenues are expected to increase slightly this year and costs continue to increase for salaries, healthcare, and routine expenses. However the district will continue to investigate alternative revenue streams to fund new programs that target student achievement. Our financial goals are clear to present a balanced budget.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for

future spending. The fund financial statements also look at the school district's most significant funds with all other nonmajor funds presented in total in one column. In the case of Central Regional School District, the General Fund is by far the most significant fund.

Reporting the school district as a whole Statement of Net Position and the Statement of Activities

While these documents contain the large number of funds used by the school district to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2015?" The Statement Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

The following summarizes the net position at fiscal years ended June 30, 2015 and 2014.

	Net Position			
	As of June 30, 2015			
	Governmental Activities		Business-Type Activities	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets:				
Current and Other Assets	\$ 2,042,254	\$ 2,447,112	\$ 218,255	\$ 129,111
Capital Assets, Net	30,484,120	29,585,279	32,746	40,156
Total Assets	32,526,374	32,032,391	251,001	169,267
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	1,126,795	-	-	-
Total Deferred Outflows of Resources	1,126,795	-	-	-
Total Assets and Deferred Outflows of Resources	33,653,169	32,032,391	251,001	169,267
Liabilities:				
Long-term Liabilities	20,330,447	7,483,617	-	-
Other Liabilities	3,018,999	2,017,713	67,762	40,482
Total Liabilities	23,349,446	9,501,330	67,762	40,482
Deferred Inflows of Resources:				
Deferred Inflows Related to Pensions	668,806	-	-	-
Total Deferred Inflows of Resources	668,806	-	-	-
Total Liabilities and Deferred Inflows of Resources	24,018,252	9,501,330	67,762	40,482
Net Position				
Net Investment in capital assets	24,923,343	23,555,121	32,746	40,156
Restricted	516,713	894,821	-	-
Unrestricted	(15,805,139)	(12,955,608)	150,493	88,929
Total Net Position	\$ 9,634,917	\$ 11,494,334	\$ 183,239	\$ 129,085

The following summarizes the changes in Net Position for the fiscal years ended June 30, 2015 and 2014.

Changes in Net Position

REVENUES	2015	2014
Charges for Services	\$ 1,132,236	\$ 1,076,951
Operating Grants & Contribution	8,178,059	4,674,877
Property Taxes	27,470,399	27,452,900
Grants & Entitlements	3,063,850	3,026,949
Other	300,504	310,524
Total Revenue	\$40,145,048	\$36,542,201
Expenses	2015	2014
Instruction		
Regular	\$ 8,595,693	\$ 8,245,178
Special Education	3,524,595	3,539,290
Other Special Instruction	97,235	152,971
Vocational	85,932	103,436
Other	1,521,000	1,430,723
Support Services		
Tuition	1,266,796	1,528,103
Student & Instr. Related	3,246,074	3,153,657
School Admin. Services	984,402	940,552
Other Admin Services	842,564	788,484
Plant Oper & Maintenance	3,492,492	2,883,091
Central Services & Adm. Info.	836,460	783,910
Transportation	2,373,075	2,278,568
Unallocated Benefits	12,266,841	8,539,224
Special School	63,674	63,951
Debt Services		
Interest	204,651	210,614
Unallocated Depreciation	1,479,428	1,555,078
Other	145,114	
Total Government Activities		
Business Type		
Food Service	788,586	800,783
Community School	6,614	6,135
Total	795,200	806,918
Total District Expense	\$41,821,226	\$37,003,748

Governmental Activities

Property taxes made up 75.77 percent of revenues for governmental activities for the Central Regional School District for the year 2015. The District's total revenues were \$36,252,624 for the year ended June 30, 2015. Federal, state and local grants accounted for another 21.74 percent of revenue.

The total cost of all programs and services was \$39,960,459. Instruction expenses comprised approximately 34.72 percent of District expenses in 2015.

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

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

Business Type Activities

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

- Revenues exceeded enterprise expenditures by \$54,154.
- Charges for services represent 60.01 percent of revenue. This represents amounts paid by patrons for daily food services and community education programs.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$339,646.

The School District’s Funds

All governmental funds (i.e. general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based exhibits) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$36,252,624 with other financing sources of \$3,514,071 for a total of \$39,766,695; expenditures were \$39,960,459. The net change in fund balance for the year was a decrease of \$193,764.

As demonstrated by the various statements and schedules included in the financial section of this report the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues:

Summary of Governmental Fund Revenues				
	Year Ended June 30, 2015	Year Ended June 30, 2014	Amount of Increase (Decrease)	Percent Increase (Decrease)
REVENUES				
Local sources:				
Local Tax Levy	\$ 27,470,399	\$ 27,452,900	\$ 17,499	0.1%
Tuition	334,873	257,784	77,089	29.9%
Transportation	241,860	292,256	(50,396)	-17.2%
Miscellaneous	346,299	296,162	50,137	16.9%
Total - Local Sources	<u>28,393,431</u>	<u>28,299,102</u>	<u>94,329</u>	<u>0.3%</u>
Federal Sources	1,044,741	887,541	157,200	17.7%
State Sources	6,814,452	6,506,753	(307,699)	-4.7%
Total - Govt Sources	<u>7,859,193</u>	<u>7,394,294</u>	<u>(150,499)</u>	<u>-1.9%</u>
Total Revenues	<u>\$ 36,252,624</u>	<u>\$ 35,693,396</u>	<u>\$ 559,228</u>	<u>1.6%</u>

Other sources increased by \$1,502,120. The increase is due to receiving a Community Disaster Loan from FEMA which was \$744,366 larger than in 2014, coupled with the proceeds of a lease for a capital project in the amount of \$768,690

The following schedule represents a summary of general fund, special revenue fund, capital project fund and debt service fund expenditures for the year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

Summary of Governmental Fund Expenditures				
	Year Ended June 30, 2015	Year Ended June 30, 2014	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current:				
Regular Instruction	\$ 8,646,273	\$ 8,340,129	\$ 306,144	3.67%
Special Education Instruction	3,524,595	3,539,290	(14,695)	-0.42%
Other Instruction	1,704,167	1,687,130	17,037	1.01%
Support Services and Undistributed Costs:				
Tuition	1,266,796	1,528,103	(261,307)	-17.10%
Student & Instruction Related Services	3,246,074	3,153,657	92,417	2.93%
School Administrative Services	984,402	940,552	43,850	4.66%
General Administrative Services	842,564	788,484	54,080	6.86%
Central Services	499,108	466,520	32,588	6.99%
Administrative Information Technology	337,352	317,390	19,962	6.29%
Plant Operations and Maintenance	2,924,584	2,894,527	30,057	1.04%
Pupil Transportation	2,373,075	2,278,568	94,507	4.15%
Unallocated Benefits	9,038,380	8,491,695	546,685	6.44%
Special Schools	63,674	63,951	(277)	-0.43%
Debt Service	1,418,124	1,426,586	(8,462)	-0.59%
Capital Outlay	<u>3,091,291</u>	<u>1,209,531</u>	<u>1,881,760</u>	<u>155.58%</u>
Total Expenditures	<u>\$ 39,960,459</u>	<u>\$ 37,126,113</u>	<u>\$ 2,834,346</u>	<u>7.63%</u>

Changes in expenditures were the results of varying factors. Tuition declined primarily due to students aging out of the school system. Capital Outlay increased primarily due the Track and Turf project that was undertaken during 2015

General Fund Budgeting Highlights

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

Capital Assets

At the end of the fiscal year 2015, the School District had invested in land, buildings, furniture and equipment and vehicles. The following shows fiscal 2015 and 2014 balances:

Capital Assets Governmental Activities		
	<u>2015</u>	<u>2014</u>
Building & Bldg Improvements	\$ 47,928,742	\$ 47,928,742
Machinery and Equipment	11,367,582	9,651,483
Construction in Progress	2,152,421	1,854,001
Land	1	1
Total Capital Assets	<u>61,448,746</u>	<u>59,434,227</u>
Less: Accumulated Depreciation	<u>(30,964,626)</u>	<u>(28,293,955)</u>
Net Capital Assets	<u>\$ 30,484,120</u>	<u>\$ 31,140,272</u>

Overall capital assets decreased \$656,152 from fiscal year 2014 to fiscal year 2015. The decrease is due to depreciation and the disposal of some equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2015 and 2014, the School District had outstanding debt.

Bonded Outstanding Debt at June 30,

	<u>2015</u>	<u>2014</u>
2008 Issue	\$1,105,000	\$2,180,000
2011 Issue	<u>3,623,000</u>	<u>3,793,000</u>
	\$4,728,000	\$5,973,000

At June 30, 2015, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the future

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Kevin O'Shea, Business Administrator, at the Central Regional Board of Education, 509 Forest Hills Parkway, Bayville, New Jersey 08721. Please visit our website at <http://www.centralreg.k12.nj.us/>.

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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

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CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	TOTALS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015
Cash & Cash Equivalents	\$ 730,725	\$ 187,048	\$ 917,773
Receivables, Net	648,361	24,286	672,647
Restricted Assets:			
Capital Reserve Account - Cash	663,168	-	663,168
Inventory	-	6,921	6,921
Capital Assets, Net (Note 5)	30,484,120	32,746	30,516,866
Total Assets	32,526,374	251,001	32,777,375
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,126,795	-	1,126,795
Total Deferred Outflow of Resources	1,126,795	-	1,126,795
Total Assets and Deferred Outflow of Resources	33,653,169	251,001	33,904,170
LIABILITIES			
Accounts Payable & Accrued Expenses	337,244	30,340	367,584
Interfund Payable	-	37,422	37,422
Accrued Interest Payable	149,513	-	149,513
Unearned Revenue	789	-	789
Pensions Payable	528,838	-	528,838
Noncurrent Liabilities (Note 6):			
Due Within One Year	2,002,615	-	2,002,615
Due Beyond One Year	20,330,447	-	20,330,447
Total Liabilities	23,349,446	67,762	23,417,208
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	668,806	-	668,806
Total Deferred Inflows of Resources	668,806	-	668,806
Total Liabilities and Deferred Inflows of Resource	24,018,252	67,762	24,086,014
NET POSITION			
Net Investment in Capital Assets	24,923,343	32,746	24,956,089
Restricted For:			
Other Purposes	516,713	-	516,713
Unrestricted	(15,805,139)	150,493	(15,654,646)
Total Net Position	\$ 9,634,917	\$ 183,239	\$ 9,818,156

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

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular	\$ 8,595,693	\$ -	\$ 857,546	\$ (7,738,147)	\$ (7,738,147)
Special Education	3,524,595	334,873	-	(3,189,722)	(3,189,722)
Other Special Instruction	97,235	-	-	(97,235)	(97,235)
Vocational	85,932	-	-	(85,932)	(85,932)
Other Instruction	1,521,000	-	-	(1,521,000)	(1,521,000)
Support Services & Undistributed Costs:					
Tuition	1,266,796	-	-	(1,266,796)	(1,266,796)
Student & Instruction Related Services	3,246,074	-	109,270	(3,136,804)	(3,136,804)
School Administrative Services	984,402	-	-	(984,402)	(984,402)
Other Administrative Services	842,564	-	-	(842,564)	(842,564)
Central Services	499,108	-	-	(499,108)	(499,108)
Administrative Information Technology	337,352	-	-	(337,352)	(337,352)
Plant Operations & Maintenance	3,492,492	45,795	-	(3,446,697)	(3,446,697)
Pupil Transportation	2,373,075	241,860	1,079,137	(1,052,078)	(1,052,078)
Unallocated Benefits	12,266,841	-	5,792,460	(6,474,381)	(6,474,381)
Special Schools	63,674	-	-	(63,674)	(63,674)
Interest & Other Charges on Long Term Debt	204,651	-	-	(204,651)	(204,651)
Adjustments and Deletions of Fixed Assets	145,114	-	-	(145,114)	(145,114)
Unallocated Depreciation	1,479,428	-	-	(1,479,428)	(1,479,428)
Total Governmental Activities	41,026,026	622,528	7,838,413	(32,565,085)	(32,565,085)
Business-Type Activities:					
Food Service	788,586	500,808	339,646	-	51,868
Community School	6,614	8,900	-	-	2,286
Total Business-Type Activities	795,200	509,708	339,646	-	54,154
Total Primary Government	41,821,226	1,132,236	8,178,059	(32,565,085)	(32,510,931)

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	BUSINESS- TYPE ACTIVITIES	TOTALS
	GOVERNMENTAL ACTIVITIES		
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	26,052,630	-	26,052,630
Taxes levied for Debt Service	1,417,769	-	1,417,769
Federal and State Aid	3,063,850	-	3,063,850
Miscellaneous Income	300,504	-	300,504
Total General Revenues, Special Items, Extraordinary Items & Transfers	<u>30,834,753</u>	<u>-</u>	<u>30,834,753</u>
Change In Net Position	(1,730,332)	54,154	(1,676,178)
Net Position - Beginning, as restated, See Note 17	11,365,249	129,085	11,494,334
Net Position - Ending	<u>\$ 9,634,917</u>	<u>\$ 183,239</u>	<u>\$ 9,818,156</u>

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

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B. Fund Financial Statements

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

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Governmental Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 689,156	\$ 38,511	\$ -	\$ 3,058	\$ 730,725
Due from Other Funds	173,072	-	-	-	173,072
Receivables from Other Governments	461,676	141,053	-	-	602,729
Restricted Cash & Cash Equivalents	663,168	-	-	-	663,168
Total Assets	\$ 1,987,072	\$ 179,564	\$ -	\$ 3,058	\$ 2,169,694
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 285,908	\$ 51,336	\$ -	\$ -	\$ 337,244
Interfund Payable	-	127,439	-	-	127,439
Payable to Other Governments	-	-	-	-	-
Unearned Revenue	-	789	-	-	789
Total Liabilities	285,908	179,564	-	-	465,472
Fund Balances:					
Restricted for:					
Maintenance Reserve	291,648	-	-	-	291,648
Emergency Reserve	50,250	-	-	-	50,250
Capital Reserve Account	321,270	-	-	-	321,270
Debt Service Fund	-	-	-	3,058	3,058
Excess Surplus	70,842	-	-	-	70,842
Assigned to:					
Other Purposes	31,487	-	-	-	31,487
Designated for Subsequent Year's Expenditures	350,000	-	-	-	350,000
Committed to:					
Other Purposes	260,388	-	-	-	260,388
Unassigned, Reported in:					
General Fund	325,279	-	-	-	325,279
Total Fund Balances	1,701,164	-	-	3,058	1,704,222
Total Liabilities & Fund Balances	\$ 1,987,072	\$ 179,564	\$ -	\$ 3,058	

Amounts reported for governmental activities in the statement of Net Position (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 \$61,448,746 and the accumulated depreciation is \$30,964,626.	30,484,120
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	457,989
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(678,351)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(22,333,062)
Net Position of Governmental Activities	\$ 9,634,917

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

**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 26,052,630	\$ -	\$ -	\$ 1,417,769	\$ 27,470,399
Tuition	334,873	-	-	-	334,873
Transportation Fees from Other LEAs	241,860	-	-	-	241,860
Rents and Royalties	45,795	-	-	-	45,795
Miscellaneous	279,995	20,477	32	-	300,504
Total Local Sources	26,955,153	20,477	32	1,417,769	28,393,431
State Sources	6,814,452	-	-	-	6,814,452
Federal Sources	98,402	946,339	-	-	1,044,741
Total Revenues	33,868,007	966,816	32	1,417,769	36,252,624
Expenditures:					
Current Expense:					
Regular Instruction	7,788,727	857,546	-	-	8,646,273
Special Education Instruction	3,524,595	-	-	-	3,524,595
Other Special Instruction	97,235	-	-	-	97,235
Vocational Education	85,932	-	-	-	85,932
Other Instruction	1,521,000	-	-	-	1,521,000
Support Services:					
Tuition	1,266,796	-	-	-	1,266,796
Student & Instruction Related Services	3,136,804	109,270	-	-	3,246,074
School Administrative Services	984,402	-	-	-	984,402
General Administrative Services	842,564	-	-	-	842,564
Central Services	499,108	-	-	-	499,108
Administrative Information Technology	337,352	-	-	-	337,352
Plant Operations & Maintenance	2,924,584	-	-	-	2,924,584
Pupil Transportation	2,373,075	-	-	-	2,373,075
Employee Benefits	9,038,380	-	-	-	9,038,380
Capital Outlay	3,060,575	-	30,716	-	3,091,291
Special Schools	63,674	-	-	-	63,674
Debt Service:					
Principal	-	-	-	1,245,000	1,245,000
Interest & Other Charges	-	-	-	173,124	173,124
Total Expenditures	37,544,803	966,816	30,716	1,418,124	39,960,459
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
	(3,676,796)	-	(30,684)	(355)	(3,707,835)
Other Financing Sources/(Uses):					
Community Disaster Loan (FEMA)	2,721,517	-	-	-	2,721,517
Capital Lease - Turf Lease	768,690	-	-	-	768,690
Transfer from/(to) Other Funds	-	-	(2,961)	2,961	-
Capital Leases (Non-Budgeted)	23,864	-	-	-	23,864
Total Other Financing Sources/(Uses)	3,514,071	-	(2,961)	2,961	3,514,071
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)					
	(162,725)	-	(33,645)	2,606	(193,764)
Fund Balances, July 1	1,863,889	-	33,645	452	1,897,986
Fund Balances, June 30	\$ 1,701,164	\$ -	\$ -	\$ 3,058	\$ 1,704,222

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

**CENTRAL REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (193,764)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	(1,479,428)	
Adjustments and Deletions of Fixed Assets	(145,114)	
Capital Outlays	<u>2,523,383</u>	898,841

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2015	494,145	
Unfunded TPAF Pension Expense	(3,043,070)	
State Share of Unfunded TPAF Pension Expense	3,043,070	
Pension Expense	<u>(621,778)</u>	(127,633)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,245,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 50,580

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

Prior Year	117,986	
Current Year	<u>(149,513)</u>	(31,527)

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacations & sick time) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation; when the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation.

Prior Year	793,260	
Current Year	<u>(851,018)</u>	(57,758)

The FEMA Community Disaster Loan is reported in the governmental funds as revenue in the year the loan was issued. However, on the statement of activities, the costs of the loan is reported as debt until the loan is repaid.

Prior Year	1,977,153	
Current Year	<u>(4,698,670)</u>	(2,721,517)

The proceeds from the issuance of capital leases provide current financial resources and are reported in this fund financial statement, but they are presented as liabilities in the statement of net position. (792,554)

Change in Net Position of Governmental Activities \$ (1,730,332)

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

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Proprietary Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	ENTERPRISE FUND	<u>TOTALS</u>
Current Assets:		
Cash & Cash Equivalents	\$ 187,048	\$ 187,048
Accounts Receivable	24,286	24,286
Inventory	6,921	6,921
	<hr/>	<hr/>
Total Current Assets	218,255	218,255
Fixed Assets:		
Equipment	355,325	355,325
Accumulated Depreciation	(322,579)	(322,579)
	<hr/>	<hr/>
Total Fixed Assets	32,746	32,746
	<hr/>	<hr/>
Total Assets	251,001	251,001
LIABILITIES		
Current Liabilities:		
Accounts Payable	30,340	30,340
Interfund Payable	37,422	37,422
	<hr/>	<hr/>
Total Current Liabilities	67,762	67,762
NET POSITION		
Investment in Fixed Capital	32,746	32,746
Committed to Other Purposes	9,493	9,493
Unrestricted	141,000	141,000
	<hr/>	<hr/>
Total Net Position	<u>\$ 183,239</u>	<u>\$ 183,239</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ENTERPRISE FUND	<u>TOTALS</u>
Operating Revenue:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 170,783	\$ 170,783
	<u>170,783</u>	<u>170,783</u>
Total - Daily Sales - Reimbursable Programs:		
Daily Sales - Nonreimbursable Programs:		
Fees	330,025	330,025
Miscellaneous Income	8,900	8,900
	<u>509,708</u>	<u>509,708</u>
Total Operating Revenue		
Operating Expenses:		
Salaries	5,384	5,384
Purchased Professional / Technical Services	436,208	436,208
Purchased Property Services	-	-
Supplies and Materials	39,985	39,985
Depreciation	21,603	21,603
Miscellaneous	17,279	17,279
Cost of Sales	274,741	274,741
	<u>795,200</u>	<u>795,200</u>
Total Operating Expenses		
Operating (Loss)/Gain	<u>(285,492)</u>	<u>(285,492)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	6,647	6,647
Federal Sources:		
School Breakfast Program	38,035	38,035
National School Lunch Program	253,565	253,565
Food Distribution Program	41,191	41,191
Miscellaneous	208	208
	<u>339,646</u>	<u>339,646</u>
Total Nonoperating Revenues		
Change in Net Position	<u>54,154</u>	<u>54,154</u>
Total Net Position - Beginning	<u>129,085</u>	<u>129,085</u>
Total Net Position - Ending	<u>\$ 183,239</u>	<u>\$ 183,239</u>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ENTERPRISE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:		
Receipts from Daily Sales	\$ 491,153	\$ 491,153
Receipts from Miscellaneous Items	8,900	8,900
Disbursements for Operating Expenses	<u>(686,485)</u>	<u>(686,485)</u>
Net Cash Used by Operating Activities	<u>(186,432)</u>	<u>(186,432)</u>
Cash Flows From Capital Financing Activities:		
Purchases of Fixed Assets	<u>(14,193)</u>	<u>(14,193)</u>
Net Cash Used by Capital Financing Activities	<u>(14,193)</u>	<u>(14,193)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	6,647	6,647
Federal Sources	<u>291,600</u>	<u>291,600</u>
Net Cash Provided by Noncapital Financing Activities	<u>298,247</u>	<u>298,247</u>
Cash Flows From Investing Activities:		
Interest	<u>208</u>	<u>208</u>
Net Cash Provided by Investing Activities	<u>208</u>	<u>208</u>
Net Increase in Cash & Cash Equivalents	97,830	97,830
Cash and Cash Equivalents, July 1	<u>89,218</u>	<u>89,218</u>
Cash & Cash Equivalents, June 30	<u>\$ 187,048</u>	<u>\$ 187,048</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Cash Used by Operating Activities:		
Operating Loss	\$ (285,492)	\$ (285,492)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:		
Depreciation Expense	21,603	21,603
Food Distribution Program	41,191	41,191
Change in Assets & Liabilities:		
Increase in Accounts Receivable	12,218	12,218
Increase in Inventory	(3,532)	(3,532)
Increase/(Decrease) in Accounts Payable	<u>27,580</u>	<u>27,580</u>
Total Adjustments	<u>99,060</u>	<u>99,060</u>
Net Cash Used by Operating Activities	<u>\$ (186,432)</u>	<u>\$ (186,432)</u>

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

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Fiduciary Fund

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			AGENCY FUNDS	TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST			
Cash & Cash Equivalents	\$ 32,209	\$ 299,216	\$ 260,866	\$ 592,291	
Due from Other Funds	-	26,950	-	26,950	
Total Assets	32,209	326,166	260,866	619,241	
LIABILITIES					
Payroll Deductions & Withholdings	-	-	5,162	5,162	
Interfunds Payable	-	-	35,160	35,160	
Due to Student Groups	-	-	220,544	220,544	
Total Liabilities	-	-	260,866	260,866	
NET POSITION					
Reserved:					
Scholarships	32,209	-	-	32,209	
Unemployment Claims	-	326,166	-	326,166	
Total Net Position	\$ 32,209	\$ 326,166	\$ -	\$ 358,375	

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

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ADDITIONS:	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Interest Earned	\$ 46	\$ 425	\$ 471
Donations	3,009	13,888	16,897
Board Contribution	6,000	-	6,000
Total Additions	9,055	14,313	23,368
DEDUCTIONS:			
Unemployment Claims	-	65,000	65,000
Disbursements	11,828	-	11,828
Total Deductions	11,828	65,000	76,828
Change in Net Position	(2,773)	(50,687)	(53,460)
Net Position - July 1	34,982	376,853	411,835
Net Position - June 30	\$ 32,209	\$ 326,166	\$ 358,375

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

CENTRAL REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies

The financial statements of the Central Regional School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include junior and senior high schools for students of the Boroughs of Island Heights, Ocean Gate, Seaside Heights, Seaside Park and the Township of Berkeley, Ocean County, New Jersey. The Central Regional School District has an approximate enrollment at June 30, 2015 of 2,002 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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the R.E.D. program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings,

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Community School Program – This fund accounts for the revenues and expenses pertaining to the District’s community education program.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned 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 a reduction of the accounts receivables or as unearned revenue 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.

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

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

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.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

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

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of November 30, 2015, which is the date the financial statements were available to be issued.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Reserve Accounts

A. Capital Reserve Account

A Capital Reserve Account was established on June 30, 2009 for the accumulation of Funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$321,270 at June 30, 2015.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 2: Reserve Accounts (continued)

A. Capital Reserve Account (continued)

N.J.S.A.19:60-2. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 670,607
Budgeted Withdrawal	(424,810)
Increase per Resolution passed (June 15, 2015)	75,000
Interest Earned	<u>473</u>
 Ending Balance, June 30, 2015	 <u>\$ 321,270</u>

B. Maintenance Reserve Account

A Maintenance Reserve Account was previously established for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$291,648 at June 30, 2015.

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

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 291,548
Interest Earned	<u>100</u>
 Ending Balance, June 30, 2015	 <u>\$ 291,648</u>

C. Emergency Reserve Account

The Emergency Reserve is used to accumulate funds to finance unanticipated general fund expenditures required for a thorough and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by Board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. There is a balance of \$50,250 at June 30, 2015.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 2: Reserve Accounts (continued)

C. Emergency Reserve Account (continued)

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$50,200
Interest Earned	<u>50</u>
Ending Balance, June 30, 2015	<u>\$50,250</u>

Note 3: Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 2,173,232</u>
Total Deposits	<u>\$ 2,173,232</u>
The District's Cash & Cash Equivalents are Reported as Follows:	
Governmental Fund	\$ 1,393,893
Enterprise Funds	187,048
Fiduciary Funds	<u>592,291</u>
Total Cash & Cash Equivalents	<u>\$ 2,173,232</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$2,672,278 was exposed to custodial credit risk as follows:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 3: Cash and Cash Equivalents (continued)

Insured	\$ 250,000
Uninsured and Uncollateralized	531,725
Collateralized in the District's Name Under GUDPA	<u>1,890,553</u>
 Total	 <u>\$ 2,672,278</u>

Note 4: Accounts Receivable

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$ 267,012	\$ -	\$ 501	\$ 267,513
Federal Aid	-	141,053	14,130	155,183
Other	<u>194,664</u>	<u>-</u>	<u>9,655</u>	<u>204,319</u>
 Total	 <u>\$ 461,676</u>	 <u>\$ 141,053</u>	 <u>\$ 24,286</u>	 <u>\$ 627,015</u>

Note 5: Capital Assets

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2015:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 5: Capital Assets (continued)

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 1	\$ -	\$ -	\$ -	\$ 1
Construction in progress	1,854,001	1,952,421	(1,654,001)		2,152,421
Total capital assets not being depreciated	1,854,002	1,952,421	(1,654,001)	-	2,152,422
Buildings and improvements	47,928,742	-	-	-	47,928,742
Machinery and equipment	9,651,483	2,201,099	(485,000)	-	11,367,582
Subtotal	57,580,225	2,201,099	(485,000)	-	59,296,324
Less: accumulated depreciation:					
Buildings and improvements	(23,147,323)	(1,219,363)	-	-	(24,366,686)
Machinery and equipment	(6,701,625)	(260,065)	363,750	-	(6,597,940)
Total accumulated depreciation	(29,848,948)	(1,479,428)	363,750	-	(30,964,626)
Total capital assets being depreciated, net	27,731,277	721,671	(121,250)	-	28,331,698
Governmental activities capital assets, net	\$ 29,585,279	\$ 2,674,092	\$ (1,775,251)	\$ -	\$ 30,484,120

The following is a summary of proprietary fund type capital assets at June 30, 2015:

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
Business-Type Activities:					
Equipment	\$ 347,615	\$ 14,193	\$ (6,483)	\$ -	\$ 355,325
Less: accumulated depreciation:	(307,459)	(21,603)	6,483	-	(322,579)
Total capital assets being depreciated, net	\$ 40,156	\$ (7,410)	\$ -	\$ -	\$ 32,746

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 6: Long-Term Obligations

Changes in Long-Term Obligations for the year ended June 30, 2015, are as follows:

	Balance June 30, <u>2014</u>	<u>Issued</u>	<u>Retired</u>	Balance June 30, <u>2015</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Bonds Payable	\$ 5,973,000	\$ -	\$ 1,245,000	\$ 4,728,000	\$1,280,000
Capital Leases/ Loan Payable	90,803	792,554	50,580	832,777	422,228
FEMA Community Disaster Loan	1,977,153	2,721,517	-	4,698,670	-
Net Pension Liability Compensated Absences Payable	11,165,812	56,784	-	11,222,596	-
	<u>793,260</u>	<u>57,759</u>	<u>-</u>	<u>851,019</u>	<u>300,387</u>
	<u>\$ 20,000,028</u>	<u>\$ 3,628,614</u>	<u>\$ 1,295,580</u>	<u>\$ 22,333,062</u>	<u>\$2,002,615</u>

A. Bonds Payable

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

The District's serial bonds are summarized as follows:

\$5,900,000 Variable Interest Rate Refunding School Bonds issued May 29, 2008, installment maturities to July 15, 2015	\$1,105,000
\$4,113,000 Variable Interest Rate School Construction Serial Bonds Issued March 29, 2011, installment maturities to July 15, 2021	<u>3,623,000</u>
Total	<u>\$4,728,000</u>

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

Year Ending June 30	Principal	Interest	Total
2016	\$1,280,000	\$ 124,152	\$1,404,152
2017	850,000	93,130	943,130
2018	750,000	71,255	821,255
2019	675,000	49,880	724,880
2020	520,000	31,305	551,305
2021-22	<u>653,000</u>	<u>20,283</u>	<u>673,283</u>
Total	<u>\$4,728,000</u>	<u>\$ 390,005</u>	<u>\$5,118,005</u>

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 6: Long-Term Obligations (continued)

B. Obligations Under Capital Leases

The District is leasing copiers, buses and an turf field totaling \$832,777 under capital leases. These capital leases are for terms of five to six years. The District's capital leases are summarized as follows:

\$108,782 Copier Lease issued October 2010, installments to January 31, 2015	\$ 561
\$24,866 Copier Lease issued August 2011, installments to September 28, 2016	6,981
\$37,793 Copier Lease issued October 2012, installments to January 28, 2018	19,011
\$20,438 Copier Lease issued August 2013, installments to August 28, 2018	13,670
\$23,864 Copier Lease issued May 2015, installments to June 28, 2020	23,864
\$768,690 Artificial Turf Lease issued November 2014, installments to July 15, 2017	<u>768,690</u>
 Total	 <u>\$ 832,777</u>
Year-ending	Amount
June 30,	
2016	\$ 438,748
2017	212,971
2018	203,559
2019	6,326
2020	<u>5,526</u>
Total Minimum Lease Payments	867,130
Less: Amount Representing Interest	<u>(34,353)</u>
Present Value of Lease Payments	<u>\$ 832,777</u>

C. FEMA Community Disaster Loan

On May 31, 2013, the Central Regional School District submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The District was approved for the full request of \$5,000,000. On July 18, 2013, the Board of Education approved a resolution to amend the 2014 Budget by \$1,977,153, the amount of the CDL that was drawn down in 2014. During the year ended June 30, 2015, the District drew down an additional \$2,721,517. As of June 30, 2015, \$4,698,670 has been drawn down on the CDL and \$301,330 is available to be drawn down in future years.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case July, 11, 2013. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 6: Long-Term Obligations (continued)

C. FEMA Community Disaster Loan (continued)

This amount was recognized as revenue for the year ended June 30, 2015 in the governmental funds. This amount is reported as a long-term liability in the District Wide financial statements.

D. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the district's school personnel policy. Upon termination, employees are paid for accrued vacation. The district's school'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 school for the unused sick leave in accordance with district's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$851,019.

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, 2015 no liability existed for compensated absences in the proprietary fund types.

Note 7: Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 494,145	100%	\$ 11,222,596
6/30/2014	440,206	100%	11,165,812
6/30/2013	441,280	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$11,222,596 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .05994%, which was an increase of .00152% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 1,126,795	\$ 494,145
Deferred Inflows of Resources	\$ 668,806	N/A
Net Pension Liability	\$ 11,222,596	\$ 11,165,812
District's portion of the Plan's total net pension Liability	0.05994%	0.05842%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$621,778. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	352,899	-
Net difference between projected and actual earnings on pension plan investments	-	668,806
Changes in proportion and differences between District contributions and proportionate share of contributions	245,058	-
District contributions subsequent to the measurement date	528,838	-
Total	\$ 1,126,795	\$ 668,806

\$528,838 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (78,963)
2017	(78,963)
2018	(78,963)
2019	(78,963)
2020	(78,963)
Thereafter	78,909

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 7: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>1%</u> <u>Decrease</u> <u>4.39%</u>		<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>		<u>1%</u> <u>Increase</u> <u>6.39%</u>
District's proportionate share of the net pension liability	\$ 14,118,407	\$	11,222,596	\$	8,790,851

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 7: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$1,819,096	100%	\$ -
6/30/2014	1,454,538	100%	-
6/30/2013	1,888,993	100%	-

During the year ended June 30, 2015 the State of New Jersey contributed \$47,185 to the Teachers' Pension and Annuity Fund for NCGI, \$655,847 for normal contributions, and \$1,116,064 for post-retirement medical benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$930,294 for the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 7: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

Note 8: 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, 2015, there were 100,134 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf. 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2014.

Note 9: Risk Management

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 9: Risk Management (continued)

to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 425	\$ 13,888	\$ 65,001	\$ 326,166
2013-2014	534	27,706	50,162	376,853
2012-2013	687	8,599	6,576	398,775

Note 10: Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 11: Economic Dependency

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

Note 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:

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 13: Interfund Receivables, Payables and Transfers

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 173,072	\$ -
Special Revenue Fund	-	127,439
Food Service Fund	-	37,422
Unemployment Trust	26,949	-
Payroll Trust Fund	-	35,160
	<u>\$ 200,021</u>	<u>\$ 200,021</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Note 14: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(15,875,981) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 15: Fund Balance

General Fund (Exhibit B-1) – Of the \$1,701,164 General Fund fund balance at June 30, 2015, \$321,270 has been restricted for the capital reserve account; \$291,648 has been restricted for the maintenance reserve account; \$50,250 has been restricted for the emergency reserve; \$350,000 has been assigned for subsequent year’s expenditures, \$31,487 has been assigned for other purposes, \$260,388 has been committed, \$70,842 has been restricted for excess surplus and \$325,279 is unassigned.

Debt Service Fund – Of the \$3,058 Debt Service Fund fund balance at June 30, 2015, \$3,058 has been assigned.

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 16: Calculation of Excess Surplus (continued)

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, 2015 is \$70,842.

Note 17: Prior Period Adjustment/Restatement of Net Position

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 22,531,061
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(11,165,812)
PERS Pension Payable (2015 district PERS Pension Contribution)	(494,145)
Deferred Outflows - district contributions made during fiscal year 2015	494,145
Total prior period adjustment	(11,165,812)
Net Position as restated, July 1, 2014	\$ 11,365,249

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Tax Levy	10-1210	\$26,052,630	\$ -	\$ 26,052,630	\$ -
Tuition from Other LEAs Within the State	10-1320	100,000	-	100,000	234,873
Transportation from Other LEAs	10-1420-1440	200,000	-	200,000	41,860
Rents and Royalties	10-1910	-	-	-	45,795
Interest Earned on Current Expense					
Emergency Reserve	10-1XXX	50	-	50	-
Interest Earned on Maintenance Reserve	10-1XXX	100	-	100	-
Interest on Capital Reserve Funds	10-1XXX	100	-	100	(100)
Unrestricted Miscellaneous Revenues	10-1XXX	201,493	-	201,493	78,352
Total Local Sources		26,554,373	-	26,554,373	400,780
State Sources:					
Extraordinary Aid	10-3XXX	140,000	-	140,000	(26,124)
Nonpublic School Transportation					
Costs	10-3000	-	-	-	12,036
Choice Aid	10-3116	1,374,605	-	1,374,605	1,344,559
Categorical Special Education Aid	10-3132	1,080,992	-	1,080,992	(30,046)
Categorical Security Aid	10-3177	291,637	-	291,637	-
Adjustment Aid	10-3178	142,822	-	142,822	-
Categorical Transportation Aid	10-3121	1,067,101	-	1,067,101	-
PARCC Readiness Aid	10-3XXX	19,050	-	19,050	-
Per Pupil Growth Aid	10-3XXX	19,050	-	19,050	-
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,116,064
On-Behalf TPAF Contributions		-	-	-	655,847
On-Behalf TPAF NCGI Premium Contributions		-	-	-	47,185
Reimbursed TPAF Social Security Contribution		-	-	-	930,294
Total State Sources		4,135,257	-	4,135,257	2,705,256
Federal Sources:					
Medicaid Assistance Program	10-4200	40,775	-	40,775	26,140
ARRA/SEMI Revenue	10-4210	-	-	-	31,487
Total Federal Sources		40,775	-	40,775	57,627
Total Revenues		30,730,405	-	30,730,405	3,163,663

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Grades 6 - 8	11-130-100-101	2,358,615	(29,400)	2,329,215	2,947
Grades 9 - 12	11-140-100-101	5,183,473	(99,706)	5,083,767	1,620
Home Instruction:					
Salaries of Teachers	11-150-100-101	35,000	22,438	57,438	-
Purchased Professional - Educational Services	11-150-100-320	27,000	33,000	60,000	1,692
Other Purchased Services	11-150-100-500	1,000	1,000	2,000	676
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	11-190-100-340	9,185	18,636	27,821	1,384
General Supplies	11-190-100-610	190,013	(1,656)	188,357	17,704
Textbooks	11-190-100-640	65,196	7,456	72,652	6,500
Total Regular Programs		7,869,482	(48,232)	7,821,250	32,523
Special Education:					
Cognitive - Mild:					
Salaries of Teachers	11-201-100-101	103,845	(21,000)	82,845	835
Other Salaries for Instruction	11-201-100-106	24,176	24,500	48,676	74
General Supplies	11-201-100-610	650	-	650	535
Textbooks	11-201-100-640	500	-	500	500
Total Cognitive - Mild		129,171	3,500	132,671	1,944
Learning and/or Language Disabilities::					
Salaries of Teachers	11-204-100-101	163,105	-	163,105	-
Other Salaries for Instruction	11-204-100-106	78,798	(24,000)	54,798	426
General Supplies	11-204-100-610	4,700	(200)	4,500	1,791
Textbooks	11-204-100-640	2,600	-	2,600	2,600
Total Learning and/or Language Disabilities:		249,203	(24,200)	225,003	4,817
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	255,615	(23,211)	232,404	-
Other Salaries for Instruction	11-209-100-106	52,972	71,251	124,223	1
General Supplies	11-209-100-610	4,700	-	4,700	84
Total Behavioral Disabilities:		313,287	48,040	361,327	85

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS			
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	133,520	-	133,520	133,520	-
Other Salaries for Instruction	11-212-100-106	79,918	21,200	101,118	101,024	94
General Supplies	11-212-100-610	960	200	1,160	1,087	73
Total Multiple Disabilities:		214,398	21,400	235,798	235,631	167
Resource Room:						
Salaries of Teachers	11-213-100-101	1,710,149	(88,309)	1,621,840	1,620,238	1,602
Other Salaries for Instruction	11-213-100-106	587,072	(38,000)	549,072	544,221	4,851
General Supplies	11-213-100-610	23,634	815	24,449	16,034	8,415
Total Resource Room		2,320,855	(125,494)	2,195,361	2,180,493	14,868
Autism:						
Salaries of Teachers	11-214-100-101	133,020	(3,000)	130,020	126,954	3,066
Other Salaries for Instruction	11-214-100-106	104,124	-	104,124	103,474	650
Autistic Prg Rental Fee	11-214-100-440	1,000	(1,000)	-	-	-
General Supplies	11-214-100-610	6,800	(2,000)	4,800	2,824	1,976
Total Autism		244,944	(6,000)	238,944	233,252	5,692
Home Instruction:						
Salaries of Teachers	11-219-100-101	35,000	91,575	126,575	126,575	-
Purchased Professional - Educational Services	11-219-100-320	30,600	5,000	35,600	33,524	2,076
Other Purchased Services	11-219-100-580	1,000	2,500	3,500	2,965	535
Total Home Instruction		66,600	99,075	165,675	163,064	2,611
Total Special Education		3,538,458	16,321	3,554,779	3,524,595	30,184
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	57,510	(27,000)	30,510	30,225	285
Total Basic Skills/Remedial		57,510	(27,000)	30,510	30,225	285

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS			
Bilingual Education:						
Salaries of Teachers	11-240-100-101	93,610	(26,000)	67,610	67,010	600
Total Bilingual Education		93,610	(26,000)	67,610	67,010	600
Vocational Programs- Local - Instruction:						
Salaries of Teachers	11-301-100-101	104,845	(10,597)	94,248	85,309	8,939
Other Purchased Services	11-301-100-580	700	-	700	332	368
General Supplies	11-301-100-610	425	-	425	291	134
Total Vocational Programs - Local Instruction		105,970	(10,597)	95,373	85,932	9,441
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-110	165,000	6,000	171,000	168,956	2,044
Purchased Services	11-401-100-590	3,000	500	3,500	3,500	
Supplies and Materials	11-401-100-610	44,257	(3,000)	41,257	35,257	6,000
Other Objects	11-401-100-890	7,500	(3,000)	4,500	3,588	912
Total School Sponsored Cocurricular Activities		219,757	500	220,257	211,301	8,956
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	779,020	33,000	812,020	800,849	11,171
Purchased Services	11-402-100-500	136,500	(5,221)	131,279	125,594	5,685
Supplies and Materials	11-402-100-610	75,000	13,215	88,215	87,116	1,099
Other Objects	11-402-100-800	80,000	(53)	79,947	79,947	-
Alternative Ed - Salaries	11-423-100-100	-	30,000	30,000	29,465	535
ROTC Salary	11-424-100-101	186,660	-	186,660	185,817	843
ROTC Supplies	11-424-100-610	2,000	-	2,000	911	1,089
Total School Sponsored Athletics Instruction		1,259,180	70,941	1,330,121	1,309,699	20,422
Total Instruction		13,143,967	(24,067)	13,119,900	13,017,489	102,411

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures:					
Instruction :					
Tuition to Other LEAs Within the State - Regular	11-000-100-561	20,000	(10,500)	9,500	3,240
Tuition to Other LEAs Within the State - Special	11-000-100-562	-	3,000	3,000	375
Tuition to County Vocational School District - Regular	11-000-100-563	15,000	1,000	16,000	-
Tuition to CSSD & Regional Day School	11-000-100-565	255,000	(38,191)	216,809	390
Tuition to Private School for the Handicapped - State	11-000-100-566	852,515	60,944	913,459	886,333
Tuition - State Facilities	11-000-100-568	64,612	-	64,612	27,126
Tuition - Other	11-000-100-569	105,000	(30,453)	74,547	-
		1,312,127	(14,200)	1,297,927	31,131
Total Undistributed Expenditures - Instruction					
Attendance & Social Work Services:					
Salaries	11-000-211-100	167,477	-	167,477	-
Supplies and Materials	11-000-211-600	1,200	-	1,200	856
Other Objects	11-000-211-800	2,200	-	2,200	1,344
		170,877	-	170,877	2,200
Total Attendance & Social Work Services					
Health Services:					
Salaries	11-000-213-100	201,602	(4,913)	196,689	127
Purchased Professional & Technical Services	11-000-213-300	30,000	12,200	42,200	-
Supplies and Materials	11-000-213-600	6,000	2,400	8,400	102
		237,602	9,687	247,289	229
Total Health Services					

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS		FINAL BUDGET
Other Support Services - Students - Related Services:					
Salaries	11-000-216-100	74,444	6,513	80,957	-
Purchased Professional - Educational Services	11-000-216-320	122,000	(25,087)	96,913	18,558
Supplies and Materials	11-000-216-600	600	200	800	144
Total Other Support Services - Students - Related Services		197,044	(18,374)	178,670	18,702
Other Support Services - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	637,388	15,750	653,138	36
Salaries of Secretarial & Clerical Assistants	11-000-218-105	212,914	(2,000)	210,914	2,585
Purchased Professional & Technical Services	11-000-218-390	43,000	9,000	52,000	228
Other Purchased Services	11-000-218-580	2,000	(700)	1,300	1,280
Supplies and Materials	11-000-218-610	14,465	700	15,165	1,554
Other Objects	11-000-218-890	10,785	(2,035)	8,750	3,170
Total Other Support Services - Guidance		920,552	20,715	941,267	8,853
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	726,476	57,095	783,571	2,489
Salaries of Secretarial & Clerical Assistants	11-000-219-105	151,363	-	151,363	174
Miscellaneous Purchased Services	11-000-219-580	800	-	800	166
Supplies and Materials	11-000-219-610	13,500	4,710	18,210	61
Other Objects	11-000-219-890	8,700	1,112	9,812	403
Total Other Support Services - Child Study Teams		900,839	62,917	963,756	3,293

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
				ACTUAL	
Improvement of Instruction Services/Other					
Support Services - Instruction Staff:					
Salaries of Supervisors of Instruction	11-000-221-102	331,630	2,000	333,630	333,429
Salaries of Secretarial & Clerical Assistants	11-000-221-105	82,028	-	82,028	-
Professional Services	11-000-221-320	2,000	2,000	4,000	4,000
Supplies and Materials	11-000-221-610	2,000	526	2,526	2,525
Other Objects	11-000-221-890	4,500	(202)	4,298	4,146
					201
Total Improvement of Instruction Services/Other		422,158	4,324	426,482	426,128
Support Services Instructional Staff					354
Educational Media Services/School Library:					
Salaries	11-000-222-100	178,564	(3,800)	174,764	173,627
Purchased Prof & Tech Services	11-000-222-300	-	3,750	3,750	3,750
Other Purchased Services	11-000-222-500	1,500	1,100	2,600	1,961
Supplies and Materials	11-000-222-600	45,576	10,579	56,155	51,282
					4,873
Total Educational Media Services/School Library		225,640	11,629	237,269	230,620
					6,649
Support Services Instructional Staff Training Service:					
Purchased Prof - Ed Services	11-000-223-320	-	10,000	10,000	10,000
Other Purchased Services	11-000-223-580	1,200	-	1,200	414
Supplies and Materials	11-000-223-610	2,500	-	2,500	856
Other Objects	11-000-223-890	342	-	342	204
					138
Total Support Services Instructional Staff Training Services		4,042	10,000	14,042	11,474
					2,568
Support Services General Administration:					
Salaries	11-000-230-100	265,795	10,167	275,962	275,676
Legal Services	11-000-230-331	120,000	142,693	262,693	248,886
Audit Services	11-000-230-332	28,000	-	28,000	27,772
Architect/Engineer Services	11-000-230-334	30,000	101,600	131,600	120,796
Other Purchased Professional Services	11-000-230-339	75,000	(10,000)	65,000	63,776
Communications/Telephone	11-000-230-530	80,000	(11,800)	68,200	66,704
BOE Other Purchased Services	11-000-230-585	2,500	-	2,500	-
General Supplies	11-000-230-610	16,000	1,000	17,000	16,714
Judgements Against District	11-000-230-820	15,000	(15,000)	-	286
BOE Membership Dues & Fees	11-000-230-895	20,000	2,700	22,700	22,240
		652,295	218,860	871,155	842,564
Total Support Services General Administration					28,591

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:					
Salaries of Principals & Assistant Principals	11-000-240-103	624,513	(33,570)	590,943	590,729
Salaries of Secretarial & Clerical Assistants	11-000-240-105	247,094	23,460	270,554	270,421
Other Salaries	11-000-240-110	13,300	2,924	16,224	16,224
Other Purchased Services	11-000-240-580	800	-	800	350
Supplies and Materials	11-000-240-610	99,147	3,713	102,860	98,300
Other Objects	11-000-240-800	5,574	3,170	8,744	8,378
Total Support Services School Administration		990,428	(303)	990,125	984,402
Central Services:					
Salaries	11-000-251-100	374,120	19,072	393,192	392,644
Purchased Professional Services	11-000-251-330	-	800	800	585
Purchased Technical Services	11-000-251-340	32,000	5,000	37,000	36,729
Miscellaneous Purchased Services	11-000-251-592	-	-	-	-
Supplies & Materials	11-000-251-600	81,500	(9,600)	71,900	67,587
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	1,563
Total Central Services		489,620	15,272	504,892	499,108
Administrative Information Technology:					
Salaries	11-000-252-100	259,213	6,500	265,713	265,657
Purchased Technical Services	11-000-252-340	27,500	1,325	28,825	28,589
Supplies & Materials	11-000-252-600	50,000	(412)	49,588	43,106
Total Administrative Information Technology		336,713	7,413	344,126	337,352
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	343,933	(69,307)	274,626	274,626
Cleaning, Repair & Maintenance Services	11-000-261-420	326,870	29,000	355,870	352,038
General Supplies	11-000-261-610	65,500	167	65,667	65,562
Other Objects	11-000-261-800	1,700	-	1,700	1,358
Total Required Maintenance for School Facilities		738,003	(40,140)	697,863	693,584

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Custodial Services:					
Salaries	11-000-262-100	928,178	82,442	1,010,620	1,010,618
Purchased Professional & Technical Services	11-000-262-300	3,500	-	3,500	3,500
Cleaning, Repair & Maintenance Services	11-000-262-420	53,488	(10,135)	43,353	35,013
Other Purchased Property Services	11-000-262-490	60,000	26,000	86,000	85,003
Miscellaneous Purchased Services	11-000-262-590	36,000	(3,950)	32,050	31,917
Insurance	11-000-262-520	140,000	(1,617)	138,383	137,632
General Supplies	11-000-262-610	60,000	-	60,000	59,988
Energy (Electricity)	11-000-262-622	500,000	(94,050)	405,950	393,755
Energy (Natural Gas)	11-000-262-621	110,000	27,000	137,000	136,824
Energy (Oil)	11-000-262-624	1,000	-	1,000	386
Total Custodial Services		1,892,166	25,690	1,917,856	1,894,636
Care & Upkeep of Grounds					
Salaries	11-000-263-100	151,560	21,149	172,709	172,708
Purchased Professional & Technical Services	11-000-263-300	20,000	-	20,000	19,995
Cleaning, Repair & Maintenance Services	11-000-263-420	30,200	-	30,200	30,124
General Supplies	11-000-263-610	37,500	4,000	41,500	40,923
Other Objects	11-000-263-800	1,655	-	1,655	1,627
Total Care & Upkeep of Grounds		240,915	25,149	266,064	265,377
Security					
Purchased Professional & Technical Services	11-000-266-300	95,000	(18,949)	76,051	70,987
Total Security		95,000	(18,949)	76,051	70,987

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services:					
Salaries for Pupil Transportation:					
Transportation Aides	11-000-270-107	80,000	2,481	82,481	82,481
Between Home & School - Regular	11-000-270-160	735,707	(24,572)	711,135	646,134
Between Home & School - Special	11-000-270-161	250,000	(113,000)	137,000	136,135
Between Home & School - Nonpublic	11-000-270-163	35,000	(4,261)	30,739	30,739
Other Purchased Professional & Technical Services	11-000-270-390	6,000	12,942	18,942	18,942
Cleaning, Repair & Maintenance Services	11-000-270-420	305,000	(14,500)	290,500	283,415
Lease Purchase Payments	11-000-270-443	17,766	-	17,766	17,766
Contracted Services (Special Education Students) - Vendors	11-000-270-514	-	351,799	351,799	351,248
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	25,000	(15,000)	10,000	7,257
Contracted Services (Special Education Students) - ESCS & CTSA	11-000-270-518	295,000	90,000	385,000	380,198
Aid in Lieu of Payments - Charter School Miscellaneous Purchased	11-000-270-503	18,250	47,250	65,500	64,108
Services - Transportation	11-000-270-593	115,000	(26,418)	88,582	88,581
Supplies and Materials	11-000-270-610	68,750	25,067	93,817	93,159
Transportation Supplies	11-000-270-615	325,000	(146,942)	178,058	171,928
Other Objects	11-000-270-800	12,000	8,000	20,000	19,926
Total Student Transportation Services		2,288,473	192,846	2,481,319	2,373,075
Unallocated Benefits - Employee Benefits:					
Social Security	11-000-291-220	535,000	(15,147)	519,853	507,691
Other Retirement Contributions - PERS	11-000-291-241	550,000	(55,800)	494,200	494,145
Other Retirement Contributions - Regular	11-000-291-249	15,000	-	15,000	12,935
Worker's Compensation	11-000-291-260	228,000	6,486	234,486	234,478
Health Benefits	11-000-291-270	5,244,200	(421,362)	4,822,838	4,802,224
Other Employee Benefits	11-000-291-290	205,000	36,000	241,000	237,517
Total Unallocated Benefits - Employee Benefits		6,777,200	(449,823)	6,327,377	6,288,990
Total		9,065,673	(256,977)	8,808,696	8,661,070

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	1,116,064	(1,116,064)
On-Behalf TPAF Contributions		-	-	655,847	(655,847)
On-Behalf TPAF NCGI Premium Contributions		-	-	47,185	(47,185)
Reimbursed TPAF Social Security Contribution		-	-	930,294	(930,294)
Total Nonbudgeted		-	-	2,749,390	(2,749,390)
Total Undistributed Expenditures		18,891,694	62,713	18,954,407	21,403,065
Total Expenditures - Current Expense		32,035,661	38,646	32,074,307	34,420,554
Capital Outlay:					
Equipment:					
School Sponsored & Other	12-4xx-100-730	-	139,817	139,817	127,182
Undistributed - Instructional Equipment	12-000-100-730	-	12,101	12,101	11,644
Undistributed Expense - Admin Info Tech	12-000-252-730	195,945	(14,115)	181,830	181,830
Custodial Services	12-000-262-730	-	30,813	30,813	22,013
School Buses - Regular	12-000-270-733	325,000	133,171	458,171	458,170
Total Equipment		520,945	301,787	822,732	800,839
Facilities Acquisition & Construction Services:					
Architect/Engineer	12-000-400-334	-	53,067	53,067	49,893
Construction Services	12-000-400-450	2,113,500	75,990	2,189,490	2,071,273
Assessment for Debt Service on SDA funding	12-000-400-896	114,706	-	114,706	114,706
Total Facilities Acquisition & Construction Services		2,228,206	129,057	2,357,263	2,235,872
Assets Acquired Under Capital Leases (NonBudgeted)		-	-	-	23,864
Total Capital Outlay		2,749,151	430,844	3,179,995	3,060,575
					119,420

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS			
Special Schools:						
Summer School - Instruction:	13-422-100-101	60,000	3,422	63,422	63,421	1
Salaries of Teachers	13-422-100-600	360	-	360	253	107
General Supplies						
Total Special Schools		60,360	3,422	63,782	63,674	108
Total Expenditures		34,845,172	472,912	35,318,084	37,544,803	(2,226,719)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(4,114,767)	(472,912)	(4,587,679)	(3,650,735)	936,944
Other Financing Sources/(Uses):						
Community Disaster Loan (FEMA)	10-5999	2,721,517	-	2,721,517	2,721,517	-
Capital Leases - Turf Lease	10-5999	768,690	-	768,690	768,690	-
NonBudgeted Capital Leases		-	-	-	23,864	23,864
Interest Earned on Capital Reserve	10-604	(100)	-	(100)	-	100
Interest Earned on Maintenance Reserve	10-606	(100)	-	(100)	-	100
Interest Earned on Emergency Reserve	10-607	(50)	-	(50)	-	50
Total Other Financing Sources/(Uses)		3,489,957	-	3,489,957	3,514,071	24,114
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other		(624,810)	(472,912)	(1,097,722)	(136,664)	961,058
Other Financing Sources/(Uses)		2,204,642	-	2,204,642	2,204,642	-
Fund Balances, July 1						
Fund Balances, June 30		\$ 1,579,832	\$ (472,912)	\$ 1,106,920	\$ 2,067,978	\$ 961,058

RECAPITULATION OF TRANSFERS:

Rollover Encumbrances from Prior Year	472,912
Total Transfers	<u>\$ 472,912</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Capital Reserve	\$	321,270
Emergency Reserve		50,250
Maintenance Reserve		291,648
Excess Surplus		70,842
Committed Fund Balance:		260,388
Year-end Encumbrances		31,487
Assigned Fund Balance:		350,000
ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures		692,093
Unreserved - Designated for Subsequent Year's Expenditures		2,067,978
Unassigned Fund Balance		<u>(366,814)</u>
Subtotal		<u>\$ 1,701,164</u>
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payment Not Recognized on GAAP Basis		<u>(366,814)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 1,334,350</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 794,360	\$ 250,023	\$ 1,044,383	\$ 946,339	\$ (98,044)
Other Sources	-	20,477	20,477	20,477	-
Total Revenues	794,360	270,500	1,064,860	966,816	(98,044)
Expenditures:					
Instruction:					
Salaries of Teachers	214,228	133,525	347,753	340,390	7,363
Other Purchased Services	401,053	74,310	475,363	475,363	-
General Supplies	62,596	27,977	90,573	41,793	48,780
Total Instruction	677,877	235,812	913,689	857,546	56,143
Support Services:					
Salaries of Other Professional Staff	-	3,350	3,350	3,350	-
Personal Services - Employee Benefits	42,276	43,505	85,781	72,448	13,333
Purchase of Professional Education Services	74,207	(12,167)	62,040	33,472	28,568
Rentals	-	-	-	-	-
Total Support Services	116,483	34,688	151,171	109,270	41,901
Total Expenditures	794,360	270,500	1,064,860	966,816	98,044
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 33,894,068	\$ 966,816
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	-
Current Year	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	340,753	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(366,814)	-
	\$ 33,868,007	\$ 966,816
Total Revenues as Reported on the State Personal Services - Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 33,868,007	\$ 966,816
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,544,803	\$ 966,816
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	-
Current Year	-	-
	\$ 37,544,803	\$ 966,816
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 37,544,803	\$ 966,816

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

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05994%	0.05842%
District's proportionate share of the net pension liability (asset)	\$ 11,222,596	\$ 11,165,812
District's covered-employee payroll	\$ 4,203,016	\$ 4,162,600
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	267.01%	268.24%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 528,838	\$ 494,145
Contributions in relation to the contractually required contribution	<u>528,838</u>	<u>494,145</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,203,016	\$ 4,162,600
Contributions as a percentage of covered- employee payroll	12.58%	11.87%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.13026%	0.13720%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 69,618,006	\$ 69,340,988
District's covered-employee payroll	\$ 13,451,654	\$ 13,243,968
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

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E. Special Revenue Fund

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE I	TITLE II PART A	I.D.E.A.	INSURANCE GRANT	2015
Revenues:					
Federal Sources	\$ 417,475	\$ 53,501	\$ 475,363	\$ -	\$ 946,339
Other Sources	-	-	-	20,477	20,477
Total Revenues	\$ 417,475	\$ 53,501	\$ 475,363	\$ 20,477	\$ 966,816
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 310,045	\$ 30,345	\$ -	\$ -	\$ 340,390
Other Purchased Services	-	-	475,363	-	475,363
General Supplies	41,793	-	-	-	41,793
Total Instruction	351,838	30,345	475,363	-	857,546
Support Services:					
Salaries of Other Professional Staff	-	3,350	-	-	3,350
Personal Services - Employee Benefits	65,637	6,811	-	-	72,448
Purchase of Professional Education Services	-	12,995	-	20,477	33,472
Rentals	-	-	-	-	-
Total Support Services	65,637	23,156	-	20,477	109,270
Total Expenditures	\$ 417,475	\$ 53,501	\$ 475,363	\$ 20,477	\$ 966,816

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F. Capital Projects Fund

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2015
			PRIOR YEAR	CURRENT YEAR	
Upgrades to Middle & High Schools		\$ 5,152,975	\$ 5,119,330	\$ 33,645	\$ -
Total		\$ 5,152,975	\$ 5,119,330	\$ 33,645	\$ -

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2015**

Revenues:	
State Sources - SDA Grant	\$ <u> -</u>
Total Revenue	<u> -</u>
Expenditures:	
Construction Services	<u> 30,236</u>
Total Expenditures	<u> 30,716</u>
Other Financing Sources & Uses:	
Transfer to Debt Service Fund	(2,929)
Refund of prior year's expenditures	<u> -</u>
Total Other Financing Sources & Uses	<u> (2,929)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(33,645)
Fund Balance - Beginning	<u> 33,645</u>
Fund Balance - Ending	<u><u> -</u></u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
UPGRADES TO MIDDLE AND HIGH SCHOOLS
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SCC Grant	\$ 1,039,975	\$ -	\$ 1,039,975	\$ 1,039,975
Bond Proceeds & Transfers	4,113,000	-	4,113,000	4,113,000
Total Revenues	5,152,975	-	5,152,975	5,152,975
Expenditures:				
Purchased Professional & Technical Services	551,190	480	551,670	441,000
Construction Services	4,582,502	30,236	4,612,738	4,711,975
Total Expenditures	5,133,692	30,716	5,164,408	5,152,975
Other Financing Sources & Uses:				
Transfer to Debt Service Fund	-	(2,929)	(2,929)	-
Refund of prior year's expenditures	14,362	-	14,362	-
Total Other Financing Sources & Uses	14,362	(2,929)	11,433	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 33,645	\$ (33,645)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0770-030-10-1001
Grant Date	04/19/2011
Bond Authorization Date	01/25/2011
Bonds Authorized	\$ 4,113,346
Bonds Issued	\$ 4,113,000
Original Authorized Cost	\$ 5,208,976
Reduction of Authorized Cost	\$ (56,001)
Revised Authorized Cost	\$ 5,152,975
Percentage Decrease Under Original Authorized Cost	-1.08%
Percentage Completion	100.00%

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G. Proprietary Funds

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

FOOD SERVICE FUND

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

COMMUNITY SCHOOL

This Fund provides educational programs to the Community.

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Enterprise Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Current Assets:			
Cash & Cash Equivalents	\$ 10,739	\$ 176,309	\$ 187,048
Intergovernmental Accounts			
Receivable:			
Federal	-	14,130	14,130
State	-	501	501
Other	-	9,655	9,655
Inventory	-	6,921	6,921
Total Current Assets	<u>10,739</u>	<u>207,516</u>	<u>218,255</u>
Fixed Assets:			
Equipment	-	355,325	355,325
Accumulated Depreciation	-	(322,579)	(322,579)
Total Fixed Assets	<u>-</u>	<u>32,746</u>	<u>32,746</u>
Total Assets	<u>10,739</u>	<u>240,262</u>	<u>251,001</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	30,340	30,340
Interfund Payable	-	37,422	37,422
Total Current Liabilities	<u>-</u>	<u>67,762</u>	<u>67,762</u>
NET POSITION			
Investment in Fixed Capital	-	32,746	32,746
Committed to Other Purposes	-	9,493	9,493
Unrestricted	<u>10,739</u>	<u>130,261</u>	<u>141,000</u>
Total Net Position	<u>\$ 10,739</u>	<u>\$ 172,500</u>	<u>\$ 183,239</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ -	\$ 170,783	\$ 170,783
Miscellaneous	8,900	-	8,900
Total - Daily Sales - Reimbursable Programs	8,900	170,783	179,683
Daily Sales - Nonreimbursable Programs:			
Fees	-	330,025	330,025
Total Operating Revenue	8,900	500,808	509,708
Operating Expenses:			
Salaries	5,384	-	5,384
Purchased Professional / Technical Services	-	436,208	436,208
Supplies and Materials	1,230	38,755	39,985
Depreciation	-	21,603	21,603
Miscellaneous	-	17,279	17,279
Cost of Sales	-	274,741	274,741
Total Operating Expenses	6,614	788,586	795,200
Operating/(Loss)/Gain	2,286	(287,778)	(285,492)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	-	6,647	6,647
Federal Sources:			
School Breakfast Program	-	38,035	38,035
National School Lunch Program	-	253,565	253,565
Food Distribution Program	-	41,191	41,191
Miscellaneous	-	208	208
Total Nonoperating Revenues/(Expenses)	-	339,646	339,646
Net Income/(Loss)	2,286	51,868	54,154
Total Net Position - Beginning	8,453	120,632	129,085
Total Net Position - Ending	\$ 10,739	\$ 172,500	\$ 183,239

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:			
Receipts from Daily Sales	\$ -	\$ 491,153	\$ 491,153
Receipts from Miscellaneous Items	8,900	-	8,900
Disbursements for Operating Expenses	(6,614)	(679,871)	(686,485)
	<u>2,286</u>	<u>(188,718)</u>	<u>(186,432)</u>
Cash Flows From Capital Financing Activities:			
Purchases of Fixed Assets	-	(14,193)	(14,193)
	<u>-</u>	<u>(14,193)</u>	<u>(14,193)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,647	6,647
Federal Sources	-	291,600	291,600
	<u>-</u>	<u>298,247</u>	<u>298,247</u>
Cash Flows From Investing Activities:			
Interest	-	208	208
	<u>-</u>	<u>208</u>	<u>208</u>
Net Increase in Cash & Cash Equivalents	2,286	95,544	97,830
Cash and Cash Equivalents, July 1	8,453	80,765	89,218
	<u>\$ 10,739</u>	<u>\$ 176,309</u>	<u>\$ 187,048</u>

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

Operating Loss	\$ -	\$ (287,778)	\$ (287,778)
Operating Gain	2,286	-	2,286
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	21,603	21,603
Food Distribution Program	-	41,191	41,191
Change in Assets & Liabilities:			
Decrease in Accounts Receivable	-	12,218	12,218
Increase in Inventory	-	(3,532)	(3,532)
Increase in Accounts Payable	-	27,580	27,580
	<u>-</u>	<u>99,060</u>	<u>99,060</u>
Total Adjustments	<u>-</u>	<u>99,060</u>	<u>99,060</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 2,286</u>	<u>\$ (188,718)</u>	<u>\$ (186,432)</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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

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

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 32,209	\$ 299,216	\$ 220,544	\$ 40,322	\$ 592,291
Due from Other Funds	-	26,950	-	-	26,950
Total Assets	32,209	326,166	220,544	40,322	619,241
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	5,162	5,162
Interfunds Payable	-	-	-	35,160	35,160
Due to Student Groups	-	-	220,544	-	220,544
Total Liabilities	-	-	220,544	40,322	260,866
NET POSITION					
Reserved:					
Scholarships	32,209	-	-	-	32,209
Unemployment Benefits	-	326,166	-	-	326,166
Total Net Position	\$ 32,209	\$ 326,166	\$ -	\$ -	\$ 358,375

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
ADDITIONS:			
Interest Earned	\$ 46	\$ 425	\$ 471
Donations	3,009	13,888	16,897
Board contribution	6,000	-	6,000
Total Additions	9,055	14,313	23,368
DEDUCTIONS:			
Disbursements	11,828	-	11,828
Unemployment Claims	-	65,000	65,000
Total Deductions	11,828	65,000	76,828
Change in Net Position	(2,773)	(50,687)	(53,460)
Net Position - Beginning of Year	34,982	376,853	411,835
Net Position - End of Year	\$ 32,209	\$ 326,166	\$ 358,375

**CENTRAL REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
High & Middle Schools Athletic Account	\$ 205,767	\$ 432,358	\$ 421,465	\$ 216,660
	3,280	101,639	101,035	3,884
Total	\$ 209,047	\$ 533,997	\$ 522,500	\$ 220,544

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 111,448	\$ 22,223,506	\$ 22,294,632	\$ 40,322
Total Assets	\$ 111,448	\$ 22,223,506	\$ 22,294,632	\$ 40,322
LIABILITIES				
Net Payroll Deductions & Withholdings	\$ 83,470	\$ 22,216,324	\$ 22,294,632	\$ 5,162
Interfunds	27,978	7,182	-	35,160
Total Liabilities	\$ 111,448	\$ 22,223,506	\$ 22,294,632	\$ 40,322

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I. Long-Term Debt

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2014	RETIRED	BALANCE JUNE 30, 2015
School Bonds 2011	3/29/2011	\$4,113,000	7-15-15	175,000	2.000%	\$ 3,793,000	\$ 170,000	\$ 3,623,000
			7-15-16	850,000	2.500%			
			7-15-17	750,000	3.000%			
			7-15-18	675,000	3.000%			
			7-15-19	520,000	3.250%			
			7-15-20	400,000	3.500%			
			7-15-21	253,000	3.500%			
School Refunding Bonds	5/29/2008	5,900,000	7-15-15	1,105,000	\$ 277,507	2,180,000	1,075,000	1,105,000
Total						<u>\$ 5,973,000</u>	<u>\$ 1,245,000</u>	<u>\$ 4,728,000</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
December 2009 Bus	4.50%	\$ 79,424	\$ 16,999	\$ -	\$ 16,999	\$ -
October 2009 Copiers	Variable	108,782	13,973	-	13,973	-
September 2010 Copiers	6.30%	14,525	3,809	-	3,248	561
August 2011 Copiers	5.30%	24,866	12,177	-	5,196	6,981
Copiers - FY 13	Variable	37,793	26,386	-	7,375	19,011
Copiers - FY 14	Variable	20,438	17,459	-	3,789	13,670
Copiers - FY 15	Variable	23,864	-	23,864	-	23,864
Artificial Turf	2.54%	768,690	-	768,690	-	768,690
Total			\$ 90,803	\$ 792,554	\$ 50,580	\$ 832,777

**CENTRAL REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015			POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,417,769	\$ -	\$ 1,417,769	\$ -
Total Revenues	1,417,769	-	1,417,769	-
Expenditures:				
Regular Debt Service:				
Interest on Bonds	173,124	-	173,124	-
Redemption of Principal	1,245,000	-	1,245,000	-
Total Expenditures	1,418,124	-	1,418,124	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(355)	-	(355)	-
Other Financing Sources/(Uses):				
Transfer from/(to) Other Funds	-	-	-	2,961
Total Other Financing Sources/(Uses)	-	-	-	2,961
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(355)	-	(355)	2,606
Fund Balance July 1	452	-	452	452
Fund Balance June 30	\$ 97	\$ -	\$ 97	\$ 2,961

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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

	2005	2006	2007	2008	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 14,224,438	\$ 14,473,098	\$ 14,786,517	\$ 15,817,786	\$ 22,671,570	\$ 18,445,998	\$ 21,618,461	\$ 22,638,937	\$ 23,555,121	\$ 24,923,343
Restricted for:										
Debt Service	8,037	13,528	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)
Capital Projects	548,331	576,344	861,320	-	-	3,081,772	1,148,508	61,376	33,645	-
General Fund	3,172,087	2,978,000	1,399,784	153,608	602,305	303,164	-	-	-	-
Maintenance Reserve	20,721	21,776	21,776	721,776	91,148	91,148	191,348	291,448	291,548	291,648
Emergency Reserve	-	-	-	-	-	-	50,100	50,150	50,200	50,250
Capital Reserve	-	-	-	-	-	-	553,607	519,987	670,607	321,270
Excess Surplus	-	-	-	-	-	-	-	-	-	70,842
Unrestricted	1,486,951	1,728,250	837,001	(546,530)	(756,382)	32,241	(359,935)	(413,734)	(1,918,881)	(15,875,981)
Total Governmental Activities	\$ 19,460,565	\$ 19,790,996	\$ 17,921,311	\$ 16,177,357	\$ 22,639,421	\$ 21,961,238	\$ 23,165,993	\$ 23,020,134	\$ 22,564,706	\$ 9,634,917
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 13,413	\$ 20,827	\$ 15,832	\$ 10,837	\$ 130,569	\$ 100,861	\$ 71,206	\$ 54,764	\$ 40,156	\$ 32,746
Unrestricted	137,897	131,459	131,463	92,786	7,169	32,728	71,122	46,796	88,929	150,493
Total Business-Type Activities	\$ 151,310	\$ 152,286	\$ 147,295	\$ 103,623	\$ 137,738	\$ 133,589	\$ 142,328	\$ 101,560	\$ 129,085	\$ 183,239
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 14,237,851	\$ 14,493,925	\$ 14,802,349	\$ 15,828,623	\$ 22,802,139	\$ 18,546,859	\$ 21,689,667	\$ 22,693,701	\$ 23,595,277	\$ 24,956,089
Restricted:										
Debt Service	8,037	13,528	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)
Capital Projects	548,331	576,344	861,320	-	-	3,081,772	1,148,508	61,376	33,645	-
General Fund	3,172,087	2,978,000	1,399,784	153,608	602,305	303,164	-	-	-	-
Maintenance Reserve	20,721	21,776	21,776	721,776	91,148	91,148	191,348	291,448	291,548	291,648
Emergency Reserve	-	-	-	-	-	-	50,100	50,150	50,200	50,250
Capital Reserve	-	-	-	-	-	-	553,607	519,987	670,607	321,270
Excess Surplus	-	-	-	-	-	-	-	-	-	70,842
Unrestricted	1,624,848	1,859,709	976,464	(453,744)	(749,213)	64,969	(288,813)	(366,938)	(1,829,952)	(15,725,488)
Total District Net Position	\$ 19,611,875	\$ 19,943,282	\$ 18,076,606	\$ 16,280,980	\$ 22,777,159	\$ 22,094,827	\$ 23,308,321	\$ 23,121,694	\$ 22,693,791	\$ 9,818,156

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 7,898,896	\$ 7,877,557	\$ 8,479,276	\$ 7,758,943	\$ 8,028,025	\$ 7,662,009	\$ 8,226,793	\$ 8,429,981	\$ 8,245,178	\$ 8,595,693
Special Education	2,805,886	2,909,492	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595
Other Special Instruction	21,866	25,946	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235
Vocational	43,553	40,420	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932
Other Instruction	930,683	932,555	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000
Support Services:										
Tuition	-	-	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796
Student & Instruction Related Services	4,535,165	4,157,648	2,877,217	2,968,898	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074
School Administrative Services	873,122	1,020,759	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,402
Other Administrative Services	1,458,315	1,730,895	887,873	1,731,718	1,660,117	1,495,828	790,993	930,022	788,484	842,564
Central Services	-	-	580,924	-	-	-	-	458,367	466,520	499,108
Administrative Information Technology	-	-	-	-	-	-	769,656	312,389	317,390	337,352
Plant Operations & Maintenance	2,956,250	3,063,712	3,075,898	3,320,675	3,685,340	2,981,790	2,674,594	2,905,618	2,883,091	3,492,492
Pupil Transportation	2,063,103	1,855,341	1,789,978	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104	2,278,568	2,373,075
Unallocated Benefits	6,333,761	7,197,921	9,266,203	6,903,734	7,386,709	7,860,346	8,272,378	8,979,596	8,539,224	12,266,841
Special Schools	23,588	28,939	22,125	16,954	10,812	25,084	37,885	42,338	63,951	63,674
Debt Service	423,136	404,044	381,472	1,106,388	1,129,235	256,461	302,193	258,980	210,614	204,651
Unallocated Gain on Revaluation of Fixed Assets	-	-	-	-	-	-	467,603	-	-	145,114
Unallocated Depreciation	1,315,802	1,145,729	1,190,907	1,589,372	1,432,695	1,415,116	1,372,311	1,438,287	1,555,078	1,479,428
Unallocated Compensated Absences	-	-	-	-	-	-	45,341	-	-	-
Total Governmental Activities Expenses	31,683,126	32,390,958	35,112,677	34,807,184	36,359,576	34,839,287	35,034,615	36,145,041	36,196,830	41,026,026
Business-Type Activities:										
Food Service	794,785	797,139	793,803	834,344	865,653	729,797	830,407	874,860	800,783	788,586
Drivers Education	-	-	-	7,476	-	-	-	-	-	-
Community School	4,536,000	9,599	5,902	-	11,500.00	5,458	4,923	2,387	6,135	6,614
Total Business-Type Activities Expense	799,321	806,738	799,705	841,820	877,153	735,255	835,330	877,248	806,918	795,200
Total District Expenses	\$ 32,482,447	\$ 33,197,696	\$ 35,912,382	\$ 35,649,004	\$ 37,236,729	\$ 35,574,542	\$ 35,869,945	\$ 37,022,288	\$ 37,003,748	\$ 41,821,226
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,990	\$ 178,156	\$ 437,229	\$ 550,040	\$ 622,528
Operating Grants & Contributions	3,035,221	3,941,874	4,230,798	6,657,025	3,459,367	3,118,138	899,408	5,003,718	4,367,345	7,838,413
Total Governmental Activities Program Revenues	3,035,221	3,941,874	4,230,798	6,657,025	3,459,367	3,359,128	1,077,564	5,440,947	4,917,385	8,460,941

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges for Services:										
Food Service	580,870	539,129	533,823	528,343	461,286	476,354	479,519	500,881	519,315	500,808
Community School	5,346	12,943	6,060	11,380	7,545	6,750	5,250	3,500	7,596	8,900
Operating Grants & Contributions	236,772	245,642	262,831	250,425	295,740	309,762	359,300	327,811	307,532	339,646
Total Business Type Activities Program Revenues	822,988	797,714	802,714	790,148	764,571	792,866	844,069	832,192	834,443	849,354
Total District Program Revenues	\$ 3,858,209	\$ 4,739,588	\$ 5,033,512	\$ 7,447,173	\$ 4,223,938	\$ 4,151,994	\$ 1,921,633	\$ 6,273,139	\$ 5,751,828	\$ 9,310,295
Net/(Expense)/Revenue:										
Governmental Activities	\$ (28,647,905)	\$ (28,449,084)	\$ (30,881,879)	\$ (28,150,159)	\$ (32,900,209)	\$ (31,480,159)	\$ (33,957,051)	\$ (30,704,094)	\$ (31,279,445)	\$ (32,565,085)
Business-Type Activities	23,667	(9,024)	3,009	(51,672)	(112,582)	57,611	8,739	(45,056)	27,525	54,154
Total District-Wide Net Expense	\$ (28,624,238)	\$ (28,458,108)	\$ (30,878,870)	\$ (28,201,831)	\$ (33,012,791)	\$ (31,422,548)	\$ (33,948,312)	\$ (30,749,150)	\$ (31,251,920)	\$ (32,510,931)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,701,174	\$ 23,052,945	\$ 23,725,867	\$ 24,524,902	\$ 25,356,033	\$ 26,673,913	\$ 26,673,913	\$ 27,207,391	\$ 26,026,885	\$ 26,052,630
Taxes Levied for Debt Service	1,100,523	1,124,267	1,128,760	1,121,126	1,122,604	1,102,344	1,311,872	1,321,690	1,426,015	1,417,769
Unrestricted Grants & Contributions	3,538,683	3,526,738	3,841,787	6,934,441	3,565,448	2,727,947	6,773,184	2,628,126	3,026,949	3,063,850
Tuition	6,339	82,951	44,437	-	-	-	-	-	-	-
Refund of Prior Year Expenses	-	-	-	-	-	-	-	-	14,362,000	-
Special Item - Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	354,085	580,310	271,341	241,549	505,019	297,773	402,837	224,094	296,161	300,504
Total Governmental Activities	28,700,804	28,367,211	29,012,192	32,822,018	30,549,104	30,801,977	35,161,806	30,562,524	30,790,372	30,834,753
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	1,099	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	1,099	-	-	-	-
Total District-Wide	\$ 28,700,804	\$ 28,367,211	\$ 29,012,192	\$ 32,822,018	\$ 30,549,104	\$ 30,803,076	\$ 35,161,806	\$ 30,562,524	\$ 30,790,372	\$ 30,834,753
Change in Net Position:										
Governmental Activities	\$ 52,899	\$ (81,873)	\$ (1,869,687)	\$ 4,671,859	\$ (2,351,105)	\$ (678,182)	\$ 1,204,755	\$ (141,570)	\$ (489,073)	\$ (1,730,332)
Business-Type Activities	23,667	(9,024)	3,009	(51,672)	(112,582)	58,710	8,739	(45,056)	27,525	54,154
Total District	\$ 76,566	\$ (90,897)	\$ (1,866,678)	\$ 4,620,187	\$ (2,463,687)	\$ (619,472)	\$ 1,213,494	\$ (186,626)	\$ (461,548)	\$ (1,676,178)

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

Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 3,829,781	\$ 4,579,612	\$ 1,694,473	\$ 1,846,332	\$ 767,744	\$ 497,865	\$ 1,190,360	\$ 1,232,440	\$ -	\$ -
Unreserved	1,160,286	379,117	2,276,446	723,550	321,190	126,960	102,749	24,008	-	-
Restricted	-	-	-	-	-	-	-	-	1,012,355	734,010
Assigned	-	-	-	-	-	-	-	-	200,000	381,487
Committed	-	-	-	-	-	-	-	-	472,912	260,388
Unassigned	-	-	-	-	-	-	-	-	178,622	325,279
Total General Fund	\$ 4,990,067	\$ 4,958,729	\$ 3,970,919	\$ 2,569,882	\$ 1,088,934	\$ 624,825	\$ 1,293,109	\$ 1,256,448	\$ 1,863,889	\$ 1,701,164
All Other Governmental Funds										
Restricted, Reported in:										
Capital Projects Fund	\$ 69,187	\$ 69,187	\$ -	\$ -	\$ -	\$ -	\$ 68,902	\$ 61,376	\$ 3,645	\$ -
Assigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	1,079,606	-	30,000	-
Debt Service Fund	-	-	-	-	-	-	94,368	928	452	3,058
Unreserved, Reported in:										
Special Revenue Fund	-	-	(4,294)	-	-	-	-	-	-	-
Capital Projects Fund	(311,284)	(283,271)	605,819	-	-	3,842,119	-	-	-	-
Debt Service Fund	8,037	13,527	19,953	37,349	30,780	6,915	-	-	-	-
Total All Other Governmental Funds	\$ (234,060)	\$ (200,557)	\$ 621,478	\$ 37,349	\$ 30,780	\$ 3,849,034	\$ 1,242,876	\$ 62,304	\$ 34,097	\$ 3,058

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax levy	\$ 24,801,697	\$ 24,177,212	\$ 24,854,627	\$ 25,646,028	\$ 26,478,637	\$ 27,776,257	\$ 27,985,785	\$ 28,529,081	\$ 27,452,900	\$ 27,470,399
Tuition charges	6,339	82,951	44,437	277,416	106,081	240,990	178,156	147,472	257,784	334,873
Transportation Fees	286,703	334,637	-	277,416	-	80,899	225,390	289,757	292,256	241,860
Miscellaneous	54,175	245,673	276,381	241,549	573,408	241,277	177,447	224,094	296,162	300,504
State Sources	5,711,827	6,634,841	7,837,839	5,918,561	5,309,017	4,589,953	6,618,793	6,524,978	6,506,753	6,814,452
Federal Sources	759,207	833,772	837,989	708,464	1,313,034	1,231,728	1,053,799	1,106,866	887,541	1,044,741
Other	-	-	871	30,000	-	-	-	-	-	45,795
Total revenue	31,619,948	32,309,086	33,852,144	33,099,434	33,780,177	34,161,104	36,239,370	36,822,247	35,693,396	36,252,624
Expenditures										
Instruction:										
Regular Instruction	7,177,818	7,888,477	8,432,627	7,758,943	8,028,025	7,873,336	8,308,565	8,478,025	8,340,129	8,646,273
Special Education Instruction	2,805,886	2,909,492	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595
Other Special Instruction	21,866	25,946	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235
Vocational Education	43,555	40,420	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932
Other Instruction	930,183	932,555	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000
Adult/Continuing Education	500	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,569,643	1,285,403	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796
Student & Inst. Related Services	2,768,767	2,892,307	2,877,217	2,968,899	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074
Other Administrative Services	860,832	1,020,758	887,873	1,039,457	1,046,923	846,477	790,993	930,022	788,484	842,564
School Administrative Services	873,122	985,463	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,402
Central Services										
Admin. Information Technology	671,755	793,087	580,924	220,404	613,194	649,351	307,874	458,367	466,520	499,108
Plant Operations & Maintenance	2,956,250	3,063,712	3,075,898	3,320,675	3,685,340	2,981,790	2,729,660	2,842,918	2,894,527	3,371,352
Pupil transportation	1,990,870	1,954,111	1,937,716	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104	2,278,568	2,373,075
Unallocated benefits	6,322,647	7,263,592	7,865,492	6,903,734	7,386,709	7,860,346	8,272,378	9,091,854	8,491,695	9,038,380
Special Schools	23,588	28,939	22,124	16,934	10,812	25,084	37,885	42,338	63,951	63,674
Capital outlay	93,548	95,601	643,238	1,589,372	529,020	422,387	4,105,807	2,078,619	1,209,531	3,091,291
Debt Service:										
Principal	680,000	720,000	760,000	905,000	875,000	915,000	955,000	1,155,000	1,205,000	1,245,000
Interest & Other Charges	438,327	407,057	374,007	201,388	254,235	218,061	270,050	260,486	221,586	173,124
Total Expenditures	30,229,157	32,306,920	34,017,920	34,335,328	35,455,901	34,934,485	38,314,862	38,039,481	37,126,113	39,960,459

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

EXHIBIT J-4
(PAGE 2 of 2)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,390,791	2,166	(165,776)	(1,235,894)	(1,675,724)	(773,381)	(2,075,492)	(1,217,234)	(1,432,717)	(3,707,835)
Other Financing Sources/(Uses):										
Community Disaster Loan (FEMA)	-	-	-	-	-	-	-	-	1,977,151	2,721,517
Refund of Prior Year's Expenditures	-	-	-	-	-	-	-	-	14,362	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	137,620	-	20,438	23,864
Capital Lease - Turf Lease	-	-	-	-	-	-	-	-	-	768,690
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	137,620	-	2,011,951	3,514,071
Net Change in Fund Balances	\$ 1,390,791	\$ 2,166	\$ (165,776)	\$ (1,235,894)	\$ (1,675,724)	\$ (773,381)	\$ (1,937,872)	\$ (1,217,234)	\$ 579,234	\$ (193,764)
Debt Service as a Percentage of Noncapital Expenditures	3.71%	3.50%	3.40%	3.38%	3.23%	3.28%	3.58%	3.94%	3.97%	3.85%

Source: District Records

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

Unaudited

FISCAL YEAR ENDING JUNE 30,	TUITION	TRANSPORTATION FEES	INTEREST INVESTMENT	TEXTBOOK FINES	REFUND PRIOR YEAR EXPENDITURES MISCELLANEOUS	MISCELLANEOUS	TOTAL
2006	\$ 6,339	\$ -	\$ 286,703	\$ 4,068	\$ -	\$ 51,236	\$ 348,346
2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	114,616	-	26,614	-	-	378,697	519,927
2011	240,990	80,900	22,343	-	-	218,934	563,167
2012	178,156	225,390	742	-	-	156,757	561,045
2013	147,472	289,757	1,830	-	-	199,735	638,794
2014	257,784	292,256	770	-	-	280,297	831,107
2015	334,873	241,860	150	-	-	279,845	856,728

Source: District records

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REVENUE CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
BERKELEY											
2006	54,264,350	2,333,681,590	112,297,000	12,318,000	24,746,400	2,537,307,340	782,802,200	6,886,920	2,544,685,309	0.677	3,291,995,996
2007	53,657,050	2,360,530,990	109,369,500	11,358,700	24,746,400	2,559,662,640	785,278,700	5,637,528	2,565,591,068	0.697	3,826,766,887
2008	50,153,250	2,396,731,790	118,269,500	11,358,700	24,746,400	2,601,259,640	786,616,600	4,837,667	2,606,388,907	0.699	4,453,370,497
2009	50,968,900	2,421,249,640	116,946,700	11,358,700	24,746,400	2,625,270,340	806,116,550	3,923,144	2,629,485,784	0.650	5,137,683,949
2010	49,339,700	2,447,836,590	119,958,300	11,321,600	24,756,300	2,653,212,490	809,607,400	3,462,676	2,656,968,666	0.638	5,965,950,879
2011	142,705,500	4,597,514,300	344,374,200	28,114,500	59,170,800	5,171,879,300	1,269,044,700	8,476,005	5,181,066,605	0.370	6,434,950,879
2012	132,153,900	4,599,782,500	325,273,300	24,742,200	58,796,400	5,140,748,300	1,270,623,100	6,397,133	5,147,145,433	-	5,867,719,087
2013	123,862,500	4,586,855,260	318,920,400	24,764,900	58,647,000	5,113,761,960	1,272,461,000	-	6,386,222,960	0.937	5,548,786,846
2014	149,897,200	4,566,287,760	291,170,700	24,462,500	57,997,000	5,089,815,160	1,274,856,100	-	6,364,671,260	-	5,103,594,866
2015	143,719,200	4,580,869,960	290,027,400	24,462,500	57,997,000	5,102,034,098	1,278,099,500	-	6,380,133,598	-	5,093,712,990
ISLAND HEIGHTS											
2006	2,671,300	115,922,900	10,319,400	-	193,200	129,106,800	10,139,900	138,636	129,245,436	0.755	223,177,523
2007	10,949,600	308,750,600	22,642,200	-	489,300	342,831,700	27,718,300	222,832	343,054,532	0.296	253,200,526
2008	14,113,600	304,746,000	22,721,800	-	489,300	342,070,700	25,339,700	198,353	342,269,053	0.313	339,560,976
2009	14,163,100	309,770,900	22,721,800	-	489,300	347,145,100	25,339,700	186,540	347,331,640	0.265	392,700,235
2010	13,762,500	315,343,500	23,101,200	-	489,300	352,696,500	22,460,600	189,570	375,157,100	0.301	444,532,862
2011	13,983,900	314,685,500	23,043,100	-	489,300	352,201,800	22,460,600	189,570	352,364,449	0.488	418,199,271
2012	12,913,000	314,965,700	21,616,800	-	489,300	349,984,800	22,674,700	-	372,659,500	0.866	390,346,643
2013	14,328,500	310,198,700	20,718,300	-	489,300	345,734,800	22,724,700	-	368,459,500	0.860	349,969,430
2014	15,221,700	309,324,600	20,588,200	-	489,300	345,623,800	22,736,500	-	368,360,300	-	344,899,511
2015	16,158,700	307,697,700	20,588,200	198,355	489,300	345,132,255	22,736,500	-	367,868,755	-	342,264,239
OCEAN GATE											
2006	3,778,500	246,889,400	4,683,100	-	1,299,000	256,650,000	12,207,700	169,632	256,819,632	0.322	238,874,100
2007	3,455,300	248,615,500	4,683,100	-	1,299,000	258,052,900	12,192,000	163,580	258,216,480	0.356	277,828,018
2008	3,351,000	251,009,000	4,683,100	-	1,299,000	260,342,100	12,192,000	180,432	260,161,668	0.613	279,974,938
2009	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215
2010	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215
2011	3,488,300	252,790,400	4,683,100	-	1,299,000	262,260,800	12,032,500	153,416	262,414,216	-	281,398,499
2012	3,804,100	253,620,900	4,683,100	-	1,299,000	263,407,100	12,082,500	-	275,489,600	0.969	261,862,114
2013	3,668,700	245,470,200	4,387,600	-	1,160,200	254,686,700	12,082,500	-	266,769,200	0.993	241,936,639
2014	4,510,200	243,127,500	4,277,600	-	1,160,200	253,075,500	12,360,700	-	265,436,200	-	233,593,779
2015	2,933,500	246,659,800	4,527,500	93,177	1,242,100	255,456,077	12,185,800	-	267,641,877	-	231,853,005
SEASIDE HEIGHTS											
2006	8,775,300	128,332,700	83,082,700	-	10,680,300	230,871,000	21,775,000	124,354	230,995,354	0.925	646,697,356
2007	47,218,000	542,856,200	321,099,750	-	46,627,100	937,801,050	96,202,902	357,466	938,158,516	0.257	792,242,977
2008	43,217,800	521,942,000	268,433,200	-	40,467,600	874,060,600	77,359,400	357,466	951,777,466	0.265	864,721,607
2009	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523
2010	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523
2011	44,451,600	516,178,700	255,271,300	-	39,320,400	855,222,000	79,620,500	322,996	855,544,996	-	-
2012	41,262,400	513,122,400	249,842,300	-	38,733,100	842,960,200	79,620,500	-	922,580,700	0.603	759,697,368
2013	24,298,400	383,807,400	47,238,300	-	8,372,000	1,130,583,800	60,462,400	-	678,266,400	0.595	659,553,753
2014	34,644,400	389,582,900	172,293,800	-	27,037,200	623,558,300	60,462,400	-	684,020,700	-	661,881,223
2015	28,267,900	396,077,000	188,074,300	-	28,414,000	640,833,200	62,720,400	-	703,553,600	-	659,157,786
SEASIDE PARK											
2006	11,385,500	613,845,900	51,586,600	-	6,519,500	683,337,500	91,352,600	274,732	683,612,232	0.445	1,087,670,873
2007	11,585,500	618,805,700	38,428,300	-	6,044,000	674,863,500	91,813,000	240,721	675,104,221	0.532	1,264,317,582
2008	14,841,300	622,537,400	38,525,500	-	5,522,000	681,426,200	89,803,800	237,276	681,663,476	-	1,375,662,450
2009	27,882,300	1,067,289,100	55,438,100	-	9,478,100	1,160,087,600	173,776,600	517,732	1,160,605,332	-	1,347,313,494
2010	24,129,800	1,072,533,300	55,341,400	-	9,455,200	1,161,459,700	174,260,000	466,208	1,161,925,908	0.348	1,250,938,794
2011	20,660,100	1,075,276,100	55,341,400	-	9,455,200	1,160,732,800	174,260,000	346,911	1,161,079,711	-	1,287,963,261
2012	19,623,600	1,078,527,900	54,278,400	-	9,455,200	1,161,885,100	175,362,000	-	1,337,247,100	0.431	1,260,589,237
2013	14,660,100	1,060,313,400	47,238,300	-	8,372,000	1,130,583,800	176,320,900	-	1,306,904,700	0.411	1,199,813,011
2014	24,940,100	1,047,597,800	37,875,300	-	8,354,000	1,118,767,200	176,890,500	-	1,295,657,700	-	1,175,422,568
2015	26,288,600	1,043,320,800	38,067,600	-	8,303,500	1,115,980,500	178,158,000	-	1,294,138,500	-	1,184,315,505

Abstract of Ratables - Ocean County

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

	SCHOOL DISTRICT DIRECT RATE	OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	TOTAL REGIONAL TAX RATE	LOCAL SCHOOL DISTRICT TAX RATE	MUNICIPAL TAX RATE	COUNTY TAX RATE	
Berkeley					
2006	0.650	0.902	0.746	0.660	2.958
2007	0.638	0.939	0.841	0.672	3.090
2008	0.657	0.957	0.916	0.738	3.268
2009	0.667	0.975	0.969	0.736	3.347
2010	0.370	0.557	0.505	0.393	1.825
2011	0.367	0.550	0.508	0.388	1.813
2012	0.384	0.553	0.532	0.393	1.862
2013	0.382	0.554	0.567	0.404	1.907
2014	0.383	0.555	0.610	0.407	1.955
2015	0.425	0.561	0.610	0.416	2.012
Island Heights					
2006	0.313	0.466	0.332	0.333	1.444
2007	0.265	0.465	0.382	0.289	1.401
2008	0.259	0.479	0.475	0.306	1.519
2009	0.302	0.479	0.492	0.322	1.595
2010	0.301	0.479	0.514	0.340	1.634
2011	0.349	0.488	0.508	0.335	1.680
2012	0.362	0.504	0.449	0.403	1.718
2013	0.333	0.527	0.472	0.396	1.728
2014	0.339	0.537	0.493	0.406	1.775
2015	0.332	0.556	0.502	0.414	1.804
Ocean Gate					
2006	0.322	0.571	0.538	0.316	1.747
2007	0.356	0.612	0.580	0.276	1.824
2008	0.349	0.613	0.604	0.276	1.842
2009	0.358	0.604	0.624	0.339	1.925
2010	0.363	N/A	N/A	N/A	0.363
2011	0.364	0.604	0.635	0.304	1.907
2012	0.360	0.609	0.634	0.362	1.965
2013	0.362	0.631	0.654	0.373	2.020
2014	0.365	0.647	0.659	N/A	1.671
2015	0.361	0.646	0.653	0.378	2.038
Seaside Heights					
2006	0.925	0.985	0.937	0.945	3.792
2007	0.257	0.241	0.281	0.212	0.991
2008	N/A	0.265	0.357	0.248	0.870
2009	N/A	0.265	0.440	0.250	0.955
2010	N/A	0.302	0.516	0.264	1.082
2011	0.289	0.312	0.544	0.271	1.416
2012	0.270	0.333	0.571	0.325	1.499
2013	0.267	0.328	0.813	0.417	1.825
2014	0.264	0.390	0.866	0.435	1.955
2015	0.380	0.427	0.901	0.427	2.135
Seaside Park					
2006	0.445	0.187	0.662	0.538	1.832
2007	0.532	0.190	0.681	0.576	1.979
2008	0.543	0.188	0.708	0.623	2.062
2009	0.338	0.099	0.430	0.359	1.226
2010	0.348	0.066	0.430	0.350	1.194
2011	0.382	0.062	0.430	0.377	1.251
2012	0.371	0.060	0.429	0.394	1.254
2013	0.372	0.717	0.876	0.417	2.382
2014	0.376	0.055	0.449	0.428	1.308
2015	0.428	0.053	0.449	0.439	1.369

Source: Municipal Tax Collector

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

	2015			2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Rank	Taxable Assessed Value	% of Total District Net Assessed Value
Berkeley Township					
Hovchild Partners	\$ 34,976,300	0.69%	1	N/A	N/A
RK Creek LLC	28,289,800	0.56%	2	N/A	N/A
Arlington Beach Co	21,004,600	0.41%	3	N/A	N/A
Quaker Malls	17,721,200	0.35%	4	N/A	N/A
Baywick Plaza	15,000,000	0.29%	5	N/A	N/A
Berkeley Healthcare Assoc LLC	11,500,000	0.23%	6	N/A	N/A
NJ Pulverizing Co	11,500,000	0.23%	7	N/A	N/A
Shar-A-Dee Apartments LLC	8,759,600	0.17%	8	N/A	N/A
BNJ Realty LLC	8,691,700	0.17%	9	N/A	N/A
Not available	N/A	N/A	10	N/A	N/A
Total	\$ 157,445,200	3.09%		N/A	N/A
Island Heights					
FLM Marine	N/A	N/A	1	N/A	N/A
Taxpayer #1	N/A	N/A	2	N/A	N/A
Taxpayer #2	N/A	N/A	3	N/A	N/A
Taxpayer #3	N/A	N/A	4	N/A	N/A
Taxpayer #4	N/A	N/A	5	N/A	N/A
Taxpayer #5	N/A	N/A	6	N/A	N/A
Belcor Builders	N/A	N/A	7	N/A	N/A
Nelson Property Parnters	N/A	N/A	8	N/A	N/A
Taxpayer #6	N/A	N/A	9	N/A	N/A
Taxpayer #7	N/A	N/A	10	N/A	N/A
Total	N/A	N/A		N/A	N/A
Ocean Gate					
Taxpayer #1	N/A	N/A	1	N/A	N/A
Taxpayer #2	N/A	N/A	2	N/A	N/A
Taxpayer #3	N/A	N/A	3	N/A	N/A
Taxpayer #4	N/A	N/A	4	N/A	N/A
Taxpayer #5	N/A	N/A	5	N/A	N/A
Taxpayer #6	N/A	N/A	6	N/A	N/A
Taxpayer #7	N/A	N/A	7	N/A	N/A
Taxpayer #8	N/A	N/A	8	N/A	N/A
Taxpayer #9	N/A	N/A	9	N/A	N/A
Not available	N/A	N/A	10	N/A	N/A
Total	N/A	N/A		N/A	N/A
Seaside Heights					
AFMV, LLC	\$ 25,869,400	3.02%	1	N/A	N/A
Belle Freeman Properties	9,346,300	1.40%	2	N/A	N/A
McGrath Partnership	6,322,000	1.05%	3	N/A	N/A
Shree Atlantic Hospitality LLC	5,228,800	0.79%	4	N/A	N/A
Tilles, Samuel Inc	4,837,700	0.73%	5	N/A	N/A
Seaside Heights Imp. & Dev	4,554,200	0.71%	6	N/A	N/A
Saddy Family LLC	4,404,400	0.69%	7	N/A	N/A
Taxpayer #1	4,185,900	0.67%	8	N/A	N/A
Coin Castle Amusements	3,739,600	0.63%	9	N/A	N/A
AB-Island Beach Way, LLC	3,553,000	0.56%	10	N/A	N/A
Total	\$ 72,041,300	10.25%		N/A	N/A
Seaside Park					
Taxpayer #1	1,400,000	0.12%	1	N/A	N/A
Seaside Operating Co. C/O Pascarella	1,300,000	0.11%	2	N/A	N/A
Taxpayer #2	1,054,000	0.09%	3	N/A	N/A
Taxpayer #3	625,000	0.05%	4	N/A	N/A
Taxpayer #4	603,000	0.05%	5	N/A	N/A
215/217 K Court LLC	600,000	0.05%	6	N/A	N/A
Taxpayer #5	600,000	0.05%	7	N/A	N/A
Taxpayer #6	592,500	0.05%	8	N/A	N/A
Taxpayer #7	577,500	0.05%	9	N/A	N/A
Taxpayer #8	565,000	0.05%	10	N/A	N/A
Total	\$ 7,917,000	0.67%		N/A	N/A

Source: Municipal Tax Assessor

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

Berkeley Township

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2006	78,363,792	76,983,206	98.24%	1,125,000
2007	83,291,421	81,912,967	98.34%	1,343,373
2008	88,097,099	86,427,505	98.10%	1,602,034
2009	90,845,577	88,725,383	97.66%	1,948,732
2010	94,445,148	91,457,924	96.83%	2,465,165
2011	93,298,408	90,359,508	96.85%	2,434,000
2012	95,340,610	91,663,837	96.14%	3,676,773
2013	97,466,281	# 94,388,858	96.84%	3,077,423
2014	99,811,146	96,457,125	96.63%	3,354,021
2015	N/A	N/A	N/A	N/A
Island Heights				
2006	4,983,941	4,825,946	97.39%	-
2007	5,059,435	4,960,776	98.05%	-
2008	5,282,432	5,187,348	98.20%	-
2009	5,593,649	5,527,085	98.81%	-
2010	5,743,409	5,596,952	97.45%	-
2011	5,944,428	5,743,306	96.62%	-
2012	6,038,823	5,840,955	96.72%	197,868
2013	5,982,052	5,818,612	97.26%	163,440
2014	6,141,168	6,019,877	98.02%	121,291
2015	N/A	N/A	N/A	N/A
Ocean Gate				
2006	4,504,668	4,326,912	96.05%	-
2007	1,468,697	1,468,697	100.00%	-
2008	1,607,426	1,607,426	100.00%	-
2009	1,607,559	1,539,720	95.78%	-
2010	1,607,559	1,540,363	95.82%	-
2011	5,165,541	N/A	N/A	N/A
2012	5,211,125	4,932,769	94.66%	N/A
2013	5,158,564	4,886,190	94.72%	N/A
2014	5,213,297	4,940,575	94.77%	N/A
2015	N/A	N/A	N/A	N/A
Seaside Heights				
2006	8,966,445	8,890,570	99.94%	-
2007	9,996,035	9,985,522	99.89%	-
2008	10,797,197	10,791,744	99.94%	-
2009	11,422,745	N/A	N/A	N/A
2010	12,446,585	N/A	N/A	N/A
2011	12,576,819	N/A	N/A	N/A
2012	12,636,056	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
Seaside Park				
2006	12,582,995	12,299,032	97.74%	-
2007	13,458,216	13,211,252	98.15%	-
2008	14,147,610	13,816,393	97.66%	331,217
2009	14,257,771	13,792,919	96.73%	409,926
2010	13,907,985	13,455,501	96.74%	377,470
2011	14,554,319	14,231,848	97.78%	296,997
2012	14,572,688	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A

DEBT CAPACITY INFORMATION

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

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	ANTICIPATION NOTES (BANs)	CAPITAL LEASES		PER CAPITA	PER CAPITA
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	82,705	N/A	N/A	N/A	N/A	N/A
2011	17,915,000	137,463	N/A	N/A	N/A	N/A	N/A
2010	19,010,000	188,764	N/A	N/A	19,198,764	0.00%	N/A
2009	20,635,100	194,771	N/A	N/A	20,829,871	0.00%	N/A
2008	21,630,100	316,218	N/A	N/A	21,946,318	0.00%	N/A
2007	22,575,100	265,893	N/A	N/A	22,840,993	0.00%	N/A
2006	6,783,715	148,971	N/A	N/A	6,932,686	0.00%	163

ISLAND HEIGHES

2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	653,000	N/A	N/A	N/A	653,000	N/A	N/A
2011	1,623,000	N/A	N/A	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	N/A	N/A	773,000	0.00%	N/A
2009	833,000	N/A	N/A	N/A	833,000	0.00%	N/A
2008	893,000	N/A	N/A	N/A	893,000	0.00%	N/A
2007	371,407	8,521	N/A	N/A	379,928	0.00%	202
2006	372,394	8,178	N/A	N/A	380,572	0.00%	204

OCEAN GATE

2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,350,306	N/A	N/A	N/A	1,350,306	N/A	N/A
2011	1,512,239	N/A	N/A	N/A	1,512,239	N/A	N/A
2010	1,670,992	N/A	N/A	N/A	1,670,992	0.00%	N/A
2009	1,826,722	N/A	N/A	N/A	1,826,722	0.00%	N/A
2008	1,979,643	N/A	N/A	N/A	1,979,643	0.00%	929
2007	286,175	6,566	N/A	N/A	292,741	0.00%	137
2006	323,336	7,100	N/A	N/A	330,436	0.00%	157

SEASIDE HEIGHTS

2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	260,654	N/A	N/A	N/A	N/A	N/A	N/A
2011	386,196	N/A	N/A	N/A	N/A	N/A	N/A
2010	508,823	N/A	N/A	N/A	N/A	N/A	N/A
2009	628,278	N/A	N/A	N/A	N/A	N/A	N/A
2008	17,053,822	N/A	1,900,000	N/A	18,953,822	0.00%	N/A
2007	17,837,238	N/A	N/A	N/A	17,837,238	0.00%	233
2006	16,583,099	N/A	736,250	N/A	17,319,349	0.00%	207

SEASIDE PARK

2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	797,710	2,519,200	N/A	6,323,212	N/A	N/A
2010	3,208,868	869,408	463,424	N/A	4,541,700	N/A	N/A
2009	3,411,434	951,945	450,200	N/A	4,813,579	0.00%	N/A
2008	3,614,000	992,602	N/A	N/A	4,606,602	0.00%	2,036
2007	N/A	N/A	1,757,000	N/A	1,757,000	0.00%	1,231
2006	N/A	N/A	2,042,000	N/A	2,042,000	0.00%	1,403

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

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

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	N/A	16,760,000	N/A	N/A
2011	17,915,000	N/A	17,915,000	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A
2007	6,021,641	N/A	6,021,641	0.00%	N/A
2006	6,783,715	N/A	6,783,715	0.00%	163

ISLAND HEIGHTS

2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	653,000	N/A	653,000	N/A	N/A
2011	1,623,000	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	773,000	0.00%	N/A
2009	833,000	N/A	833,000	0.00%	N/A
2008	893,000	N/A	893,000	0.00%	N/A
2007	371,407	N/A	371,407	0.00%	N/A
2006	372,394	N/A	372,394	0.00%	163

OCEAN GATE

2015	N/A	N/A	N/A	N/A	N/A
2014	1,376,000	N/A	N/A	N/A	N/A
2013	1,511,000	N/A	N/A	N/A	N/A
2012	1,641,000	N/A	N/A	N/A	N/A
2011	1,771,000	N/A	N/A	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A
2007	6,021,641	N/A	6,021,641	0.00%	N/A
2006	6,783,715	N/A	6,783,715	0.00%	163

SEASIDE HEIGHTS

2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2009	20,295,858	9,208,628	11,087,230	0.00%	N/A
2008	745,959	N/A	745,959	0.00%	N/A
2007	739,249	N/A	739,249	0.07%	457
2006	653,704	N/A	653,704	0.28%	460

SEASIDE PARK

2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	N/A	3,006,302	0.24%	N/A
2010	3,208,868	N/A	3,208,868	0.25%	N/A
2009	3,411,434	N/A	3,411,434	0.00%	N/A
2008	3,614,000	N/A	3,614,000	0.01%	N/A
2007	1,053,027	N/A	1,053,027	0.15%	457
2006	1,058,351	N/A	1,058,351	0.15%	460

CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Berkeley			
Debt Repaid With Property Taxes:			
Berkeley Township			\$ 36,237,844
Berkeley Twp Sewerage Authority			8,541,646
Berkeley Township MUA			10,023,681
Ocean County General Obligation Debt			10,992,084
Regional School Debt			<u>-</u>
Subtotal, Overlapping Debt			65,795,255
Berkeley Township Schools			<u>14,325,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 80,120,255</u></u>
Island Heights			
Debt Repaid With Property Taxes:			
Island Heights			\$ 2,680,619
Ocean County General Obligation Debt			2,318,530
Regional School Debt			<u>-</u>
Subtotal, Overlapping Debt			4,999,149
Island Heights Township School District			<u>533,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 5,532,149</u></u>
Ocean Gate			
Debt Repaid With Property Taxes:			
Ocean Gate			\$ -
Ocean County General Obligation Debt			1,166,613
Regional School Debt			<u>-</u>
Subtotal, Overlapping Debt			1,166,613
Ocean Gate School District			<u>1,016,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 2,182,613</u></u>
Seaside Heights			
Debt Repaid With Property Taxes:			
Seaside Heights			\$ -
Ocean County General Obligation Debt			-
Regional School Debt			<u>-</u>
Subtotal, Overlapping Debt			-
Seaside Heights School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ -</u></u>
Seaside Park			
Debt Repaid With Property Taxes:			
Seaside Park			\$ 6,829,995
Ocean County General Obligation Debt			5,031,440
Regional School Debt			<u>-</u>
Subtotal, Overlapping Debt			11,861,435
Seaside Park School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 99,696,452</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.

Debt outstanding data provided by each governmental unit.

NOTE - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the above Townships. This process recognizes that, when considering the District's ability to issue and repay Long-Term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 280,926,611	\$ 280,926,611	\$ 280,926,611	\$ 303,276,070	N/A	N/A	N/A	N/A	\$ 144,278,032	\$ 139,277,972
Total Net Debt Applicable to Limit	8,333,000	8,333,000	8,333,000	8,333,000	9,288,000	6,090,000	N/A	N/A	8,471,560	9,191,500
Legal Debt Margin	\$ 272,593,611	\$ 272,593,611	\$ 272,593,611	N/A	N/A	N/A	N/A	N/A	\$ 135,806,472	\$ 130,086,472
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.97%	2.97%	2.97%	N/A	N/A	N/A	N/A	N/A	5.87%	6.60%

Legal Debt Margin Calculation for Fiscal Year 2014

	Berkeley	Equalized Valuation Basis				Total
		Island Heights	Ocean Gate	Seaside Hgts	Seaside Park	
2014	\$ 5,268,660,581	\$ 354,271,485	\$ 250,220,481	N/A	\$ 1,233,030,988	\$ 7,106,183,535
2013	5,268,660,581	354,271,485	250,220,481	N/A	1,233,030,988	7,106,183,535
2012	5,268,660,581	354,271,485	250,220,481	N/A	1,233,030,988	7,106,183,535
Average Equalized Valuation of Taxable Personal Services -						\$ 21,318,550,605
Debt Limit (3.5 % of Average Equalization Value) Net Bonded School Debt						\$ 8,026,474,608
Legal Debt Margin						280,926,611 4,728,000
						\$ 276,198,611

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Berkeley			
2015	N/A	N/A	N/A
2014	41,950	N/A	9.00%
2013	41,829	N/A	12.90%
2012	41,498	43,200	15.60%
2011	41,455	40,724	14.90%
2010	* 41,331	40,291	14.20%
2009	42,975	39,331	14.00%
2008	42,783	40,975	7.10%
2007	42,664	39,214	5.30%
2006	42,577	36,773	6.00%
Island Heights			
2015	N/A	N/A	N/A
2014	N/A	N/A	N/A
2013	1,693	N/A	6.90%
2012	1,681	N/A	10.30%
2011	1,673	43,200	10.60%
2010	1,681	40,724	10.04%
2009	* 1,676	40,291	10.00%
2008	1,891	39,331	9.50%
2007	1,877	40,975	7.10%
2006	1,878	39,214	5.30%
Ocean Gate			
2015	N/A	N/A	N/A
2014	2,031	N/A	7.80%
2013	2,025	43,200	7.80%
2012	2,023	40,724	10.60%
2011	2,022	40,724	10.30%
2010	* 2,015	40,291	9.90%
2009	2,149	39,331	9.40%
2008	2,130	40,975	5.90%
2007	2,130	39,214	5.00%
2006	2,130	36,773	5.00%
Seaside Heights			
2015	N/A	N/A	N/A
2014	2,914	N/A	9.40%
2013	2,906	N/A	17.20%
2012	2,892	43,200	14.30%
2011	2,901	40,724	14.00%
2010	* 2,893	40,291	13.50%
2009	3,355	39,331	12.80%
2008	3,343	40,975	8.20%
2007	3,319	39,214	6.10%
2006	3,242	36,773	6.90%
Seaside Park			
2015	N/A	N/A	N/A
2014	1,579	N/A	7.50%
2013	1,592	43,214	6.80%
2012	1,587	43,200	13.50%
2011	1,587	40,724	13.20%
2010	* 1,582	40,291	12.70%
2009	2,329	39,331	12.10%
2008	2,317	40,975	12.10%
2007	2,306	39,214	5.70%
2006	2,302	36,773	6.50%

^c Per Capita

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

* 2010 Census

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OPERATING INFORMATION

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

NOT AVAILABLE

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	109	109	109	108	108	107	107	126	126	126
Special Education	62	62	62	62	62	54	51	51	51	51
Vocational	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	35	35	35	35	35	42	42	41	41	41
General Administration	5	5	5	5	5	7	7	5	5	5
School Administration Services	11	11	11	11	11	13	13	13	13	13
Central Service	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	3	3	3	3	3	1	1	2	2	2
Plant Operations & Maintenance	32	32	32	32	32	35	35	32	32	32
Pupil Transportation	32	32	32	32	32	32	32	32	32	32
Other Support Services	3	3	3	3	3	3	3	7	7	7
Total	299	299	299	298	298	301	298	316	316	316

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL				
2015	1966	\$ 35,451,044	\$ 18,032	-0.93%	161	14.4	10.7	1,923.0	1,824	1.47%	94.85%
2014	1895	34,489,996	18,201	7.11%	162	14.4	10.7	1,895.2	1,789	-2.96%	94.38%
2013	2033	34,545,377	16,992	2.05%	161	14.4	10.7	1,895.2	1,789	1.86%	94.38%
2012	1981	32,984,005	16,650	-0.14%	178	14.4	10.8	1,953.1	1,861	-5.77%	95.26%
2011	2002	33,379,039	16,673	5.15%	183	15.2	11.9	1917.5	1,814	-4.91%	94.60%
2010	2049	32,489,353	15,856	15.42%	199	15.7	13.8	2035.0	1,895	0.47%	93.14%
2009	2154	29,590,504	13,737	7.08%	199	15.7	13.8	2140.0	1,993	-3.79%	93.11%
2008	2187	28,057,664	12,829	-10.15%	199	15.7	13.8	2130.0	1,969	0.63%	92.44%
2007	2175	31,055,323	14,278	9.23%	199	15.7	13.8	2130.0	1,969		92.44%
2006	2218	28,993,695	13,072	3.05%	199	15.7	13.8	2214.0	2,170		98.01%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Middle School:										
Middle School:										
Square Feet	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478
Capacity (Students)	812	812	812	812	812	812	812	812	812	812
Enrollment	667	680	680	693	730	730	730	793	730	730
High School:										
High School:										
Square Feet	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420
Capacity (Students)	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Enrollment	1,256	1,266	1,266	1,225	1,482	1,482	1,482	1,428	1,482	1,482
Other:										
Superintendent Office:										
Square Feet	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Board Office:										
Square Feet	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699

Number of Schools at June 30, 2014:
 Middle School = 1
 Senior High School = 1
 Other = 0

Source: District Facilities Office

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	* SCHOOL FACILITIES PROJECT #(s)	HIGH SCHOOL	MIDDLE SCHOOL	TOTAL
2006		234,296	87,307	321,603
2007		326,452	89,705	416,157
2008		339,837	86,000	425,837
2009		330,565	52,166	382,731
2010		1,131,949	56,883	1,188,832
2011		642,861	138,969	781,830
2012		318,040	123,639	441,679
2013		491,036	169,739	660,775
2014		460,265	175,303	635,568
2015		517,192	176,392	693,584

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

Source: District records

**CENTRAL REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
Unaudited**

	Coverage	Deductible
School Package Policy (1)		
Building & Contents (All Locations)	\$ 16,000,000	\$ 1,000
Boiler and Machinery	150,000	10,000
General Automobile Liability	10,000,000	1,000
School Board Legal Liability	16,000,000	10,000
Employers Liability	16,000,000	10,000
Workers' Compensation	Per State Law	Per State Law
Student Accident Insurance (2)		
Surety Bonds (3)		
Treasurer	250,000	Per State Law
Board Secretary/Business Administrator	50,000	Per State Law

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

(2) Peoples Benefit Life Insurance Company

(3) Western Surety

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey 08721

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Central Regional School District's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2015-001.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 30, 2015



HOLMAN | FRENIA
ALLISON, P.C.

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A- 133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.

Honorable President and Members
of the Board of Education
Central Regional School District
County of Ocean
Bayville, New Jersey 08721

Report on Compliance for Each Major Federal and State Program

We have audited Central Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. Central Regional School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Central Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Central Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Opinion on Each Major State Program

Basis for Qualified Opinion on Categorical Special Education Aid, Adjustment Aid, Security Aid, School Choice Aid, PARCC Readiness Aid, and Per Pupil Growth Aid

As described in the accompanying schedule of findings and questioned costs, Central Regional School District did not comply with requirements regarding 15-495-034-5120-089 Categorical Special Education Aid, 15-495-034-5120-085 Adjustment Aid, 15-495-034-5120-084 Security Aid, 15-495-034-5120-068 School Choice Aid, 15-495-034-5120-098 PARCC Readiness Aid, and 15-495-034-5120-097 Per Pupil Growth Aid, as described in finding number 2015-001. Compliance with such requirements is necessary, in our opinion, for Central Regional School District to comply with the requirements applicable to that program.

Qualified Opinion on Categorical Special Education Aid, Adjustment Aid, Security Aid, School Choice Aid, PARCC Readiness Aid, and Per Pupil Growth Aid

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Central Regional School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Categorical Special Education Aid, Adjustment Aid, Security Aid, School Choice Aid, PARCC Readiness Aid, and Per Pupil Growth Aid state programs for the year ended June 30, 2015.

Other Matters

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

Central Regional School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Central Regional School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Central Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state

program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Regional School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Central Regional School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Central Regional School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 30, 2015

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**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	DEFERRED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR AT JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH												
STATE DEPARTMENT OF EDUCATION:												
Food Distribution Program - Commodities	10.555	\$ 41,191	7/1/14-6/30/15	\$ -	\$ -	\$ 41,191	\$ (41,191)	\$ -	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	10.553	26,158	7/1/13-6/30/14	(1,500)	-	1,500	-	-	-	-	-	-
School Breakfast Program	10.553	38,035	7/1/14-6/30/15	-	-	36,202	(38,035)	-	-	(1,833)	-	-
National School Lunch Program	10.555	234,060	7/1/13-6/30/14	(10,219)	-	3,222	-	-	6,997	-	-	-
National School Lunch Program	10.555	253,565	7/1/14-6/30/15	-	-	241,268	(253,565)	-	-	(12,297)	-	-
Total U.S. Department of Agriculture				(11,719)	-	323,383	(332,791)	-	6,997	(14,130)	-	-

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

General Fund:												
Medical Assistance Program	93.778	66,915	7/1/14-6/30/15	-	-	40,944	(66,915)	-	-	(25,971)	-	-
Medical Assistance Program (ARRA)	93.778	31,487	7/1/14-6/30/15	-	-	31,487	(31,487)	-	-	-	-	-
Community Disaster Loan (FEMA)	97.030	2,721,517	7/1/14-6/30/15	-	-	2,721,517	(2,721,517)	-	-	-	-	-
Total General Fund				-	-	2,793,948	(2,819,919)	-	-	(25,971)	-	-
Special Revenue Fund:												
N.C.L.B.												
Title I	84.010	405,470	9/1/13-8/31/14	(104,401)	-	104,401	-	-	-	-	-	-
Title I	84.010	417,475	9/1/14-8/31/15	-	-	293,861	(417,475)	-	-	(123,614)	-	-
Title II Part A	84.367	53,476	9/1/13-8/31/14	(4,950)	-	4,950	-	-	-	-	-	-
Title II Part A	84.367	54,089	9/1/14-8/31/15	-	-	36,062	(53,501)	-	-	(17,439)	-	-
I.D.E.A. Part B, Basic Regular	84.027	475,363	9/1/13-8/31/14	(71,590)	-	71,590	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	474,744	9/1/14-8/31/15	-	-	475,363	(475,363)	-	-	-	-	-
Total Special Revenue Fund				(180,941)	-	986,227	(946,339)	-	-	(141,053)	-	-
Total U.S. Department of Education				(180,941)	-	3,780,175	(3,766,258)	-	-	(167,024)	-	-
Total Federal Financial Assistance				\$ (192,660)	\$ -	\$ 4,103,558	\$ (4,099,049)	\$ -	\$ 6,997	\$ (181,154)	\$ -	\$ -

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Transportation Aid	15-495-034-5120-014	\$ 1,067,101	7/1/14-6/30/15	\$ -	-	\$ 1,067,101	(1,067,101)	\$ -	(98,717)	\$ 1,067,101
Special Education Aid	15-495-034-5120-089	1,080,992	7/1/14-6/30/15	-	-	1,080,992	(1,080,992)	-	(100,001)	1,080,992
Adjustment Aid	15-495-034-5120-085	142,822	7/1/14-6/30/15	-	-	142,822	(142,822)	-	(13,213)	142,822
Security Aid	15-495-034-5120-084	291,637	7/1/14-6/30/15	-	-	291,637	(291,637)	-	(26,979)	291,637
Choice Aid	15-495-034-5120-068	1,344,559	7/1/14-6/30/15	-	-	1,344,559	(1,344,559)	-	(124,382)	1,344,559
PARCC Readiness Aid	15-495-034-5120-098	19,050	7/1/14-6/30/15	-	-	19,050	(19,050)	-	(1,761)	19,050
Per Pupil Growth Aid	15-495-034-5120-097	19,050	7/1/14-6/30/15	-	-	19,050	(19,050)	-	(1,761)	19,050
Transportation Aid:										
Non-Public School Costs	14-495-034-5120-014	16,395	7/1/13-6/30/14	(16,395)	-	16,395	-	-	-	-
Non-Public School Costs	15-495-034-5120-014	12,036	7/1/14-6/30/15	-	-	-	(12,036)	(12,036)	-	12,036
Extraordinary Aid	14-495-034-5120-044	132,979	7/1/13-6/30/14	(132,979)	-	132,979	-	-	-	-
Extraordinary Aid	15-495-034-5120-044	113,876	7/1/14-6/30/15	-	-	-	(113,876)	(113,876)	-	113,876
Nonbudgeted:										
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	981,844	7/1/13-6/30/14	(48,847)	-	48,847	-	-	-	-
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	930,294	7/1/14-6/30/15	-	-	881,723	(930,294)	(48,571)	-	930,294
On-behalf TPAF Pension Contribution	15-495-034-5095-006	655,847	7/1/14-6/30/15	-	-	655,847	(655,847)	-	-	655,847
On-behalf TPAF Pension Contribution - NCGI Premium	15-495-034-5095-007	47,185	7/1/14-6/30/15	-	-	47,185	(47,185)	-	-	47,185
On-behalf TPAF Pension Contribution - Post Retirement	15-495-034-5095-001	1,116,064	7/1/14-6/30/15	-	-	1,116,064	(1,116,064)	-	-	1,116,064
Total General Fund				(198,221)	-	6,864,251	(6,840,513)	(174,483)	(366,814)	6,840,513
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	14-100-010-3360-067	6,062	7/1/13-6/30/14	(252)	-	252	-	-	-	-
National School Lunch Program (State Share)	15-100-010-3360-067	6,445	7/1/14-6/30/15	-	-	5,944	(6,445)	(501)	-	6,445
Total State Financial Assistance				\$ (198,473)	-	\$ 6,870,447	\$ (6,846,958)	\$ (174,984)	\$ (366,814)	\$ 6,846,958
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 04-04:										
On-Behalf TPAF Pension Contributions (Nonbudgeted)										703,032
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)										1,116,064
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04										\$ (5,027,862)

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(26,061) for the general fund and \$- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015**

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

	Federal	State	Total
General Fund	\$ 98,402	\$ 6,814,452	\$ 6,912,854
Special Revenue Fund	946,339	-	946,339
Food Service Fund	<u>332,791</u>	<u>6,647</u>	<u>339,438</u>
Total Financial Assistance	<u>\$1,377,532</u>	<u>\$ 6,821,099</u>	<u>\$ 8,198,631</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

Note 6: Federal Loans Outstanding

The Central Regional School District had a Community Disaster Loan from the Federal Emergency Management Agency outstanding in the amount of \$4,698,670 as of June 30, 2015. The loan is due on July 11, 2018 and is accruing interest at 1.5%.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
97.030	Community Disaster Loan
10.553/10.555	Child Nutrition Cluster
84.027	Special Education – Grants to States (IDEA, Part B)

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

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor’s report issued on compliance for major programs	<u>Qualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04	Yes

Identification of major programs:

GMIS Number(s)	Name of State Program
	<u>State Aid Public Cluster:</u>
495-034-5120-089	Special Education Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-014	Transportation Aid
495-034-5095-003	Reimbursed TPAF Social Security Contributions

Section II – Financial Statement Findings

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

No Current Year Findings

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

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

STATE AWARDS:

Finding 2015-001:

Information on the State Program: GMIS #'s; 15-495-034-5120-089, 15-495-034-5120-085, 15-495-034-5120-084, 15-495-034-5120-097, 15-495-034-5120-098 and 15-495-034-5120-068

Criteria:

A completed application, intent to enroll form, and a confirmation of enrollment/eligibility from the student's resident district should be retained for all students admitted into the Choice Program.

Condition:

During our audit, it was noted the required forms were not retained for eighteen out of the twenty students tested in the Choice Program.

Context:

The required forms could not be located.

Cause:

The proper forms were not retained.

Effect:

The required documentation was insufficient for the students in the Choice Program.

Recommendation:

The District should retain proper documentation for all students in the Choice Program.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2016.

**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

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

Status of Prior Year Findings

Finding 2014-001:

Criteria:

Any line-item transfers to an advertised appropriation account identified as general administrative, school administrative, central services, and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget, require county superintendent approval. Also, any transfers made to capital outlay require county superintendent approval, excluding the equipment line.

Condition:

During our testing we noted budget transfers exceeded the 10% threshold, but were not approved by the County Superintendent. We also noted a transfer was made to capital outlay without county superintendent approval.

Current Status:

This condition has been corrected for the year ended June 30, 2015.

Finding 2014-002:

Criteria:

Budget transfers should be performed when an appropriation line is going to be over expended.

Condition:

During our audit, it was noted the District over expended a budget appropriation account line.

Current Status:

This condition has been corrected for the year ended June 30, 2015.

**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued)
For the Fiscal Year Ended June 30, 2015**

Finding 2014-003:

Criteria:

A completed application, intent to enroll form, and a confirmation of enrollment/eligibility from the student's resident district should be retained for all students admitted into the Choice Program.

Condition:

During our audit, it was noted the required forms were not retained for five out of the ten students tested in the Choice Program.

Current Status:

This condition has not been corrected and is reported as Finding 2015-001.