

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND REGIONAL
BOARD OF EDUCATION
SEABROOK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**CUMBERLAND REGIONAL SCHOOL DISTRICT
OUTLINE OF CAFR**

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INTRODUCTORY SECTION

CUMBERLAND REGIONAL SCHOOL DISTRICT

65 Love Lane, Bridgeton, New Jersey 08302

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

December 14, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Cumberland Regional School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of education services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for handicapped children. The District completed the 2013-2014 fiscal year with a student enrollment of 1,246 students, which is 27 more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

AVERAGE DAILY ENROLLMENT

| <u>Fiscal Year</u> | <u>Avg. Daily Enrollment</u> |
|--------------------|------------------------------|
| 2008-09 | 1,322 |
| 2009-10 | 1,224 |
| 2010-11 | 1,197 |
| 2011-12 | 1,239 |
| 2012-13 | 1,219 |
| 2013-14 | 1,246 |
| 2014-15 | 1,255 |

2. ECONOMIC CONDITION AND OUTLOOK:

The Cumberland Regional School District, consisting of seven constituent Districts (Deerfield Township, Fairfield Township, Greenwich Township, Hopewell Township, Shiloh Borough, Stow Creek Township, and Upper Deerfield Township) continues to be in a pocket of high unemployment. We anticipate steady enrollment.

3. MAJOR INITIATIVES:

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

All Students Achieving through:

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

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

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

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

A. In the area of Programs and Practices:

Several key initiatives have been identified.

Focus:

- Development and Implementation of our Academy Programs
- Alternative Education Program
- Address At-Risk Students

Thursday Workshops

These 45-minute sessions continue to take place every Thursday during preparation periods and participants earn professional development hours. Most sessions will allow staff to showcase DI strategies they have incorporated into their instruction. Our focus is sharing best practices across the curriculum and alignment with the Danielson Framework for teaching.

B. In the area of Safety and Security:

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

Continue to engage in emergency management planning to assure school/district is prepared for any and all emergencies. Revision of plans as appropriate.

Safety drills continue to take place as per code.

Once again, a Table Top exercise is being planned to occur during this school year with Emergency Management and State Policy involvement.

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

C. In the area of Community Involvement:

Continue Phase Two of Increase Awareness

Facilities –

Signage

Increased involvement

Academic excellence

Citizen Advisory Committee minutes shared through constituent websites

Outcome

Phase II of Awareness plan

Three additional banners to be erected in spring of 2015-Basketball, Band, Key/Leo Club was accomplished by the fall of the 2015-16 school year.

D. In the area of Management and Operations:

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

- Implementation of Unit Lunch program.
- Revisit academic schedule for short term and long term.
- Initiated sharing Curriculum Coordinator across three of the five constituent districts utilizing Cumberland Regional Supervisors.
- Continuation of budget advisory committee.
- In anticipation of preparing our 16-17 budget, we will continue to look at ways that will allow us to maintain programs, share services, and continue efficiency.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting 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 control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its' responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2015, and the amount and percentage of increases in relation to prior year revenues.

Revenue

| | Amount | % of Total | Increase/ (Decrease) for June 30, 2014 | % of Increase/ (Decrease) |
|-----------------|-----------------------|----------------|--|---------------------------------|
| Local Sources | \$ 8,585,747. | 36.97% | \$ 452,894. | 5.27% |
| State Sources | 14,033,530. | 60.42% | 84,033. | 0.60% |
| Federal Sources | 607,223. | 2.61% | 5,238. | 0.86% |
| Total | <u>\$ 23,226,500.</u> | <u>100.00%</u> | <u>\$ 542,165.</u> | |

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

Expenditures

| | Amount | % of Total | Increase/ (Decrease) for June 30, 2014 | % of Increase/ (Decrease) |
|-----------------------|-----------------------|----------------|--|---------------------------------|
| Current Expense | | | | |
| Instruction | \$ 7,975,895. | 33.82% | \$ (150,291.) | -1.88% |
| Undistributed Expense | 14,231,861. | 60.35% | 325,253. | 2.29% |
| Capital Outlay | 378,255. | 1.60% | 65,295. | 17.26% |
| Debt Service | 996,849. | 4.23% | 9,360. | 0.94% |
| Total | <u>\$ 23,582,860.</u> | <u>100.00%</u> | <u>\$ 249,617.</u> | |

8. DEBT ADMINISTRATION:

At June 30, 2015 the District's outstanding debt issues included \$8,577,000 of general obligation bonds.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

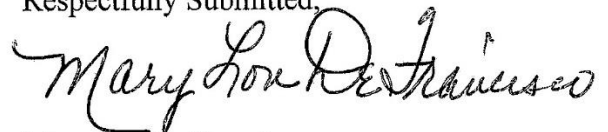
Independent Audit

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

12. ACKNOWLEDGMENTS:

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

Respectfully Submitted,



Mary Lou DeFrancisco
Interim Superintendent



Bruce D. Harbinson
School Business Administrator

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

**ROSTER OF OFFICIALS
JUNE 30, 2015**

Members of the Board of Education

| | | |
|--------------------|-----------------|------|
| Andrew Benfer | Upper Deerfield | 2015 |
| Ronald Campbell | Shiloh | 2016 |
| Thomas Davis | Stow Creek | 2016 |
| Valerie A. Gould | Deerfield | 2015 |
| Theresa Hunsberger | Hopewell | 2016 |
| Paul Jacques | Upper Deerfield | 2015 |
| Kevin Maloney | Fairfield | 2015 |
| Claude Rucker | Fairfield | 2017 |
| Valerie Wojcik | Greenwich | 2017 |

Other Officials

William J. Stonis, Superintendent

Bruce D. Harbinson, School Business Administrator

Susan G. Robostello, Treasurer of School Monies

John G. Geppert, Esq., Solicitor

CUMBERLAND REGIONAL SCHOOL DISTRICT
SEABROOK, NEW JERSEY
08302

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

John G. Geppert
SSE&C
100 South Jefferson Rd.
Suite 200
Whippany, New Jersey 07981

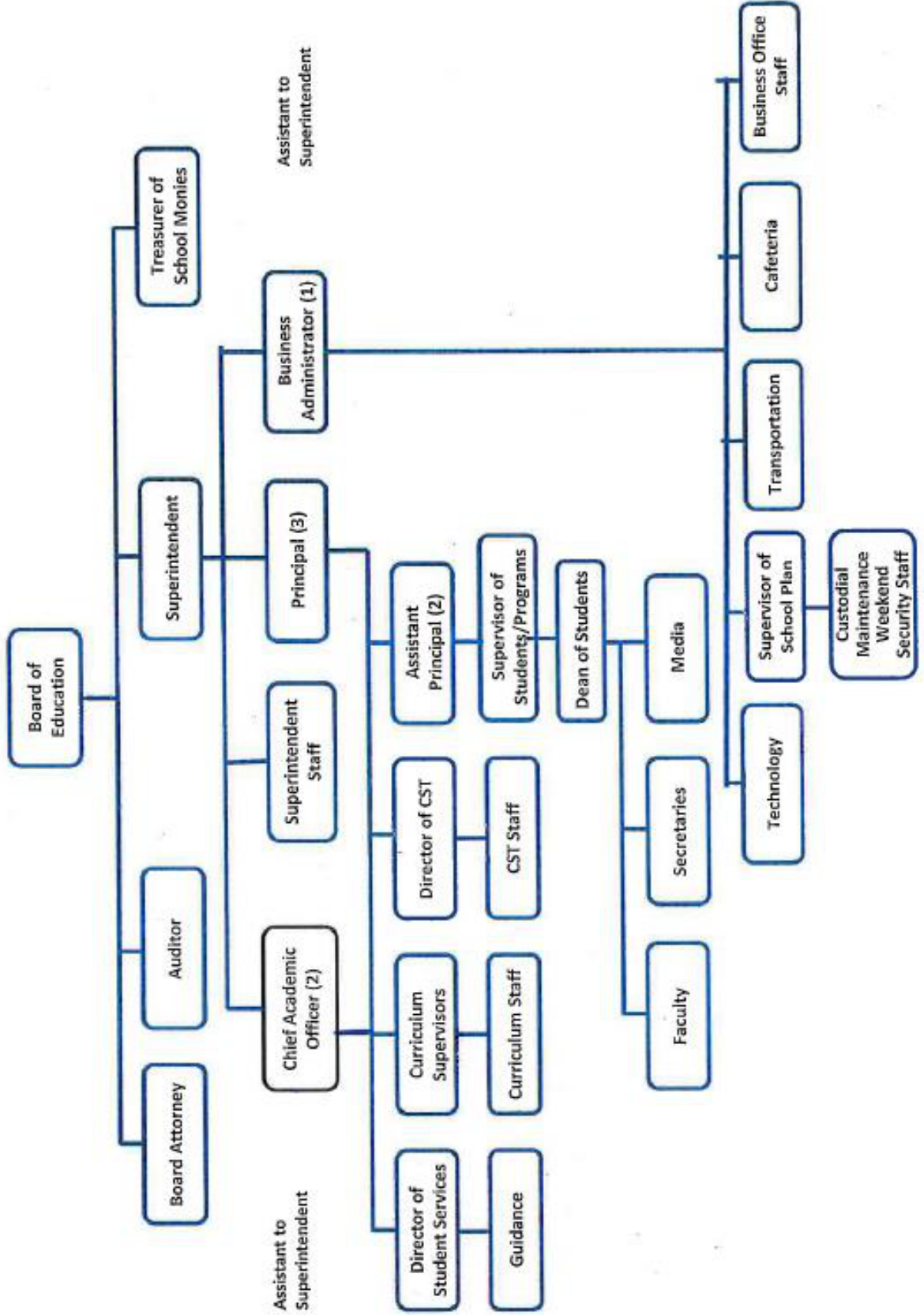
Official Depository

Cape Bank
1245 Highway 77
Upper Deerfield, NJ 08302

Architect of Record

Becica Associates LLC
500 Kings Hwy S
Cherry Hill, NJ 08034

Cumberland Regional 2015 Organizational Chart



FINANCIAL SECTION



Thinking ahead to
achieve success.

MEMBERS:

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cumberland Regional Board of Education in the County of Cumberland, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the Cumberland Regional Board of Education adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of 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, Schedules Related to Accounting and Reporting for Pension, and Notes to the Required Supplemental Information on pages 44 through 60 and 61 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland Regional Board of Education's basic financial statements. The accompanying introductory information and other supplementary information such as the combining and individual fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedule are the responsibility of management and were derived from and relate 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedules of expenditures of federal awards and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole.

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

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the Cumberland Regional Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Cumberland Regional Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,



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

December 14, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DECISION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland Regional School District Board of Education’s (CRSDBOE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has four kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (shared business services, outside tuition, etc).
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such

as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operation.

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

Net assets. The District's *combined* net assets are \$27,466 on June 30, 2015 (see Table A-1). Approximately 1% of the total net assets are from business-type activities. The balance of the total net assets, which is in excess of 99%, is attributed to governmental activities.

Changes in net assets. The District's total revenues are \$25,772 for the fiscal period ending June 30, 2015 (see Table A-2). Property taxes and state formula aid accounted for 83% of the District's revenue. 15% is derived from state and federal aid for specific programs, and the remainder, 2% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 50%. The purely administrative activities of the District accounted for 9% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total expenses surpassed revenues, decreasing net assets approximately \$1,786 last year, primarily in governmental activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$25,126. Total expenses amounted to \$26,865. The decrease in net assets in governmental activities was \$1,739 for 2015.

Business-type Activities

Revenues of the District's business-type activities amounted to \$646, and expenses were \$693.

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

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$2,267, including \$1,785 in the Capital Projects Fund. Actual other revenues were less than the amounts anticipated in the 2015 budget. The District controlled expenditures.

General Fund Budgetary Highlights

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

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

The District's final budget anticipated utilizing \$489 in unrestricted general fund balance and \$139 of prior year encumbrances and legal reserves to fund the appropriation plan for this fiscal period. An increase of \$22 in unrestricted fund balance was realized.

Actual expenditures for capital outlay amounted to \$371 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$7 was from the Special Revenue Fund and \$42 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands \$)

Capital Assets

By the end of 2015, the District had invested \$61,049 in a broad range of capital assets, including school buildings, athletic facilities, computer, audiovisual equipment and other equipment. (see Table A-3) (More detailed information about capital assets can be found in Note 6 to the financial statements.) Total depreciation expense for the year was \$2,106 while building improvements and additions to equipment and furniture amounted to \$196.

Long-term Debt

At year-end, the District had outstanding bonds in the amount of \$8,577. (More detailed information about long-term debt can be found in Note 8 to the financial statements.)

The State limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$50,643, of which \$42,065 is available for the issuance of debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|---------------------------------------|----------------------------|-------------------|-----------------------------|----------------|--------------------------|-------------------|-------------------------------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014-2015 |
| Current and Other Assets | \$ 2,716. | \$ 2,313. | \$ 242. | \$ 188. | \$ 2,958. | \$ 2,501. | -15.4% |
| Capital Assets | 40,210. | 38,300. | 87. | 90. | 40,297. | 38,390. | -4.7% |
| Total Assets | <u>\$42,926.</u> | <u>\$ 40,613.</u> | <u>\$ 329.</u> | <u>\$ 278.</u> | <u>\$ 43,255.</u> | <u>\$ 40,891.</u> | <u>-5.5%</u> |
| Deferred Outflows of Resources | <u>\$ 0.</u> | <u>\$ 997.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>0.0%</u> |
| Current Liabilities | \$ 106. | \$ 1,108. | \$ 124. | \$ 119. | \$ 230. | \$ 1,227. | 433.5% |
| Noncurrent Liabilities | 9,602. | 12,911. | | | 9,602. | 12,911. | 34.5% |
| Total Liabilities | <u>\$ 9,708.</u> | <u>\$ 14,019.</u> | <u>\$ 124.</u> | <u>\$ 119.</u> | <u>\$ 9,832.</u> | <u>\$ 14,138.</u> | <u>43.8%</u> |
| Deferred Inflows of Resources | <u>\$ 0.</u> | <u>\$ 284.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>0.0%</u> |
| Net Position | | | | | | | |
| Invested in Capital Assets | | | | | | | |
| Net of Related Debt | \$ 30,923. | \$ 29,723. | \$ 87. | \$ 90. | \$ 31,010. | \$ 29,813. | -3.9% |
| Restricted | 3,095. | 2,706. | | | 3,095. | 2,706. | -12.6% |
| Unrestricted | (800.) | (5,122.) | 118. | 69. | (682.) | (5,053.) | 640.9% |
| Total Net Position | <u>\$ 33,218.</u> | <u>\$ 27,307.</u> | <u>\$ 205.</u> | <u>\$ 159.</u> | <u>\$ 33,423.</u> | <u>\$ 27,466.</u> | <u>-17.8%</u> |

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|---|----------------------------|--------------------|-----------------------------|-----------------|--------------------------|--------------------|-------------------------------|
| | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | 2014-2015 |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 207. | \$ 240. | \$ 344. | \$ 314. | \$ 551. | \$ 554. | 0.5% |
| Federal & State Categorical Grants | 1,500. | 3,539. | 330. | 332. | 1,830. | 3,871. | 111.5% |
| General Revenues | | | | | | | |
| Property Taxes | 7,834. | 8,315. | | | 7,834. | 8,315. | 6.1% |
| State Formula Aid | 13,052. | 13,007. | | | 13,052. | 13,007. | -0.3% |
| Other | 102. | 25. | | | 102. | 25. | -75.5% |
| Total Revenues | <u>\$22,695.</u> | <u>\$25,126.</u> | <u>\$ 674.</u> | <u>\$ 646.</u> | <u>\$23,369.</u> | <u>\$25,772.</u> | <u>10.3%</u> |
| Expenses | | | | | | | |
| Instruction - Related | \$ 9,486. | \$ 9,345. | \$ 0. | \$ 0. | \$ 9,486. | \$ 9,345. | -1.5% |
| Student Support Services | 3,788. | 3,684. | 667. | 693. | 4,455. | 4,377. | -1.8% |
| Maintenance & Operations | 2,228. | 2,342. | | | 2,228. | 2,342. | 5.1% |
| Transportation | 1,828. | 1,981. | | | 1,828. | 1,981. | 8.4% |
| Administration | 2,365. | 2,363. | | | 2,365. | 2,363. | -0.1% |
| Other | 5,001. | 7,150. | | | 5,001. | 7,150. | 43.0% |
| Total Expenses | <u>\$24,696.</u> | <u>\$26,865.</u> | <u>\$ 667.</u> | <u>\$ 693.</u> | <u>\$25,363.</u> | <u>\$27,558.</u> | <u>8.7%</u> |
| Increase/ (decrease) in Net Position | <u>\$ (2,001.)</u> | <u>\$ (1,739.)</u> | <u>\$ 7.</u> | <u>\$ (47.)</u> | <u>\$ (1,994.)</u> | <u>\$ (1,786.)</u> | <u>1.6%</u> |

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|--------------------------|----------------------------|------------------|-----------------------------|---------------|--------------------------|------------------|-------------------------------|
| | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | 2014-2015 |
| Land | \$ 263. | \$ 263. | \$ 0. | \$ 0. | \$ 263. | \$ 263. | 0.0% |
| Construction in Progress | 0. | 0. | | | 0. | 0. | 0.0% |
| Site Improvements | 115. | 123. | | | 115. | 123. | 7.0% |
| Buildings & Improvements | 39,456. | 37,497. | | | 39,456. | 37,497. | -5.0% |
| Machinery & Equipment | 376. | 417. | 87. | 90. | 463. | 507. | 9.5% |
| Total | <u>\$40,210.</u> | <u>\$38,300.</u> | <u>\$ 87.</u> | <u>\$ 90.</u> | <u>\$40,297.</u> | <u>\$38,390.</u> | <u>-4.7%</u> |

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 1,878,391. | \$ 153,774. | \$ 2,032,165. |
| Receivables, net | 434,250. | 21,657. | 455,907. |
| Inventory | 0. | 12,160. | 12,160. |
| Capital assets, net | 38,299,722. | 89,940. | 38,389,662. |
| Total Assets | <u>40,612,363.</u> | <u>277,531.</u> | <u>40,889,894.</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| | <u>997,239.</u> | | <u>997,239.</u> |
| LIABILITIES: | | | |
| Accounts payable | 2,426. | 118,922. | 121,348. |
| Accounts payable - Pension | 223,933. | | 223,933. |
| Payable to State Government | 35,152. | | 35,152. |
| Unearned revenue | 7,500. | | 7,500. |
| Accrued interest | 75,016. | | 75,016. |
| Noncurrent liabilities: | | | |
| Due within one year | 763,706. | | 763,706. |
| Due in more than one year | 8,138,001. | | 8,138,001. |
| Net pension liability | 4,772,609. | | 4,772,609. |
| Total liabilities | <u>14,018,343.</u> | <u>118,922.</u> | <u>14,137,265.</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| | <u>284,422.</u> | | <u>284,422.</u> |
| NET POSITION: | | | |
| Invested in capital assets, net of related debt | 29,722,722. | 89,940. | 29,812,662. |
| Restricted for: | | | |
| Debt service | 37,011. | | 37,011. |
| Capital projects | 1,810,222. | | 1,810,222. |
| Other purposes | 858,988. | | 858,988. |
| Unrestricted | (5,122,106.) | 68,669. | (5,053,437.) |
| Total net position | <u>\$ 27,306,837.</u> | <u>\$ 158,609.</u> | <u>\$ 27,465,446.</u> |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND 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 | |
|--|----------------------|------------------------------------|---|--------------------------|
| | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 6,921,279. | \$ 0. | \$ 6,921,279. | \$ 0. |
| Special education | 1,464,861. | | (1,464,861.) | |
| Other special instruction | 4,474. | | (4,474.) | |
| Other instruction | 954,359. | | (954,359.) | |
| Support services: | | | | |
| Tuition | 1,733,692. | | (1,733,692.) | |
| Student & instruction related services | 1,950,111. | | (1,950,111.) | |
| School administrative services | 1,140,627. | | (1,140,627.) | |
| General and business administrative services | 802,610. | | (802,610.) | |
| Central services | 288,666. | | (288,666.) | |
| Admin info tech | 131,174. | | (131,174.) | |
| Plant operations and maintenance | 2,342,472. | | (2,342,472.) | |
| Pupil transportation | 1,980,995. | 217,712. | (1,763,283.) | |
| Employee benefits | 6,625,271. | | (3,085,812.) | |
| NJ Debt Service Assessment | 224,824. | | (224,824.) | |
| Interest on long-term debt | 277,755. | | (277,755.) | |
| Internal service fund | 21,952. | | 0. | |
| Total governmental activities | 26,865,122. | 239,664. | (23,085,999.) | 0. |
| Business-type activities: | | | | |
| Food Service | 693,325. | 314,213. | | (47,471.) |
| Child Study Team | 0. | | | 0. |
| Total business-type activities | 693,325. | 314,213. | | (47,471.) |
| Total primary government | \$ 27,558,447. | \$ 553,877. | \$ 3,871,100. | \$ (47,471.) |
| | | | | \$ (23,133,470.) |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes.net | | | \$ 7,964,436. | \$ 0. |
| Taxes levied for debt service | | | 350,801. | |
| Federal and state aid not restricted | | | 12,255,866. | |
| Federal and state aid restricted | | | 751,280. | |
| Tuition received | | | 11,290. | |
| Investment Earnings | | | 17,566. | |
| Miscellaneous Income | | | 31,241. | |
| Prior Year Adjustment | | | (35,152.) | |
| Total general revenues, special items, extraordinary items and transfers | | | 21,347,328. | 592. |
| Change in net position | | | (1,738,671.) | (46,879.) |
| Net position — beginning, previously reported | | | 33,218,177. | 205,488. |
| Restatement from change in accounting principle | | | (4,172,669.) | |
| Net position — beginning, restated | | | 29,045,508. | 205,488. |
| Net position — ending | | | \$ 27,306,837. | \$ 158,609. |
| | | | | \$ 27,465,446. |

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICTBALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|--|--------------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 53,132. | \$ 9,926. | \$ 1,778,252. | \$ 36,323. | \$ 0. | \$ 1,877,633. |
| Due from other funds | 4,546. | | | 688. | | 5,234. |
| Receivables from other governments | 422,047. | | 7,657. | | | 429,704. |
| Total assets | \$ 479,725. | \$ 9,926. | \$ 1,785,909. | \$ 37,011. | \$ 0. | \$ 2,312,571. |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 0. | \$ 2,426. | \$ 0. | \$ 0. | \$ 0. | \$ 2,426. |
| Interfund payable | | | 688. | | | 688. |
| Payable to state government | 35,152. | | | | | 35,152. |
| Unearned revenue | | 7,500. | | | | 7,500. |
| Total liabilities | 35,152. | 9,926. | 688. | 0. | 0. | 45,766. |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| Excess surplus-current year | 250,000. | | | | | 250,000. |
| Excess surplus -- designated for subsequent year's expenditures | 346,880. | | | | | 346,880. |
| Maintenance reserve | 262,108. | | | | | 262,108. |
| Capital reserve | 25,001. | | | | | 25,001. |
| Committed to: | | | | | | |
| Other purposes | 46,691. | | | | | 46,691. |
| Assigned to: | | | | | | |
| Debt service | | | | 14,613. | | 14,613. |
| Designated by BOE for subsequent year's expenditures | 195,095. | | | 22,398. | | 217,493. |
| Capital projects | | | 1,785,221. | | | 1,785,221. |
| Unassigned: | | | | | | |
| General fund | (681,202.) | | | | | (681,202.) |
| Total fund balances | 444,573. | 0. | 1,785,221. | 37,011. | 0. | 2,266,805. |
| Total liabilities and fund balances | \$ 479,725. | \$ 9,926. | \$ 1,785,909. | \$ 37,011. | \$ 0. | |

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

| | |
|---|-----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,312,438 and the accumulated depreciation is \$ 23,012,716. (See Note 6) | \$ 38,299,722. |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 8) | (8,976,723.) |
| Internal service fund net assets | 758. |
| Pension related items: | |
| Deferred outflows of resources | \$ 997,239. |
| Deferred inflows of resources | (284,422.) |
| Pension account payable | (223,933.) |
| Net pension liability | (4,772,609.) |
| Total pension related items: | (4,283,725.) |
| Net assets of governmental activities | \$ 27,306,837. |

See Accompanying Notes to the Basic Financial Statements

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| REVENUES: | | | | | | |
| Local sources: | | | | | | |
| Local tax levy | \$ 7,964,436. | \$ 0. | \$ 0. | \$ 350,801. | \$ 0. | \$ 8,315,237. |
| Tuition charges | 11,290. | | | | | 11,290. |
| Transportation | 217,712. | | | | | 217,712. |
| Interest Earned | 10,267. | | 7,299. | | | 17,566. |
| Miscellaneous | 12,257. | 18,984. | | | | 31,241. |
| Total local sources | 8,215,962. | 18,984. | 7,299. | 350,801. | 0. | 8,593,046. |
| State sources | 13,851,487. | 5,000. | | 177,043. | | 14,033,530. |
| Federal sources | 37,986. | 569,237. | | | | 607,223. |
| Total revenues | 22,105,435. | 593,221. | 7,299. | 527,844. | 0. | 23,233,799. |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Regular instruction | 5,762,828. | | | | | 5,762,828. |
| Special education instruction | 984,702. | 480,159. | | | | 1,464,861. |
| Other special instruction | 4,474. | | | | | 4,474. |
| Other instruction | 743,732. | | | | | 743,732. |
| Support services: | | | | | | |
| Tuition | 1,733,692. | | | | | 1,733,692. |
| Student & instruction related services | 1,894,365. | 55,746. | | | | 1,950,111. |
| School administrative services | 877,343. | | | | | 877,343. |
| Other administrative services | 539,326. | | | | | 539,326. |
| Central services | 288,666. | | | | | 288,666. |
| Administration information tech | 131,174. | | | | | 131,174. |
| Plant operations and maintenance | 2,131,845. | | | | | 2,131,845. |
| Pupil transportation | 1,980,995. | | | | | 1,980,995. |
| Employee benefits | 4,548,073. | 50,636. | | | | 4,598,709. |
| Debt service: | | | | | | |
| Principal | | | | 710,000. | | 710,000. |
| Interest and other charges | | | | 286,849. | | 286,849. |
| Capital outlay | 371,575. | 6,680. | 42,313. | | | 420,568. |
| Total expenditures | 21,992,790. | 593,221. | 42,313. | 996,849. | 0. | 23,625,173. |
| Excess (deficiency) of revenues over exp. | 112,645. | 0. | (35,014.) | (469,005.) | 0. | (391,374.) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Prior year adjustment | (35,152.) | | | | | (35,152.) |
| Transfers in | | | | 466,683. | | 466,683. |
| Transfers out | | | (466,683.) | | | (466,683.) |
| Total other financing sources and uses | (35,152.) | 0. | (466,683.) | 466,683. | 0. | (35,152.) |
| Net change in fund balance | 77,493. | 0. | (501,697.) | (2,322.) | 0. | (426,526.) |
| Fund balance—July 1 | 367,080. | 0. | 2,286,919. | 39,333. | 0. | 2,693,332. |
| Fund balance—June 30 | \$ 444,573. | \$ 0. | \$ 1,785,222. | \$ 37,011. | \$ 0. | \$ 2,266,806. |

See Accompanying Notes to the Basic Financial Statements

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

| | | |
|---|--|------------------------|
| Total net changes in fund balances - governmental funds (from B-2) | \$ | (426,526.) |
| 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 | \$ (2,106,273.) |
| | Capital outlays | 195,744. |
| | | (1,910,529.) |
| Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. | | |
| | Total capital lease principal payments | 0. |
| | Less: Amount included in capital outlays above | 0. |
| | | 0. |
| In the statement of activities, only the gain (loss) on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) | | |
| | | N/A |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | | |
| | | (9,654.) |
| 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. | | |
| | | 710,000. |
| Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets. | | |
| | Proceeds of long-term debt | 0. |
| | Capital lease proceeds | 0. |
| Decrease in accrued interest | | 9,094. |
| Adjustment to pension expense | | (2,016,908.) |
| Adjustment to on-behalf pension | | 1,905,852. |
| Decrease in net assets - internal service fund | | 0. |
| Change in net assets of governmental activities | | <u>\$ (1,738,671.)</u> |

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

| | Business-Type Activities Enterprise Fund | | Governmental Activities - |
|---|---|---------------------|------------------------------|
| | Food Service | Total Enterprise | Internal Service Fund |
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 153,774. | \$ 153,774. | \$ 758. |
| Accounts receivable: | | | |
| State | 378. | 378. | 0. |
| Federal | 20,946. | 20,946. | 0. |
| Interfund | 333. | 333. | 0. |
| Inventories | 12,160. | 12,160. | |
| Total current assets | <u>187,591.</u> | <u>187,591.</u> | <u>758.</u> |
| Noncurrent assets: | | | |
| Furniture, machinery & equipment | 231,400. | 231,400. | 0. |
| Less accumulated depreciation | (141,460.) | (141,460.) | 0. |
| Total noncurrent assets | <u>89,940.</u> | <u>89,940.</u> | <u>0.</u> |
| Total assets | <u>\$ 277,531.</u> | <u>\$ 277,531.</u> | <u>\$ 758.</u> |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 118,922. | \$ 118,922. | \$ 0. |
| Total current liabilities | <u>118,922.</u> | <u>118,922.</u> | <u>0.</u> |
| Total liabilities | <u>118,922.</u> | <u>118,922.</u> | <u>0.</u> |
| DEFERRED INFLOW OF RESOURCES: | | | |
| NET POSITION: | | | |
| Invested in capital assets net of related debt | 89,940. | 89,940. | 0. |
| Unrestricted | 68,669. | 68,669. | 758. |
| Total net position | <u>\$ 158,609.</u> | <u>\$ 158,609.</u> | <u>\$ 758.</u> |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

| | Business-Type Activities Enterprise Fund | | Governmental Activities - Internal Service Fund |
|--|---|---------------------|--|
| | Food Service | Total Enterprise | |
| Operating revenues: | | | |
| Changes for services: | | | |
| Daily sales-reimbursable programs | \$ 102,001. | \$ 102,001. | \$ 0. |
| Daily sales-nonreimbursable programs | 202,244. | 202,244. | 0. |
| Miscellaneous income | 9,968. | 9,968. | 0. |
| Charges for services | 0. | 0. | 21,952. |
| Total operating revenues | <u>314,213.</u> | <u>314,213.</u> | <u>21,952.</u> |
| Operating expenses | | | |
| Cost of sales | 241,401. | 241,401. | 0. |
| Salaries | 254,034. | 254,034. | 20,000. |
| Employee benefits | 46,596. | 46,596. | 0. |
| Management fees | 55,000. | 55,000. | 0. |
| Repair & Maintenance | 5,634. | 5,634. | 0. |
| General Supplies | 57,909. | 57,909. | 0. |
| Travel | 0. | 0. | 1,952. |
| Depreciation | 11,518. | 11,518. | 0. |
| Miscellaneous | 21,233. | 21,233. | 0. |
| Total operating expenses | <u>693,325.</u> | <u>693,325.</u> | <u>21,952.</u> |
| Operating income/(loss) | <u>(379,112.)</u> | <u>(379,112.)</u> | <u>0.</u> |
| Nonoperating revenues (expenses): | | | |
| State sources: | | | |
| State school lunch program | 5,735. | 5,735. | 0. |
| Federal sources: | | | |
| National school breakfast program | 62,597. | 62,597. | 0. |
| National school lunch program | 227,006. | 227,006. | 0. |
| Food distribution program | 36,303. | 36,303. | 0. |
| Interest on investment | 592. | 592. | 0. |
| Total nonoperation revenues (expenses) | <u>332,233.</u> | <u>332,233.</u> | <u>0.</u> |
| Change in net assets | (46,879.) | (46,879.) | 0. |
| Total net assets - beginning | <u>205,488.</u> | <u>205,488.</u> | <u>758.</u> |
| Total net assets - ending | <u>\$ 158,609.</u> | <u>\$ 158,609.</u> | <u>\$ 758.</u> |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED JUNE 30, 2015

| | <u>Business-Type Activities</u> <u>Enterprise Funds</u> | | <u>Governmental</u> <u>Activities -</u> |
|---|--|-----------------------------------|--|
| | <u>Food Service</u> <u>Fund</u> | <u>Total</u> <u>Enterprise</u> | <u>Internal</u> <u>Service Fund</u> |
| CASH FLOWS FROM OPERATING ACCT. | | | |
| Receipts from customers | \$ 304,245. | \$ 304,245. | \$ 21,952. |
| Micellaneous income/(expense) | 9,968. | 9,968. | 0. |
| Payments to suppliers | (651,826.) | (651,826.) | (21,952.) |
| Net cash provided by (used for) operating account | <u>(337,613.)</u> | <u>(337,613.)</u> | <u>0.</u> |
| CASH FLOWS FROM NONCAPITAL FIN. ACTIVITIES: | | | |
| State Sources | 5,483. | 5,483. | 0. |
| Federal Sources | 291,628. | 291,628. | 0. |
| Interfund Transfer | 76,315. | 76,315. | 0. |
| Interest on investments | 592. | 592. | 0. |
| Net cash provided by (used for) non-capital financing activities | <u>374,018.</u> | <u>374,018.</u> | <u>0.</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Purchase of equipment | (14,087.) | (14,087.) | 0. |
| Net cash provided by financing activities | <u>(14,087.)</u> | <u>(14,087.)</u> | <u>0.</u> |
| Net increase (decrease) in cash and cash equivalents | 22,318. | 22,318. | 0. |
| Balances - beginning of year | 131,456. | 131,456. | 758. |
| Balances - end of year | <u>\$ 153,774.</u> | <u>\$ 153,774.</u> | <u>\$ 758.</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (379,112.) | \$ (379,112.) | \$ 0. |
| Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | |
| Depreciation and net amortization | 11,518. | 11,518. | 0. |
| Federal commodities | 36,303. | 36,303. | 0. |
| (Increase)/decrease in inventories | (1,078.) | (1,078.) | 0. |
| Increase/(decrease) in accounts payable | (5,244.) | (5,244.) | 0. |
| Total adjustments | <u>41,499.</u> | <u>41,499.</u> | <u>0.</u> |
| Net cash provided by (used for) oper activities | <u>\$ (337,613.)</u> | <u>\$ (337,613.)</u> | <u>\$ 0.</u> |

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

CUMBERLAND REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2015

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Payroll/Agency Fund | Employee Reimbursement Fund | Student Activity |
|---------------------------|------------------------------------|-------------------------------------|------------------------|-----------------------------------|---------------------|
| Cash and cash equivalents | \$ 125,825. | \$ 8,479. | \$ 5,452. | \$ 552. | \$ 247,019. |
| Due from Unemployment | 0. | 0. | 6,767. | 0. | 0. |
| Total Assets | \$ 125,825. | \$ 8,479. | \$ 12,219. | \$ 552. | \$ 247,019. |

DEFERRED OUTFLOW OF RESOURCES:

| | | | | | |
|-----------------------------|---------------|-----------|-----------------|-----------|--------------------|
| Due to student groups | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 247,019. |
| Interfund payable | 0. | 0. | 4,879. | 0. | 0. |
| Due to payroll withholdings | 0. | 0. | 7,340. | 0. | 0. |
| Due to Agency | 6,767. | 0. | 0. | 0. | 0. |
| Total Liabilities | 6,767. | 0. | \$12,219 | 0. | \$ 247,019. |

DEFERRED INFLOW OF RESOURCES:

| | | | | | |
|--|-------------|-----------|--|---------|--|
| NET POSITION: | | | | | |
| Held in trust for unemployment claims | \$ 119,058. | | | | |
| Held in trust for employee reimbursement | | | | \$ 552. | |
| Reserved for scholarships | | \$ 8,479. | | | |

See Accompanying Notes to the Basic Financial Statements

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

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Employee Reimbursement Fund |
|-------------------------------|------------------------------------|-------------------------------------|--------------------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan member | \$ 16,730. | \$ 0. | \$ 5,500. |
| Other | 0. | 6,039. | 0. |
| Board contribution | 50,000. | 0. | 0. |
| Total contributions | 66,730. | 6,039. | 5,500. |
| Investment earnings: | | | |
| Interest | 454. | 34. | 2. |
| Net investment earnings | 454. | 34. | 2. |
| DEDUCTIONS: | | | |
| Scholarships awarded | 0. | 9,660. | 0. |
| Unemployment claims | 40,984. | 0. | 0. |
| Other | 0. | 0. | 4,950. |
| Total deductions | 40,984. | 9,660. | 4,950. |
| Change in net position | 26,200. | (3,587.) | 552. |
| NET POSITION - JULY 1 | 92,858. | 12,066. | 0. |
| NET POSITION - JUNE 30 | \$ 119,058. | \$ 8,479. | \$ 552. |

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Cumberland Regional School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine (9) members elected to three (3) year terms. These terms are staggered so that three (3) members' terms expire each year. The purpose of the District is to educate students in grades K-8. The Upper Deerfield Township School District had an approximate enrollment at June 30, 2015 of 1,335 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

B. New Accounting Standards:

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve 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 existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of governmental activities at June 30, 2014 by \$4,172,669.
- GASB 69, *Government Combinations and Disposals of Government Operations*. GASB 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The adoption of this Statement does not have an impact on the District's financial statements.

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

B. New Accounting Standards: (Cont'd)

- GASB 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of the governmental activities at June 30, 2014 by \$4,172,669.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation:

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

District Wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

A. Basis of Presentation: (Cont'd)

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

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

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

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

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

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

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

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

B. Fund Accounting: (Cont'd)

GOVERNMENTAL FUNDS (Cont'd)

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

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

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

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (Cont'd)

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

| | |
|--------------------|----------|
| Food Service Fund: | |
| Equipment | 12 years |

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

The District's Internal Service Fund is comprised of the Curriculum Consortium.

FIDUCIARY FUNDS

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

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

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

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

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

C. Basis of Accounting and Measurement Focus:

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

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem

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

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

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

(Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

D. Budgets/Budgetary Control:

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

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

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

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

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types are shown on Exhibit C-3.

E. Encumbrance Accounting:

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

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

F. Tuition Receivable:

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

G. Tuition Payable:

Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses:

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

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

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

K. Assets, Liabilities and Equity:

Transactions

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

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. There was inventory in the Food Service Fund at June 30, 2015 as shown on Exhibit G-1.

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

Capital Assets:

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at the estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of the normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

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

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

L. Accrued Salaries and Wages

Certain District employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

M. Compensated Absences:

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

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

NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Compensated Absences: (Cont'd)

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

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

N. Unearned Revenue:

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

O. Long-term Debt

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

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

P. Operating Revenues and Expenses

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

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items

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

S. Fund Equity

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

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

NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Comparative Data/Reclassifications

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

U. Management Estimates

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

V. Accrued Liabilities and Long-Term Obligations

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

W. Net Position

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

X. Fund Balance

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

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

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

Committed: The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the

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

NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Fund Balance (Cont'd)

adoption of a resolution. Once committed, amounts cannot be used for any other purposes unless the Board of Education removes, or changes, the specific use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

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

Y. Revenues – Exchange and Non-Exchange Transactions

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2015, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

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

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

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

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

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

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

Deposits: (Cont'd)

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

| | Cash and Cash Equivalents |
|------------------|------------------------------|
| Checking account | \$2,419,623. |
| TOTAL | \$2,419,623. |

Custodial Credit Risk:

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

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2015, the District's bank balance of \$3,596,840 was insured or collateralized as follows:

| | |
|---------------------------------|--------------|
| Insured by Depository Insurance | \$ 250,000. |
| Collateralized under GUDPA | 3,346,840. |
| TOTAL | \$3,596,840. |

Interest Rate Risk

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

Credit Risk

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

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

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$24,531,557 as shown in the 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 | \$1. |
| Interest earnings | 0. |
| Deposits | |
| Approved in 2014/2015 Budget | 0. |
| Board Resolution | 25,000. |
| Withdrawals | |
| Board Resolution | 0. |
| Total Withdrawals | 0. |
| Ending balance, June 30, 2015 | \$25,001. |

NOTE 5. MAINTENANCE RESERVE

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

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

| | |
|-----------------------------------|------------|
| Beginning Balance July 1, 2014 | \$148,481. |
| Deposits – (Not) Board Resolution | 139,522. |
| Withdrawals | (25,895.) |
| Ending balance June 30, 2015 | \$262,108. |

The June 30, 2015 maximum maintenance reserve amount is \$1,416,787.

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

NOTE 6. FIXED ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

| | Beginning Balance | Additions | Retirements | Adjustments | Ending Balance |
|---|----------------------|-----------------------|-------------|-------------|----------------------|
| Governmental Activities: | | | | | |
| Capital Assets that are not Being Depreciated: | | | | | |
| Construction in progress | \$0. | \$0. | \$0. | \$0. | \$0. |
| Land | 263,190. | 0. | 0. | 0. | 263,190. |
| Total Capital Assets not being Depreciated | 263,190. | 0. | 0. | 0. | 263,190. |
| Bldg. & Bldg. Improvements | 54,533,605. | 42,313. | 0. | 0. | 54,575,918. |
| Site Improvements | 907,743. | 20,412. | 0. | 0. | 928,155. |
| Machinery & Equipment | 5,412,155. | 133,020. | 0. | 0. | 5,545,175. |
| Totals at Historical Cost | 60,853,503. | 195,745. | 0. | 0. | 61,049,248. |
| Less: Accum. Deprec. for: | | | | | |
| Bldg. & Bldg. Improvements | (15,078,089.) | (2,001,976.) | 0. | 0. | (17,080,065.) |
| Site Improvements | (792,787.) | (12,052.) | 0. | 0. | (804,839.) |
| Machinery & Equipment | (5,035,567.) | (92,245.) | 0. | 0. | (5,127,812.) |
| Total Accum. Depreciation | (20,906,443.) | (2,106,273.) | 0. | 0. | (23,012,716.) |
| Total Capital Assets being depreciated net of Accum. Depreciation | 39,947,060. | (1,910,528.) | 0. | 0. | 38,036,532. |
| Government Activities Capital Assets, net | \$40,210,250. | \$(1,910,528.) | \$0. | \$0. | \$38,299,722. |
| Business-type Activities: | | | | | |
| Equipment | \$217,313. | \$14,087. | \$0. | \$0. | \$213,400. |
| Less Accum. Deprec. for: Equipment | (129,942.) | (11,518.) | 0. | 0. | (141,460.) |
| Business-type Activities Capital Assets, net | \$87,371. | \$2,569. | \$0. | \$0. | \$89,940. |

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

| | |
|--|-----------------------|
| Instruction: | |
| Regular | \$(1,158,451.) |
| Other Instruction | (210,627.) |
| Support Services: | |
| School Administration | (263,284.) |
| General and Business Administrative Services | (263,284.) |
| Plant Operations and Maintenance | (210,627.) |
| Total Depreciation Expense | <u>\$(2,106,273.)</u> |

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

NOTE 7. OPERATING LEASES

The District had operating leases for postage, copying equipment, and a school bus during the year ended June 30, 2015. The total operating lease payments made during the year ended June 30, 2015 were \$80,960. The leases expire on various dates. Future minimum payments due on the leases are as follows:

| <u>Year</u> | <u>Amount</u> |
|---------------|-------------------|
| June 30, 2016 | \$60,613. |
| June 30, 2017 | 53,698. |
| June 30, 2018 | 41,120. |
| June 30, 2019 | 6,853. |
| TOTAL | <u>\$162,284.</u> |

NOTE 8. GENERAL LONG-TERM DEBT

| <u>Type of Debt</u> | <u>Balance at 6/30/14</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance at 6/30/15</u> | <u>Amounts Due Within 1 Year</u> |
|------------------------------|-------------------------------|-----------------|---------------------|-------------------------------|--------------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences Payable | \$315,053. | \$9,654. | \$ | \$324,707. | \$43,706. |
| Bonds Payable | 9,287,000. | | (710,000.) | 8,577,000. | 720,000. |
| Accrued Interest on Bonds | 84,110. | | (9,094.) | 75,016. | 84,110. |
| Total | <u>\$9,686,163.</u> | <u>\$9,654.</u> | <u>\$(719,094.)</u> | <u>\$8,976,723.</u> | <u>\$847,816.</u> |

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

A. Bonds Payable:

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

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

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

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

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|----------------------|
| 2016 | \$720,000. | \$267,986. | \$987,986. |
| 2017 | 740,000. | 248,936. | 988,936. |
| 2018 | 775,000. | 228,563. | 1,003,563. |
| 2019 | 795,000. | 207,312. | 1,002,312. |
| 2020 | 820,000. | 181,886. | 1,001,886. |
| 2021-2025 | 4,130,000. | 480,194. | 4,610,194. |
| 2026 | 597,000. | 20,149. | 617,149. |
| | <u>\$8,577,000.</u> | <u>\$1,635,026.</u> | <u>\$10,212,026.</u> |

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

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

As of June 30, 2015, the Board had no authorized bonds that were not issued.

B. Capital Leases Payable:

As of June 30, 2015, the District has no liabilities under capital leases.

NOTE 9. PENSION PLANS

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the systems' other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies- 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is 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 district (employer) does not contribute directly to the plan (except for employer specific financial amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$43,053,836 as measured on June 30, 2014 and \$40,693,510 as measured on June 30, 2013.

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

NOTE 9. PENSION PLANS (Cont'd)

For the year ended June 30, 2015, the District recognized pension expense of \$2,316,701 and revenue of \$2,316,701 for support provided by the State. The measurement period for pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

| | 6/30/2013 | 6/30/2014 |
|--|-----------------|------------------|
| Collective deferred outflows of resources | \$ | \$2,306,623,861. |
| Collective deferred inflows of resources | | 1,763,205,593. |
| Collective net pension liability (nonemployer-State of New Jersey) | 50,539,213,484. | 53,446,745,367. |
| State's portion of the net pension liability that was associated with the district | 40,693,510. | 43,053,836. |
| State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability | 0.080519% | 0.080555% |

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|----------------------------|----------------------------|
| Inflation: | 2.5% |
| Salary Increases: | Varies based on experience |
| Investment Rate of Return: | 7.90% |

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.

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

NOTE 9. PENSION PLANS (Cont'd)

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 the TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

| <i>Asset Class</i> | <i>Target Allocation</i> | <i>Long-Term Expected Real Rate of Return</i> |
|----------------------------|--------------------------|---|
| 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 Ret | 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% |

Discount rate: The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based 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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

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

NOTE 9. PENSION PLANS (Cont'd)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

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

Summary of Significant Accounting Policies – 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$4,772,609 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.02549098% which was a decrease of .0559% from its proportionate measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$321,307. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| | <u>\$</u> | <u>\$</u> |
| Differences between expected and actual experience | \$ | \$ |
| Changes to assumptions | 150,076. | |
| Net difference between projected and actual earnings on pension plan investments | | 284,422. |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 413,086. | |
| District contributions subsequent to the measurement date | 434,077. | |
| TOTAL | <u>\$997,239.</u> | <u>\$284,422.</u> |

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

NOTE 9. PENSION PLANS (Cont'd)

\$210,144 and \$223,933 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 ended June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015 and June 30, 2016 respectively. 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 June 30: | |
|---------------------|------------|
| 2015 | \$55,748. |
| 2016 | 55,748. |
| 2017 | 55,748. |
| 2018 | 55,748. |
| 2019 | 55,748. |
| Total | \$278,740. |

| | 6/30/2013 | 6/30/2014 |
|--|-----------------|-----------------|
| Collective deferred outflows of resources | \$ | \$952,194,675. |
| Collective deferred inflows of resources | | 1,479,224,662. |
| Collective net pension liability (Non-State-Local Group) | 19,111,986,911. | 18,722,735,003. |
| District's portion of net pension liability | 4,382,813. | 4,772,609. |
| Districts Proportion % | 0.00395326% | 0.00318977% |

Actuarial assumptions – The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|--------------------------|
| Inflation: | 3.01% |
| Salary Increases: | |
| 2012-2012 | 2.15%-4.40% based on age |
| Thereafter | 3.15%-5.40% based on age |
| Investment Rate of Return: | 7.90% |

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.

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.

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

NOTE 9. PENSION PLANS (Cont'd)

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.

| <i>Asset Class</i> | <i>Target Allocation</i> | <i>Long-Term Expected Real Rate of Return</i> |
|----------------------------|--------------------------|---|
| 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 | 12.25% | 4.92% |
| Real Estate (Property) | 3.20% | 5.80% |
| Commodities | 2.50% | 5.35% |

Discount rate: The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based 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 measured as of June 30, 2014, calculated using the discount rate of 5.39%, 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:

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

NOTE 9. PENSION PLANS (Cont'd)

| | 1% Decrease (4.39%) | Current Discount Rate (5.39%) | 1% Increase (6.39%) |
|---|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$6,004,106. | \$4,772,609. | \$3,738,464. |

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) – The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

Significant Legislation – Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

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

NOTE 9. PENSION PLANS (Cont'd)

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rate increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October, 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4 year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

| Year | Annual Pension Cost (APC) | Percentage Of APC Contributed |
|----------------|---------------------------------|-------------------------------------|
| <u>Funding</u> | | |
| June 30, 2015 | \$210,144. | 100% |
| June 30, 2014 | 172,790. | 100% |
| June 30, 2013 | 183,001. | 100% |

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

| Year | Annual Pension PMR Cost | Percentage Of APC Contributed |
|----------------|-------------------------------|-------------------------------------|
| <u>Funding</u> | | |
| June 30, 2015 | \$410,849. | 100% |
| June 30, 2014 | 340,779. | 100% |
| June 30, 2013 | 520,275. | 100% |

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

NOTE 9. PENSION PLANS (Cont'd)

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$652,223 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$570,535 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

NOTE 11. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered

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

NOTE 11. COMPENSATED ABSENCES (Cont'd)

material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 12. DEFERRED COMPENSATION

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

GWN Marketing

NOTE 13. RISK MANAGEMENT

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

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

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

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Interest Income</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|------------------------|--------------------------|-----------------------|
| 2014-2015 | \$50,000. | \$16,730. | \$454. | \$40,984. | \$119,058. |
| 2013-2014 | 70,000. | 17,141. | 198. | 31,094. | 92,858. |
| 2012-2013 | 0. | 18,634. | 69. | 74,285. | 36,613. |

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

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

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 | \$4,546. | \$ |
| Capital Projects Fund | | 688. |
| Debt Service Fund | 688. | |
| Enterprise Fund | 333. | |
| Fiduciary Fund | | 4,879. |
| | \$5,567. | \$5,567. |

The balances resulted from the time lag between the dates that:

1. Interfund goods and services are provided or reimbursable expenditures occur;
2. Transactions are recorded in the accounting system, and;
3. Payments between funds are made.

The amount due from the Capital Projects Fund to the Debt Service Fund is a result of transferring the interest earned in the Capital Projects Fund.

NOTE 15. CONTINGENT LIABILITIES

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

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$596,880.

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0 in the General Fund and \$0 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

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

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

NOTE 18. FUND BALANCE APPROPRIATED

General Fund

Of the \$444,573. General Fund balance at June 30, 2015, \$46,691 is reserved for encumbrances; \$0 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23A-3.1(f)(8)*; \$596,880. is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$346,880. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$25,001 has been reserved in the Capital Reserve Account; \$262,108 has been reserved in the Maintenance Reserve Account;(\$0 of the total Maintenance Reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$195,095 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$(681,202) is unreserved and undesignated.

Capital Project Fund

Of the \$1,785,221. Capital Project Fund balance at June 30, 2015, \$340,000 has been appropriated as a transfer to the Debt Service Fund and included as anticipated revenue in the Debt Service Fund for the year ending June 30, 2016.

Debt Service Fund

Of the \$37,011. Debt Service Fund balance at June 30, 2015; \$22,398 has been appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$14,613 is unreserved and undesignated.

NOTE 19. FUND BALANCE

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2015.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$596,880; \$346,880 has been restricted and designated for utilization in the 2015-2016 budget.

Capital Reserve Account: As of June 30, 2015, the balance in the capital reserve account is \$25,001. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2015, the balance in the maintenance reserve account is \$262,108. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c.73 (S1701).

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

NOTE 19. FUND BALANCE (Cont'd)

Capital Projects: As of June 30, 2015, the balance in the capital projects account is \$1,785,221. Budgets of district projects are approved and funding by voter referendum and the School Development Authority; \$340,000 has been appropriated as a transfer to the Debt Service Fund in the 2015-2016 budget.

COMMITTED

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

Other Purposes: As of June 30, 2015, the School District had \$46,691 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

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

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$195,095 of general fund balance and \$22,398 of the debt service fund balance at June 30, 2015.

UNASSIGNED

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

General Fund:

As of June 30, 2015, the unassigned fund balance of the general fund was \$(681,202).

NOTE 20. SUBSEQUENT EVENTS

Subsequent events were evaluated by management.

NOTE 21. OTHER INFORMATION – SDA CAPITAL PROJECT

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

The District has recorded expenditures over the life of this project based on information received from the New Jersey School Development Authority. It is the District's position that this project has not yet been completed.

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

NOTE 22. OTHER INFORMATION - PRIOR YEAR ADJUSTMENT

As a result of an audit conducted by the New Jersey Department of Education it was determined that the District owed \$35,152 of prior year revenues back to the State of New Jersey. This amount will be withheld from the 2015-2016 state aid. This amount is reflected as a current liability and an adjustment to the general fund balance.

NOTE 23. RETROACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period:

The District adopted GASB No. 68 – Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. This pronouncement requires the district to record its proportional share of the State of New Jersey’s net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Governmental Activities Net Position:

| | |
|---|----------------------|
| Net Position (per A-2), June 30, 2014 | \$33,218,177. |
| Restatement of Net Pension Liability | (4,382,813.) |
| Restatement of Deferred Outflows | 210,144. |
| Net Position (per A-2), June 30, 2014 as Restated | <u>\$29,045,508.</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|--------------------|--------------------|--|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 7,964,436. | \$ 0. | \$ 7,964,436. | \$ 7,964,436. | \$ 0. |
| Tuition | | 0. | | 11,290. | 11,290. |
| Transportation | 135,415. | 0. | 135,415. | 217,712. | 82,297. |
| Interest Earned | 100. | 0. | 100. | 10,267. | 10,167. |
| Miscellaneous | 75,000. | 0. | 75,000. | 12,257. | (62,743.) |
| Total Local Sources | 8,174,951. | 0. | 8,174,951. | 8,215,962. | 41,011. |
| State Sources: | | | | | |
| Equalization Aid | 10,078,197. | 0. | 10,078,197. | 10,078,197. | 0. |
| School Choice Aid | 868,476. | (135,884.) | 732,592. | 732,592. | 0. |
| Categorical Transportation Aid | 128,298. | 0. | 128,298. | 128,298. | 0. |
| Special Education Aid | 696,669. | 0. | 696,669. | 696,669. | 0. |
| Security Aid | 178,493. | 0. | 178,493. | 178,493. | 0. |
| Adjustment Aid | 9,412. | 0. | 9,412. | 9,412. | 0. |
| Additional Adjustment Aid | 166,418. | 0. | 166,418. | 166,418. | 0. |
| PARCC Readiness Aid | 12,940. | 0. | 12,940. | 12,940. | 0. |
| Per Pupil Growth Aid | 12,940. | 0. | 12,940. | 12,940. | 0. |
| TPAF Pension (On-Behalf - Non-Budgeted) | | 0. | | 1,063,072. | 1,063,072. |
| TPAF Social Security (Reimbursed - Non-Budgeted) | 75,000. | 0. | 75,000. | 570,535. | 570,535. |
| Extraordinary Aid | | 0. | | 137,672. | 62,672. |
| Additional Non-public Transportation Aid | | 0. | | 8,521. | 8,521. |
| Total State Sources | 12,226,843. | (135,884.) | 12,090,959. | 13,795,759. | 1,704,800. |
| Federal Sources: | | | | | |
| Medical Assistance Program | 27,184. | 0. | 27,184. | 29,817. | 2,633. |
| Medical Assistance Program-ARRA | | 0. | | 8,169. | 8,169. |
| Total Federal Sources | 27,184. | 0. | 27,184. | 37,986. | 10,802. |
| Total Revenues | 20,428,978. | (135,884.) | 20,293,094. | 22,049,707. | 1,756,613. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|--|
| Expenditures: | | | | | |
| Current Expense: | | | | | |
| Regular Programs: | | | | | |
| Grades 9 - 12 Instruction: | | | | | |
| Salaries of Teachers | \$ 5,172,900. | \$ (202,221.) | \$ 4,970,679. | \$ 4,912,738. | \$ 57,941. |
| Home Instruction: | | | | | |
| Salaries of Teachers | 40,000. | 0. | 40,000. | 28,036. | 11,964. |
| Purchased Professional Educational Services | 50,000. | (17,426.) | 32,574. | 32,574. | 0. |
| Regular programs - undistributed instruction: | | | | | |
| Other Salaries for Instruction | 229,500. | (34,482.) | 195,018. | 194,220. | 798. |
| Purchased Professional Services | 0. | 124,990. | 124,990. | 101,585. | 23,405. |
| Other Purchased Services | 149,700. | 8,410. | 158,110. | 125,793. | 32,317. |
| General Supplies | 302,350. | (7,046.) | 295,304. | 293,027. | 2,277. |
| Textbooks | 50,000. | (462.) | 49,538. | 49,463. | 75. |
| Other Objects | 30,000. | (4,462.) | 25,538. | 25,392. | 146. |
| Total Regular Programs | <u>6,024,450.</u> | <u>(132,699.)</u> | <u>5,891,751.</u> | <u>5,762,828.</u> | <u>128,923.</u> |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 180,000. | (180,000.) | 0. | 0. | 0. |
| Purchased Technical Services | 0. | 1,000. | 1,000. | 1,000. | 0. |
| General Supplies | 1,500. | (605.) | 895. | 895. | 0. |
| Textbooks | 1,000. | (1,000.) | 0. | 0. | 0. |
| Total Learning and/or Language Disabilities | <u>182,500.</u> | <u>(180,605.)</u> | <u>1,895.</u> | <u>1,895.</u> | <u>0.</u> |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-------------------|-------------------|-----------------|-----------------|----------------------------------|
| Behavioral Disabilities: | | | | | |
| Salaries of Teachers | \$ 320,000. | \$ (233,875.) | \$ 86,125. | \$ 86,125. | \$ 0. |
| Purchased Technical Services | 0. | 4,000. | 4,000. | 4,000. | 0. |
| General Supplies | 7,000. | (1,633.) | 5,367. | 5,367. | 0. |
| Textbooks | 4,000. | (4,000.) | 0. | 0. | 0. |
| Total Behavioral Disabilities | 331,000. | (235,508.) | 95,492. | 95,492. | 0. |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 0. | 143,763. | 143,763. | 143,763. | 0. |
| Other salaries for Instruction | 115,000. | 11,247. | 126,247. | 126,246. | 1. |
| General Supplies | 3,700. | (666.) | 3,034. | 3,034. | 0. |
| Total Multiple Disabilities | 118,700. | 154,344. | 273,044. | 273,043. | 1. |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 530,000. | (69,171.) | 460,829. | 460,829. | 0. |
| Purchased Technical Services | 0. | 1,000. | 1,000. | 1,000. | 0. |
| General Supplies | 1,500. | (653.) | 847. | 847. | 0. |
| Textbooks | 1,000. | (1,000.) | 0. | 0. | 0. |
| Total Resource Room/Resource Center | 532,500. | (69,824.) | 462,676. | 462,676. | 0. |
| Autism: | | | | | |
| Salaries of Teachers | 0. | 151,596. | 151,596. | 151,596. | 0. |
| Total Autism | 0. | 151,596. | 151,596. | 151,596. | 0. |
| Total Special Education - Instruction | 1,164,700. | (179,997.) | 984,703. | 984,702. | 1. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|------------|--|
| Basic Skills/Remedial - Instruction: | | | | | |
| Other Objects | \$ 12,250. | \$ (7,776.) | \$ 4,474. | \$ 4,474. | \$ 0. |
| Total Basic Skills/Remedial | 12,250. | (7,776.) | 4,474. | 4,474. | 0. |
| School Sponsored Co-Curricular Act. - Instruction: | | | | | |
| Salaries | 106,000. | (30.) | 105,970. | 104,766. | 1,204. |
| Purchased Services | 4,050. | 184. | 4,234. | 4,234. | 0. |
| Supplies and Materials | 1,000. | 500. | 1,500. | 1,500. | 0. |
| Other Objects | 40,000. | 60. | 40,060. | 40,060. | 0. |
| Total School Spon Co-Curricular Act. - Instruction | 151,050. | 714. | 151,764. | 150,560. | 1,204. |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 296,000. | (1,206.) | 294,794. | 291,899. | 2,895. |
| Purchased Services | 96,260. | (29,755.) | 66,505. | 66,505. | 0. |
| Supplies and Materials | 48,500. | 14,383. | 62,883. | 62,757. | 126. |
| Other Objects | 10,000. | (525.) | 9,475. | 9,475. | 0. |
| Total School Sponsored Athletics - Instruction | 450,760. | (17,103.) | 433,657. | 430,636. | 3,021. |
| Alternative Education Program - Instruction: | | | | | |
| Salaries of Teachers | 150,000. | 0. | 150,000. | 133,821. | 16,179. |
| General Supplies | 2,000. | (2,000.) | 0. | 0. | 0. |
| Total Alternative Education Program - Instruction | 152,000. | (2,000.) | 150,000. | 133,821. | 16,179. |
| Alternative Education Program - Support Services: | | | | | |
| Salaries | 52,000. | 0. | 52,000. | 28,715. | 23,285. |
| Total Alternative Education Program - Support Services | 52,000. | 0. | 52,000. | 28,715. | 23,285. |
| Total Instruction | 8,007,210. | (338,861.) | 7,668,349. | 7,495,736. | 172,613. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|--|
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition - Other LEA in State - Regular | \$ 13,000. | \$ 4,000. | \$ 17,000. | \$ 15,326. | \$ 1,674. |
| Tuition - Other LEA in State - Spec. Ed. | 0. | 16,000. | 16,000. | 8,700. | 7,300. |
| Tuition- Co. Voc. School Dist. - Regular | 90,000. | 139,000. | 229,000. | 224,089. | 4,911. |
| Tuition- Co. Voc. School Dist. - Special Ed. | 148,000. | 15,000. | 163,000. | 159,870. | 3,130. |
| Tuition- CSSD & Regional Day Schools | 298,449. | 245,443. | 543,892. | 542,869. | 1,023. |
| Tuition - Priv. School Disabled w/ in state | 582,000. | 25,000. | 607,000. | 600,507. | 6,493. |
| Tuition - Priv. School Disabled & Other LEA's | 75,000. | (75,000.) | 0. | 0. | 0. |
| Tuition - State Facilities | 142,551. | 0. | 142,551. | 142,551. | 0. |
| Tuition - Other | 39,000. | 780. | 39,780. | 39,780. | 0. |
| Total Undistributed Expenditures - Education | 1,388,000. | 370,223. | 1,758,223. | 1,733,692. | 24,531. |
| Attendance and Social Work Services: | | | | | |
| Salaries | 45,500. | 0. | 45,500. | 45,450. | 50. |
| Total Attendance and Social Work Services | 45,500. | 0. | 45,500. | 45,450. | 50. |
| Health services: | | | | | |
| Salaries | 140,400. | 0. | 140,400. | 137,921. | 2,479. |
| Purchased Professional and Technical Services | 205,000. | (91,400.) | 113,600. | 95,486. | 18,114. |
| Supplies and Materials | 1,600. | (175.) | 1,425. | 1,395. | 30. |
| Other Objects | 150. | (150.) | 0. | 0. | 0. |
| Total Health Services | 347,150. | (91,725.) | 255,425. | 234,802. | 20,623. |
| Speech, OT, PT and Related Services: | | | | | |
| Salaries | 0. | 8,000. | 8,000. | 7,873. | 127. |
| Purchased Professional Educational Services | 0. | 50,922. | 50,922. | 50,922. | 0. |
| Total Speech, OT, PT and Related Services | 0. | 58,922. | 58,922. | 58,795. | 127. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|------------------|--------------|-------------|----------------------------------|
| Other Support Services - Extraordinary Services: | | | | | |
| Purchased Professional/Educational Services | \$ 60,000. | \$ 104,178. | \$ 164,178. | \$ 147,254. | \$ 16,924. |
| Total Other Support Serviced - Extraordinary Services | 60,000. | 104,178. | 164,178. | 147,254. | 16,924. |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | 499,100. | 0. | 499,100. | 492,923. | 6,177. |
| Salaries of Secretarial and Clerical Assistants | 91,500. | 0. | 91,500. | 90,900. | 600. |
| Purchased Professional Services | 25,000. | 8,000. | 33,000. | 32,900. | 100. |
| Other Purchased Services | 500. | 0. | 500. | 399. | 101. |
| Supplies and Materials | 8,000. | (4,176.) | 3,824. | 3,811. | 13. |
| Other Objects | 17,000. | (14,900.) | 2,100. | 2,100. | 0. |
| Total Guidance | 641,100. | (11,076.) | 630,024. | 623,033. | 6,991. |
| Child Study Teams: | | | | | |
| Salaries of Other Professional Staff | 207,500. | (53,831.) | 153,669. | 146,221. | 7,448. |
| Salaries of Secretarial and Clerical Assistants | 47,000. | 20,000. | 67,000. | 66,810. | 190. |
| Purchased Professional Educational Services | 27,000. | (600.) | 26,400. | 11,776. | 14,624. |
| Supplies and Materials | 500. | (500.) | 0. | 0. | 0. |
| Total Child Study Teams | 282,000. | (34,931.) | 247,069. | 224,807. | 22,262. |
| Improvement of Instruction Services: | | | | | |
| Salaries of Supervisors of Instruction | 423,500. | (23,000.) | 400,500. | 374,323. | 26,177. |
| Salaries of Secretarial and Clerical Assistants | 47,000. | 0. | 47,000. | 46,810. | 190. |
| Salaries Other | 0. | 6,000. | 6,000. | 3,750. | 2,250. |
| Other Purchased/Professional Services | 50,000. | (37,000.) | 13,000. | 0. | 13,000. |
| Other Purchased Services | 10,000. | 23,950. | 33,950. | 12,555. | 21,395. |
| Total Improvement of Instructional Services | 530,500. | (30,050.) | 500,450. | 437,438. | 63,012. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|-----------------|--|
| Educational Media Services: | | | | | |
| Salaries of Technology Coordinators | \$ 92,000. | \$ 0. | \$ 92,000. | \$ 90,409. | \$ 1,591. |
| Other Purchased Services | 1,250. | (750.) | 500. | 500. | 0. |
| Supplies and Materials | 33,500. | (1,480.) | 32,020. | 31,877. | 143. |
| Total Educational Media Services | 126,750. | (2,230.) | 124,520. | 122,786. | 1,734. |
| Support Services - General Administration: | | | | | |
| Salaries | 199,500. | 0. | 199,500. | 196,816. | 2,684. |
| Legal Services | 100,000. | 90,590. | 190,590. | 190,591. | (1.) |
| Audit Fees | 27,500. | 0. | 27,500. | 26,500. | 1,000. |
| Architect Fees | 25,000. | (22,000.) | 3,000. | 0. | 3,000. |
| Communications/Telephone | 62,000. | 0. | 62,000. | 50,982. | 11,018. |
| BOE Other Purchased Services | 3,000. | 5,000. | 8,000. | 5,148. | 2,852. |
| Miscellaneous Purchased Services | 15,500. | 29,733. | 45,233. | 32,573. | 12,660. |
| Supplies and Materials | 200. | 0. | 200. | 0. | 200. |
| Miscellaneous Expenditures | 31,500. | 7,000. | 38,500. | 36,316. | 2,184. |
| BOE Membership Dues and Fees | 2,500. | 0. | 2,500. | 400. | 2,100. |
| Total Support Services - General Administration | 466,700. | 110,323. | 577,023. | 539,326. | 37,697. |
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Asst. | 424,500. | (12,848.) | 411,652. | 411,652. | 0. |
| Salaries of Other Professional Staff | 227,000. | 3,025. | 230,025. | 230,025. | 0. |
| Salaries of Secretarial Assistants | 234,000. | 0. | 234,000. | 233,268. | 732. |
| Supplies and Materials | 2,000. | (950.) | 1,050. | 622. | 428. |
| Other Objects | 2,151. | 0. | 2,151. | 1,776. | 375. |
| Total Support Services - School Administration | 889,651. | (10,773.) | 878,878. | 877,343. | 1,535. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|---------------|--|
| Central Services: | | | | | |
| Salaries | \$ 260,800.00 | \$ 5,285.00 | \$ 266,085.00 | \$ 265,394.00 | \$ 691.00 |
| Purchased Technical Service | 9,000. | 3,250. | 12,250. | 10,981. | 1,269. |
| Miscellaneous Purchased Services | 500. | 4,400. | 4,900. | 4,263. | 637. |
| Supplies and Materials | 8,500. | 6,965. | 15,465. | 4,894. | 10,571. |
| Miscellaneous Expenses | 1,450. | 1,750. | 3,200. | 3,134. | 66. |
| Total Central Services | 280,250. | 21,650. | 301,900. | 288,666. | 13,234. |
| Admin. Information Technology: | | | | | |
| Salaries | 131,000. | 2,000. | 133,000. | 131,174. | 1,826. |
| Total Admin. Information Technology | 131,000. | 2,000. | 133,000. | 131,174. | 1,826. |
| Required Maintenance for School Facilities: | | | | | |
| Cleaning, Repair, Maintenance Service | 150,250. | 6,149. | 156,399. | 156,399. | 0. |
| General supplies | 80,000. | 11,200. | 91,200. | 89,720. | 1,480. |
| Total Required Maintenance for School Facilities | 230,250. | 17,349. | 247,599. | 246,119. | 1,480. |
| Custodial Services: | | | | | |
| Salaries | 729,000 | (13,432) | 715,568 | 695,449 | 20,119 |
| Purchased Professional and Technical Services | 0 | 0 | 0 | 0 | 0 |
| Cleaning, repair, Maintenance Service | 75,000 | 23,000 | 98,000 | 96,886 | 1,114 |
| Other Purchased Property Services | 56,500 | (894) | 55,606 | 55,606 | 0 |
| Insurance | 128,500 | (16,652) | 111,848 | 111,848 | 0 |
| General Supplies | 85,000 | 21,982 | 106,982 | 98,236 | 8,746 |
| Energy (Natural Gas) | 100,000 | 32,700 | 132,700 | 123,110 | 9,590 |
| Energy (Electricity) | 425,000 | 18,756 | 443,756 | 443,756 | 0 |
| Energy (Oil) | 10,500 | 5,000 | 15,500 | 10,845 | 4,655 |
| Energy (Gasoline) | 33,500 | (15,000) | 18,500 | 12,877 | 5,623 |
| Miscellaneous | 0 | 652 | 652 | 265 | 387 |
| Total Custodial Services | 1,643,000 | 56,112 | 1,699,112 | 1,648,878 | 50,234 |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|------------|--|
| Care and Upkeep of Grounds: | | | | | |
| Salaries | \$ 104,000. | \$ (13,533.) | \$ 90,467. | \$ 72,200. | \$ 18,267. |
| Total Care and Upkeep of Grounds | 104,000. | (13,533.) | 90,467. | 72,200. | 18,267. |
| Security: | | | | | |
| Salaries | 129,000. | 24,996. | 153,996. | 148,186. | 5,810. |
| Contracted Services | 0. | 13,224. | 13,224. | 12,904. | 320. |
| General Supplies | 6,200. | (2,642.) | 3,558. | 3,558. | 0. |
| Total Security | 135,200. | 35,578. | 170,778. | 164,648. | 6,130. |
| Total operation and maintenance of building | 2,112,450. | 95,506. | 2,207,956. | 2,131,845. | 76,111. |
| Students transportation services: | | | | | |
| Salaries for Pupil Trans (Home - School) - Spec. Ed. | 60,000. | 0. | 60,000. | 58,458. | 1,542. |
| Management Fee - ESC & CTSA Trans. Programs | 55,000. | (11,000.) | 44,000. | 43,839. | 161. |
| Cleaning, Repair, Maintenance Service | 4,500. | 0. | 4,500. | 161. | 4,339. |
| Bus Lease Payment | 0. | 25,000. | 25,000. | 22,950. | 2,050. |
| Aid in Lieu - Non Public | 150,000. | (31,554.) | 118,446. | 118,446. | 0. |
| Aid in Lieu - Choice | 20,000. | 0. | 20,000. | 19,561. | 439. |
| Contracted Services Home | 6,500. | (6,500.) | 0. | 0. | 0. |
| Contracted Services Other | 240,000. | 33,548. | 273,548. | 273,548. | 0. |
| Transportation Jointure | 790,000. | 18,880. | 808,880. | 808,654. | 226. |
| Contracted Transportation Special Ed. | 1,500. | 0. | 1,500. | 0. | 1,500. |
| Transportation Jointure Special Ed. | 535,000. | 100,238. | 635,238. | 635,238. | 0. |
| General Supplies | 250. | 0. | 250. | 140. | 110. |
| Total Student Transportation Services | 1,862,750. | 128,612. | 1,991,362. | 1,980,995. | 10,367. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|-------------------|--------------------|--------------------|----------------------------------|
| Unallocated Benefits: | | | | | |
| Social Security Contributions | \$ 255,000. | \$ (19,863.) | \$ 235,137. | \$ 233,454. | \$ 1,683. |
| Other Retirement Contributions Regular | 225,000. | (14,856.) | 210,144. | 210,144. | 0. |
| Unemployment Compensation | 91,000. | (36,050.) | 54,950. | 50,437. | 4,513. |
| Workmen's Compensation | 170,000. | (29,733.) | 140,267. | 139,645. | 622. |
| Health Benefits | 2,386,628. | (204,005.) | 2,182,623. | 2,118,397. | 64,226. |
| Tuition Reimbursement | 45,000. | 0. | 45,000. | 34,169. | 10,831. |
| Other Employee Benefits | 150,000. | (21,780.) | 128,220. | 128,220. | 0. |
| Total Unallocated Benefits | 3,322,628. | (326,287.) | 2,996,341. | 2,914,466. | 81,875. |
| On Behalf TPAF Pension Contribution (Non-Budgeted) | | | | | |
| Reimbursed TPAF Soc. Sec. Contrib. (Non-Budgeted) | | | | 1,063,072. | (1,063,072.) |
| | | | | 570,535. | (570,535.) |
| Total Undistributed Expenditures | 12,486,429. | 384,342. | 12,870,771. | 14,125,479. | (1,254,708.) |
| Total Expenditures - Current Expense | 20,493,639. | 45,481. | 20,539,120. | 21,621,215. | (1,082,095.) |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Regular Programs: | | | | | |
| Grades 9 - 12 Instruction: | | | | | |
| Instructional | 75,000. | (35,131.) | 39,869. | 39,869. | 0. |
| Regular Programs - Undistributed Expenditures: | | | | | |
| Required Maintenance for School Facilities | 125,000. | (6,753.) | 118,247. | 106,882. | 11,365. |
| Total Equipment | 200,000. | (41,884.) | 158,116. | 146,751. | 11,365. |
| Facilities Acquisition and Construction: | | | | | |
| Assessment for Debt Service on SDA Funding | 224,824. | 0. | 224,824. | 224,824. | 0. |
| Total Facilities Acquisition and Construction | 224,824. | 0. | 224,824. | 224,824. | 0. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|--------------------|--------------------|--|
| Total Capital Outlay Expenditures | \$ 424,824. | \$ (41,884.) | \$ 382,940. | \$ 371,575. | \$ 11,365. |
| General Fund Grand Total | <u>20,918,463.</u> | <u>3,597.</u> | <u>20,922,060.</u> | <u>21,992,790.</u> | <u>(1,070,730.)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(489,485.)</u> | <u>(139,481.)</u> | <u>(628,966.)</u> | <u>56,917.</u> | <u>685,883.</u> |
| Other Financing Sources: Prior Year Adjustment | <u>0.</u> | <u>0.</u> | <u>0.</u> | <u>(35,152.)</u> | <u>(35,152.)</u> |
| Total Other Financing Sources | <u>0.</u> | <u>0.</u> | <u>0.</u> | <u>(35,152.)</u> | <u>(35,152.)</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses) | <u>(489,485.)</u> | <u>(139,481.)</u> | <u>(628,966.)</u> | <u>21,765.</u> | <u>650,731.</u> |

CUMBERLAND REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------|----------------------|----------------------|--------------------|----------------------|--|
| Fund Balance, July 1 | \$ 1,519,715. | 0. | \$ 1,519,715. | \$ 1,519,715. | \$ 0. |
| Fund Balance, June 30 | <u>\$ 1,030,230.</u> | <u>\$ (139,481.)</u> | <u>\$ 890,749.</u> | <u>\$ 1,541,480.</u> | <u>\$ 650,731.</u> |

Recapitulation:

| | |
|--|------------------------|
| Restricted Fund Balance: | |
| Capital Reserve | \$ 25,001. |
| Maintenance Reserve | 262,108. |
| Excess Surplus Designated for Subsequent Year's Expenditures | 346,880. |
| Excess Surplus-Current Year | 250,000. |
| Committed Fund Balance: | |
| Year-End Encumbrances | 46,691. |
| Assigned Fund Balance: | |
| Designated for Subsequent Year's Expenditures | 195,095. |
| Unassigned Fund Balance | 415,705. |
| | <u>1,541,480.</u> |
| | <u>\$ (1,096,907.)</u> |
| | <u>\$ 444,573.</u> |

Reconciliation to Governmental Funds Statements (GAAP):

| | |
|---|--------------------|
| Less: State Aid Payments Not Recognized on GAAP Basis | |
| Fund Balance per Governmental Funds (GAAP) | <u>\$ 444,573.</u> |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|-----------------|--|
| REVENUES: | | | | | |
| Local Sources | \$ 18,984. | \$ 0. | \$ 18,984. | \$ 18,984. | \$ 0. |
| State Sources | 12,500. | 0. | 12,500. | 12,500. | 0. |
| Federal Sources | 569,237. | 0. | 569,237. | 569,237. | 0. |
| Total Revenues | 600,721. | 0. | 600,721. | 600,721. | 0. |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 156,500. | 0. | 156,500. | 154,769. | 1,731. |
| Other Salaries for Instruction | 18,000. | 0. | 18,000. | 18,000. | 0. |
| Purchased Professional and Educational Services | 5,129. | 0. | 5,129. | 5,004. | 125. |
| Tuition | 238,754. | 0. | 238,754. | 251,651. | (12,897.) |
| General Supplies | 42,672. | 0. | 42,672. | 47,028. | (4,356.) |
| Other Objects | 8,319. | 0. | 8,319. | 6,207. | 2,112. |
| Total Instruction | 469,374. | 0. | 469,374. | 482,659. | (13,285.) |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | 15,480. | 0. | 15,480. | 15,480. | 0. |
| Personal Services - Employee Benefits | 51,915. | 0. | 51,915. | 50,636. | 1,279. |
| Purchased Professional and Educational Services | 8,529. | 0. | 8,529. | 1,610. | 6,919. |
| Other Purchased Services | 31,591. | 0. | 31,591. | 26,775. | 4,816. |
| Supplies & Materials | 17,152. | 0. | 17,152. | 16,881. | 271. |
| Total Support Services | 124,667. | 0. | 124,667. | 111,382. | 13,285. |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | 6,680. | 0. | 6,680. | 6,680. | 0. |
| Total Facilities Acquisition and Construction Services | 6,680. | 0. | 6,680. | 6,680. | 0. |
| Total Expenditures | 600,721. | 0. | 600,721. | 600,721. | 0. |
| Total Outflows | 600,721. | 0. | 600,721. | 600,721. | 0. |
| Excess (Deficiency) of Revenues Over / (Under) | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |
| Expenditures and Other Financing Sources (Uses) | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part II**

CUMBERLAND REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

| | General Fund | Special Revenue Fund |
|---|----------------|----------------------|
| Sources/inflows of resources: | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 22,049,707. | \$ 600,721. |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized: | | |
| Add: Prior Year Encumbrance | | |
| Less: Current Year Encumbrance | | (7,500.) |
| State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes. | 1,152,635. | |
| State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year. | (1,096,907.) | |
| Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds. | \$ 22,105,435. | \$ 593,221. |
| Uses/Outflow of resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. | \$ 21,992,790. | \$ 600,721. |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting | | |
| Add: Prior Year Encumbrance Paid | | |
| Less: Current Year Encumbrance | | (7,500.) |
| Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. | | |
| Net transfers (outflows) to general fund | | |
| Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. | \$ 21,992,790. | \$ 593,221. |

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS
Last Two Fiscal Years

| | Measurement Date | |
|--|----------------------|----------------------|
| | Ending June 30, | |
| | 2014 | 2013 |
| District's proportion of the net pension liability (asset) | 0.02549098% | 0.02293227% |
| District's proportionate share of the net pension liability (asset) | <u>\$ 4,772,609.</u> | <u>\$ 4,382,813.</u> |
| District's covered-employee payroll | \$ 1,778,614. | N/A |
| District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 268.33% | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 52.08% | 48.72% |

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last Two Fiscal Years

PERS

| | <u>Fiscal Year Ending June 30,</u> | |
|--|------------------------------------|-------------------|
| | <u>2015</u> | <u>2014</u> |
| Contractually required contribution | \$ 210,144. | \$ 172,790. |
| Contributions in relation to the contractually required contribution | <u>(210,144.)</u> | <u>(172,790.)</u> |
| Contribution deficiency (excess) | <u>0.</u> | <u>0.</u> |
| District's covered-employee payroll | \$ 1,778,614. | \$ 0. |
| Contributions as a percentage of covered-employee payroll | 11.82% | N/A |

TPAF

| | <u>Fiscal Year Ending June 30,</u> | |
|--|------------------------------------|-------------|
| | <u>2015</u> | <u>2014</u> |
| Contractually required contribution | N/A | N/A |
| Contributions in relation to the contractually required contribution | N/A | N/A |
| Contribution deficiency (excess) | N/A | N/A |
| District's covered-employee payroll | \$ 7,663,677. | N/A |
| Contributions as a percentage of covered-employee payroll | N/A | N/A |

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TPAF
Last Two Fiscal Years

| | Measurement Date | |
|--|------------------|----------------|
| | Ending June 30, | |
| | 2014 | 2013 |
| District's proportion of the net pension liability (asset) | N/A | N/A |
| District's proportionate share of the net pension liability (asset) | N/A | N/A |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 43,053,836. | \$ 40,693,510. |
| Total | \$ 43,053,836. | \$ 40,693,510. |
| District's covered-employee payroll | \$ 7,663,677. | N/A |
| District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 33.64% | 33.76% |

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part III**

**CUMBERLAND REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
JUNE 30, 2015**

Note 1. Teachers' Pension and Annuity Fund (TPAF)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after 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 member's accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member 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 improvement 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.

Note 2. Public Employees' Retirement System (PERS)

Changes of benefits terms. The vesting and benefits 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.

Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

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

| | Title I Part A | Title II Part A | I.D.E.A. Part B | Perkins Vocational |
|--|--------------------|--------------------|--------------------|-----------------------|
| Revenues: | | | | |
| Local Sources | \$ 0. | \$ 0. | \$ 0. | \$ 0. |
| State Sources | 0. | 0. | 0. | 0. |
| Federal Sources | 175,585. | 54,810. | 289,960. | 7,489. |
| Total Revenues | 175,585. | 54,810. | 289,960. | 7,489. |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ 132,269. | \$ 22,500. | \$ 0. | \$ 0. |
| Other Salaries for Instruction | 0. | 0. | 18,000. | 0. |
| Purchased Professional and Educational Services | 0. | 0. | 0. | 1,015. |
| Tuition | 0. | 0. | 251,651. | 0. |
| General Supplies | 7,107. | 0. | 8,133. | 5,675. |
| Other Objects | 0. | 0. | 0. | 625. |
| Total Instruction | 139,376. | 22,500. | 277,784. | 7,315. |
| Support Services: | | | | |
| Salaries of Other Professional Staff | 0. | 11,480. | 0. | 0. |
| Personal Services - Employee Benefits | 34,929. | 5,876. | 9,525. | 0. |
| Purchased Professional and Educational Services | 0. | 1,500. | 110. | 0. |
| Other Purchased Services | 1,280. | 3,471. | 1,289. | 174. |
| Supplies and Materials | 0. | 9,983. | 1,252. | 0. |
| Total Support Services | 36,209. | 32,310. | 12,176. | 174. |
| Facilities Acquisition and Construction Service: | | | | |
| Instructional Equipment | 0. | 0. | 0. | 0. |
| Total Facilities Acquisition and Construction Service | 0. | 0. | 0. | 0. |
| Total Expenditures | \$ 175,585. | \$ 54,810. | \$ 289,960. | \$ 7,489. |

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

| | Perkins Reserve | NJ Dept. Agriculture | Other Local Grant | Totals 2015 |
|--|--------------------|-------------------------|----------------------|--------------------|
| Revenues: | | | | |
| Local Sources | \$ 0. | \$ 0. | \$ 18,984. | \$ 18,984. |
| State Sources | 0. | 12,500. | 0. | 12,500. |
| Federal Sources | 41,393. | 0. | 0. | 569,237. |
| Total Revenues | 41,393. | 12,500. | 18,984. | 600,721. |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ 0. | \$ 0. | \$ 0. | \$ 154,769. |
| Other Salaries for Instruction | 0. | 0. | 0. | 18,000. |
| Purchased Professional and Educational Services | 3,989. | 0. | 0. | 5,004. |
| Tuition | 0. | 0. | 0. | 251,651. |
| General Supplies | 14,475. | 5,000. | 6,638. | 47,028. |
| Other Objects | 5,582. | 0. | 0. | 6,207. |
| Total Instruction | 24,046. | 5,000. | 6,638. | 482,659. |
| Support Services: | | | | |
| Salaries of Other Professional Staff | 4,000. | 0. | 0. | 15,480. |
| Personal Services - Employee Benefits | 306. | 0. | 0. | 50,636. |
| Purchased Professional and Educational Services | 0. | 0. | 0. | 1,610. |
| Other Purchased Services | 6,361. | 7,500. | 6,700. | 26,775. |
| Supplies and Materials | 0. | 0. | 5,646. | 16,881. |
| Total Support Services | 10,667. | 7,500. | 12,346. | 111,382. |
| Facilities Acquisition and Construction Service: | | | | |
| Instructional Equipment | 6,680. | 0. | 0. | 6,680. |
| Total Facilities Acquisition and Construction Service | 6,680. | 0. | 0. | 6,680. |
| Total Expenditures | \$ 41,393. | \$ 12,500. | \$ 18,984. | \$ 600,721. |

CAPITAL PROJECTS FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2015

| Description | Revised Appropriations | Expenditures to Date | | Adjustment | Unexpended Balance June 30, 2015 |
|--|---------------------------|----------------------|--------------|---------------|--|
| | | Prior Year | Current Year | | |
| 0097-030-02-0926 Repairs and renovations to Cumberland Regional High School, including on-site and off-site improvements and the purchase of furniture and equipment | \$ 33,617,121. | \$ 33,617,121. | \$ 0. | \$ 0. | \$ 0. |
| 0997-030-09-1000 Solar Project | 4,418,533. | 2,131,615. | 42,313. | (459,384.) | 1,785,221. |
| Total | \$ 38,035,654. | \$ 35,748,736. | \$ 42,313. | \$ (459,384.) | \$ 1,785,221. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

| | |
|--|----------------------|
| Revenues and Other Financing Sources: | |
| Interest | \$ 7,299. |
| Total revenues | <u>7,299.</u> |
| Expenditures and Other Financing Uses: | |
| Construction services | <u>42,313.</u> |
| Total expenditures | <u>42,313.</u> |
| Excess (deficiency) or revenues over (under) expenditures | (35,014.) |
| Other Financing Uses: | |
| Transfer to Debt Service Fund | <u>(466,683.)</u> |
| Excess (deficiency) or revenues and other financing sources over/ (under) expenditures and other financing uses | (501,697.) |
| Fund balance - July 1 | <u>2,286,918.</u> |
| Fund balance - June 30 | <u>\$ 1,785,221.</u> |

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPAIRS AND RENOVATIONS, FURNITURE AND EQUIPMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|--------------------|--------------|--------------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| State sources - SCC Grant | \$ 26,739,717. | \$ 0. | \$26,739,717. | \$ 26,739,717. |
| Bond proceeds | 6,877,404. | 0. | 6,877,404. | 6,877,404. |
| Total revenues | <u>33,617,121.</u> | <u>0.</u> | <u>33,617,121.</u> | <u>33,617,121.</u> |
| Expenditures and Other Financing Uses: | | | | |
| Construction in progress | 33,617,121. | 0. | 33,617,121. | 0. |
| Purchased professional and technical services | 0. | 0. | 0. | 1,882,427. |
| Land and improvements | 0. | 0. | 0. | 1,533,030. |
| Construction services | 0. | 0. | 0. | 28,344,139. |
| Equipment purchases | 0. | 0. | 0. | 1,857,525. |
| Total expenditures | <u>33,617,121.</u> | <u>0.</u> | <u>33,617,121.</u> | <u>33,617,121.</u> |
| Excess (deficiency) or revenues over (under) expenditures | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |

Additional project information:

| | |
|----------------------------|-------------------|
| SDA Project Number | i5300-070-14-G3Fh |
| Grant Date | 08/12/04 |
| Grant Amount | \$ 9,046,704. |
| Bond Authorization Date | 12/9/2003 |
| Bonds Authorized | \$ 6,877,000. |
| Bonds Issued | \$ 6,877,000. |
| Original Authorized Cost | \$ 15,923,704. |
| Additional Authorized Cost | \$ 17,693,417. |
| Revised Authorized Cost | \$ 33,617,121. |

| | |
|---|---------|
| Percentage Increase Over Original Authorized Cost | 111.11% |
| Percentage Completion | Unknown |

CUMBERLAND REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|----------------------|----------------------|----------------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Bond proceeds | \$ 4,418,382. | \$ 0. | \$ 4,418,382. | \$ 4,418,382. |
| Transfer from general fund | 151. | 0. | 151. | 151. |
| Total revenues | <u>4,418,533.</u> | <u>0.</u> | <u>4,418,533.</u> | <u>4,418,533.</u> |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional and technical services | 290,437. | 0. | 290,437. | 569,633. |
| Construction services | 1,191,883. | 42,313. | 1,234,196. | 448,900. |
| Other | 582,403. | 0. | 582,403. | 3,400,000. |
| Transfer out | 66,892. | 459,384. | 526,276. | 0. |
| Total expenditures | <u>2,131,615.</u> | <u>501,697.</u> | <u>2,633,312.</u> | <u>4,418,533.</u> |
| Excess (deficiency) or revenues over (under) expenditures | <u>\$ 2,286,918.</u> | <u>\$ (501,697.)</u> | <u>\$ 1,785,221.</u> | <u>\$ 0.</u> |
| Additional project information: | | | | |
| Additional project information: | | | | |
| Project Number | 0997-030-09-1000 | | | |
| Grant Date | 06/10/10 | | | |
| Grant Amount | \$ 0. | | | |
| Bond Authorization Date | 8/18/2010 | | | |
| Bonds Authorized | \$ 4,418,382. | | | |
| Bonds Issued | 9/2/2010 | | | |
| Original Authorized Cost | \$ 4,418,533. | | | |
| Additional Authorized Cost | \$ 0. | | | |
| Revised Authorized Cost | \$ 4,418,533. | | | |
| Percentage Increase Over Original Authorized Cost | 0.00% | | | |
| Percentage Completion | 100.00% | | | |

PROPRIETARY FUNDS

ENTERPRISE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

| | Food Service Fund |
|---------------------------------------|----------------------|
| ASSETS: | |
| Current Assets: | |
| Cash and cash equivalents | \$ 153,774. |
| Accounts receivable: | |
| State | 378. |
| Federal | 20,946. |
| Interfund | 333. |
| Inventories | 12,160. |
| Total current assets | 187,591. |
| Fixed assets: | |
| Equipment | 231,400. |
| Accumulated depreciation | (141,460.) |
| Total fixed assets | 89,940. |
| Total assets | \$ 277,531. |
| DEFERRED OUTFLOW OF RESOURCES: | |
| | |
| LIABILITIES: | |
| Current Liabilities: | |
| Accounts payable | \$ 118,922. |
| Total current liabilities | 118,922. |
| Total liabilities | |
| DEFERRED INFLOW OF RESOURCES: | |
| | |
| NET POSITION: | |
| Invested in capital assets | 89,940. |
| Unrestricted | 68,669. |
| Total net position | \$ 158,609. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Food Service Fund</u> |
|---------------------------------------|--------------------------|
| OPERATING REVENUES: | |
| Local sources: | |
| Daily sales-reimbursable programs | \$ 102,001. |
| Daily sales non-reimbursable programs | 202,244. |
| Miscellaneous income | <u>9,968.</u> |
| Total operating revenues | <u>314,213.</u> |
| OPERATING EXPENSES: | |
| Cost of sales | 241,401. |
| Salaries | 254,034. |
| Employee benefits | 46,596. |
| Management fees | 55,000. |
| General supplies | 57,909. |
| Repair & Maintenance | 5,634. |
| Depreciation | 11,518. |
| Miscellaneous | <u>21,233.</u> |
| Total operating expenses | <u>693,325.</u> |
| Operating income/(loss) | <u>(379,112.)</u> |
| Nonoperating revenues (expenses): | |
| State sources: | |
| State school lunch program | 5,735. |
| Federal sources: | |
| National school breakfast program | 62,597. |
| National school lunch program | 227,006. |
| Food distribution program | 36,303. |
| Interest on investment | <u>592.</u> |
| Total nonoperation revenues | <u>332,233.</u> |
| Change in net position | (46,879.) |
| Net position - July 1 | <u>205,488.</u> |
| Net position - June 30 | <u>\$ 158,609.</u> |

CUMBERLAND REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Food Service Fund</u> |
|---|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customer | \$ 304,245. |
| Miscellaneous income/(expense) | 9,968. |
| Cash payments to suppliers | <u>(651,826.)</u> |
| Net cash used by operating activities | <u>(337,613.)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| State sources | 5,483. |
| Federal sources | 291,628. |
| Interfund transfer | 76,315. |
| Interest on investments | 592. |
| Net cash provided by non-capital financing activities | <u>374,018.</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Purchase of equipment | <u>(14,087.)</u> |
| Net cash provided by financing activities | <u>(14,087.)</u> |
| Net increase/(decrease) in cash and cash equivalents | 22,318. |
| Cash and cash equivalents - July 1 | 131,456. |
| Cash and cash equivalents - June 30 | <u>\$ 153,774.</u> |
| Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities: | |
| Operating income/(loss) | \$ (379,112.) |
| Adjustments to reconcile operating loss to cash provided (used) by operating activities: | |
| Depreciation | 11,518. |
| Federal commodities | 36,303. |
| Change in assets and liabilities: | |
| (Increase)/decrease in inventory | (1,078.) |
| Increase/(decrease) in accounts payable | <u>(5,244.)</u> |
| Net cash provided by (used) by operating activities | <u>\$ (337,613.)</u> |

INTERNAL SERVICE FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

| | Curriculum Consortium Internal Service Fund | Total |
|---------------------------------------|--|---------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 758. | \$ 758. |
| Total current assets | 758. | 758. |
| Total assets | \$ 758. | \$ 758. |
| DEFERRED OUTFLOW OF RESOURCES: | | |
| LIABILITIES: | | |
| Total liabilities | 0. | 0. |
| DEFERRED INFLOW OF RESOURCES: | | |
| NET POSITION: | | |
| Unrestricted | 758. | 758. |
| Total net position | \$ 758. | \$ 758. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Curriculum Consortium Internal Service Fund | Total |
|--------------------------|--|------------|
| OPERATING REVENUES: | | |
| Changes for services | \$ 21,952. | \$ 21,952. |
| Total operating revenues | 21,952. | 21,952. |
| OPERATING EXPENSES: | | |
| Salaries | 20,000. | 20,000. |
| Travel | 1,952. | 1,952. |
| Total operating expenses | 21,952. | 21,952. |
| Operating income/(loss) | 0. | 0. |
| Change in net position | 0. | 0. |
| NET POSITION - JULY 1 | 758. | 758. |
| NET POSITION - JUNE 30 | \$ 758. | \$ 758. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Curriculum Consortium Internal Service Fund</u> | <u>Total</u> |
|---|--|--------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Receipts from customers and users | \$ 21,952. | \$ 21,952. |
| Payment to suppliers | (21,952.) | (21,952.) |
| Net cash provided (used) by operating activities | 0. | 0. |
| Net increase/decrease in cash and cash equivalents | 0. | 0. |
| Cash and cash equivalents - July 1 | 758. | 758. |
| Cash and cash equivalents - June 30 | \$ 758. | \$ 758. |
| Reconciliation of operating income/(loss) | | |
| to net cash provided/(used) by operating activities: | | |
| Operating income (loss) | \$ 0. | \$ 0. |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| (Increase)/decrease in deferred revenue | | |
| Net cash provided (used in) operating activities | \$ 0. | \$ 0. |

FIDUCIARY FUND

CUMBERLAND REGIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AS OF JUNE 30, 2015

| Student Activity | Payroll/Agency | Private Purpose Scholarship Fund | Employee Reimbursement Fund | Unemployment Compensation Trust | Total |
|--------------------|-------------------|----------------------------------|-----------------------------|---------------------------------|--------------------|
| \$ 247,019. | \$ 5,452. | \$ 8,479. | \$ 552. | \$ 125,825. | \$ 387,327. |
| 0. | 6,767. | 0. | 0. | 0. | 6,767. |
| \$ 247,019. | \$ 12,219. | \$ 8,479. | \$ 552. | \$ 125,825. | \$ 394,094. |

ASSETS:
 Cash & Cash Equivalents
 Due from Unemployment

Total Assets

DEFERRED OUTFLOW OF RESOURCES:

LIABILITIES:

Due to Student Groups
 Interfund Payable
 Due to Payroll Withholdings
 Due to Agency

Total Liabilities

DEFERRED INFLOW OF RESOURCES:

Net Position

Total Net Position

| | | | | | |
|--------------------|-------------------|--------------|--------------|------------------|--------------------|
| \$ 247,019. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 247,019. |
| 0. | 4,879. | 0. | 0. | 0. | 4,879. |
| 0. | 7,340. | 0. | 0. | 0. | 7,340. |
| 0. | 0. | 0. | 0. | 6,767. | 6,767. |
| \$ 247,019. | \$ 12,219. | \$ 0. | \$ 0. | \$ 6,767. | \$ 266,005. |
| 0. | 0. | 8,479. | 552. | 119,058. | 128,089. |
| \$ 0. | \$ 0. | \$ 8,479. | \$ 552. | \$ 119,058. | \$ 128,089. |

CUMBERLAND REGIONAL SCHOOL DISTRICT
 COMBINING STATEMENT IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR FISCAL YEAR ENDED JUNE 30, 2015

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Employee Reimbursement Fund | Total |
|-------------------------|---------------------------------------|--|-----------------------------------|-------------|
| ADDITIONS: | | | | |
| Contributions: | | | | |
| Plan Member | \$ 16,730. | \$ 0. | \$ 5,500. | \$ 22,230. |
| Other | 0. | 6,039. | 0. | 6,039. |
| Board Contribution | 50,000. | 0. | 0. | 50,000. |
| Total Contributions | 66,730. | 6,039. | 5,500. | 78,269. |
| Investment Earnings: | | | | |
| Interest | 454. | 34. | 2. | 490. |
| Net Investment Earnings | 454. | 34. | 2. | 490. |
| Total Additions | 67,184. | 6,073. | 5,502. | 78,759. |
| DEDUCTIONS: | | | | |
| Scholarships Awarded | 0. | 9,660. | 0. | 9,660. |
| Other | 0. | 0. | 4,950. | 4,950. |
| Unemployment Claims | 40,984. | 0. | 0. | 40,984. |
| Total Deductions | 40,984. | 9,660. | 4,950. | 55,594. |
| Change in Net Position | 26,200. | (3,587.) | 552. | 23,165. |
| NET POSITION, JULY 1 | 92,858. | 12,066. | 0. | 104,924. |
| NET POSITION, JUNE 30 | \$ 119,058. | \$ 8,479. | \$ 552. | \$ 128,089. |

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

| | Cash Balance July 1, 2014 | Cash Receipts | Cash Disbursements | Cash Balance June 30, 2015 |
|---------------------------------|---------------------------------|--------------------|-----------------------|----------------------------------|
| Cumberland Regional High School | \$ 208,774. | \$ 395,744. | \$ 357,499. | \$ 247,019. |
| Total | <u>\$ 208,774.</u> | <u>\$ 395,744.</u> | <u>\$ 357,499.</u> | <u>\$ 247,019.</u> |

CUMBERLAND REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|-------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| ASSETS: | | | | |
| Cash & Cash Equivalents | \$ 182,084. | \$ 12,169,402. | \$ 12,346,034. | \$ 5,452. |
| Due from Unemployment | 0. | 6,767. | 0. | 6,767. |
| Total Assets | \$ 182,084. | \$ 12,176,169. | \$ 12,346,034. | \$ 12,219. |
| LIABILITIES: | | | | |
| Net Payroll | \$ 0. | \$ 6,490,582. | \$ 6,490,582. | \$ 0. |
| Payroll Deductions and Withholdings | 88,001. | 5,684,691. | 5,765,352. | 7,340. |
| Interfund Payable | 75,559. | 896. | 71,576. | 4,879. |
| Due to Unemployment | 18,524. | 0. | 18,524. | 0. |
| Total Liabilities | \$ 182,084. | \$ 12,176,169. | \$ 12,346,034. | \$ 12,219. |

LONG-TERM DEBT

CUMBERLAND REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015

| Issue | Date of Issue | Amount of Original Issue | Annual Maturities Date | Amount | Interest Rate | Balance July 1, 2014 | Issued | Retired | Balance June 30, 2015 |
|---|---------------|--------------------------|------------------------|-------------|---------------|----------------------|--------|-------------|-----------------------|
| Roof replacement and solar energy project | 9/1/2010 | \$ 6,477,000. | 3/1/2015 | \$ 325,000. | 2.250% | | | | |
| | | | 3/1/2016 | 340,000. | 2.250% | | | | |
| | | | 3/1/2017 | 365,000. | 2.500% | | | | |
| | | | 3/1/2018 | 400,000. | 2.500% | | | | |
| | | | 3/1/2019 | 425,000. | 2.500% | | | | |
| | | | 3/1/2020 | 450,000. | 3.000% | | | | |
| | | | 3/1/2021 | 475,000. | 3.000% | | | | |
| | | | 3/1/2022 | 500,000. | 3.000% | | | | |
| | | | 3/1/2023 | 550,000. | 3.000% | | | | |
| | | | 3/1/2024 | 550,000. | 3.125% | | | | |
| | | 3/1/2025 | 600,000. | 3.250% | | | | | |
| | | 3/1/2026 | 597,000. | 3.375% | | | | | |
| | | | | | | \$ 5,577,000. | \$ 0. | \$ 325,000. | \$ 5,252,000. |
| School refunding bond Series 2012 | 8/16/2012 | 3,785,000. | 4/15/2015 | 385,000. | 3.000% | | | | |
| | | | 4/15/2016 | 380,000. | 3.000% | | | | |
| | | | 4/15/2017 | 375,000. | 3.000% | | | | |
| | | | 4/15/2018 | 375,000. | 3.000% | | | | |
| | | | 4/15/2019 | 370,000. | 4.000% | | | | |
| | | | 4/15/2020 | 370,000. | 4.000% | | | | |
| | | | 4/15/2021 | 370,000. | 4.000% | | | | |
| | | | 4/15/2022 | 365,000. | 4.000% | | | | |
| | | | 4/15/2023 | 365,000. | 3.000% | | | | |
| | | | 4/15/2024 | 355,000. | 3.000% | | | | |
| | | | | | | 3,710,000. | 0. | 385,000. | 3,325,000. |
| Total | | | | | | \$ 9,287,000. | \$ 0. | \$ 710,000. | \$ 8,577,000. |

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

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|--------------------|-------------------|-----------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local tax levy | \$ 350,801. | \$ 0. | \$ 350,801. | \$ 350,801. | \$ 0. |
| State Sources: | | | | | |
| Debt Service Aid - Type II | 177,043. | 0. | 177,043. | 177,043. | 0. |
| Total Revenues | 527,844. | 0. | 527,844. | 527,844. | 0. |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 294,162. | 0. | 294,162. | 286,849. | 7,313. |
| Redemption of Principal | 710,000. | 0. | 710,000. | 710,000. | 0. |
| Total Regular Debt Service | 1,004,162. | 0. | 1,004,162. | 996,849. | 7,313. |
| Total Expenditures | 1,004,162. | 0. | 1,004,162. | 996,849. | 7,313. |
| Excess (deficiency) of revenues (over)/under expenditures | (476,318.) | 0. | (476,318.) | (469,005.) | 7,313. |
| Other Financing Sources | | | | | |
| Transfers from Capital Project Fund | 459,384. | 0. | 459,384. | 466,683. | 7,299. |
| Fund Balance, July 1 | 39,333. | 0. | 39,333. | 39,333. | 0. |
| Fund Balance, June 30 | 22,399. | 0. | 22,399. | 37,011. | 14,612. |

STATISTICAL SECTION

FINANCIAL TRENDS

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 1,428,212. | \$ 9,533,500. | \$ 26,912,369. | \$ 31,768,032. | \$ 35,222,943. | \$ 31,129,007. | \$ 32,000,537. | \$ 32,246,776. | \$ 30,923,250. | \$ 29,722,722. |
| Restricted | 14,766,578. | 5,188,530. | 972,136. | 1,738,805. | 578,217. | 6,808,606. | 5,819,179. | 3,962,564. | 3,094,711. | 2,706,221. |
| Unrestricted | 932,499. | (124,603.) | (266,411.) | (1,118,269.) | 39,079. | (1,088,440.) | (529,502.) | (817,854.) | (799,784.) | (5,122,106.) |
| Total governmental activities net position | \$ 17,127,289. | \$ 14,597,427. | \$ 27,618,094. | \$ 32,388,568. | \$ 35,840,239. | \$ 36,849,173. | \$ 37,290,214. | \$ 35,391,486. | \$ 33,218,177. | \$ 27,306,837. |
| Business-Type Activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 3,073. | \$ 85,141. | \$ 83,138. | \$ 77,004. | \$ 86,554. | \$ 94,674. | \$ 104,298. | \$ 94,791. | \$ 87,371. | \$ 89,940. |
| Unrestricted | 159,962. | 102,507. | 127,313. | 185,753. | 216,392. | 166,947. | 118,396. | 103,576. | 118,117. | 68,669. |
| Total business-type activities net position | \$ 163,035. | \$ 187,648. | \$ 210,451. | \$ 262,757. | \$ 302,946. | \$ 261,621. | \$ 222,694. | \$ 198,367. | \$ 205,488. | \$ 158,609. |
| District-Wide: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 1,431,285. | \$ 9,618,641. | \$ 26,995,507. | \$ 31,845,036. | \$ 35,309,497. | \$ 31,223,681. | \$ 32,104,835. | \$ 32,341,567. | \$ 31,010,621. | \$ 29,812,662. |
| Restricted | 14,766,578. | 5,188,530. | 972,136. | 1,738,805. | 578,217. | 6,808,606. | 5,819,179. | 3,962,564. | 3,094,711. | 2,706,221. |
| Unrestricted | 1,092,461. | (22,096.) | (139,098.) | (932,516.) | 255,471. | (921,493.) | (411,106.) | (714,278.) | (681,667.) | (5,053,437.) |
| Total District Net Position | \$ 17,290,324. | \$ 14,785,075. | \$ 27,828,545. | \$ 32,651,325. | \$ 36,143,185. | \$ 37,110,794. | \$ 37,512,908. | \$ 35,589,853. | \$ 33,423,665. | \$ 27,465,446. |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 6,210,763. | \$ 6,684,655. | \$ 6,574,338. | \$ 6,866,395. | \$ 7,076,450. | \$ 7,230,958. | \$ 6,718,516. | \$ 7,060,822. | \$ 6,916,603. | \$ 6,921,279. |
| Special education | 902,063. | 984,507. | 1,029,619. | 1,080,884. | 1,060,733. | 966,272. | 1,524,815. | 1,297,464. | 1,539,977. | 1,464,861. |
| Other special education | 106,833. | 88,847. | 110,087. | 140,855. | 141,838. | 120,132. | 117,980. | 264,763. | 64,446. | 4,474. |
| Other instruction | 587,760. | 613,073. | 601,667. | 614,723. | 857,358. | 970,277. | 754,075. | 762,684. | 964,740. | 964,359. |
| Support Services: | | | | | | | | | | |
| Tuition | 1,193,815. | 1,478,707. | 1,680,257. | 1,861,021. | 1,820,801. | 1,852,404. | 1,936,348. | 2,141,625. | 1,732,778. | 1,733,692. |
| Student & instruction related services | 1,123,703. | 1,326,831. | 1,218,117. | 1,513,717. | 1,809,532. | 1,645,759. | 1,775,396. | 2,189,920. | 2,055,065. | 1,950,111. |
| School administrative services | 946,444. | 770,059. | 1,018,786. | 1,041,338. | 1,050,667. | 1,061,442. | 1,090,146. | 1,106,844. | 1,149,352. | 1,140,627. |
| General & business administrative services | 785,093. | 1,026,127. | 764,760. | 755,022. | 878,492. | 994,290. | 1,043,852. | 1,045,246. | 1,215,857. | 1,222,450. |
| Plant operations and maintenance | 1,544,137. | 1,708,201. | 1,649,149. | 1,883,236. | 2,106,751. | 2,154,245. | 2,133,769. | 2,210,077. | 2,228,385. | 2,342,472. |
| Pupil transportation | 1,444,504. | 1,467,968. | 1,658,630. | 1,839,592. | 1,800,206. | 1,746,441. | 1,693,695. | 1,896,746. | 1,827,981. | 1,980,995. |
| Employee benefits | 3,335,934. | 4,046,141. | 4,220,554. | 3,858,617. | 3,928,212. | 4,190,953. | 4,367,967. | 4,610,423. | 4,469,447. | 6,625,271. |
| Debt Service Assessment | 0. | 0. | 0. | 0. | 0. | 251,888. | 148,479. | 224,824. | 224,824. | 224,824. |
| Claim cost | 0. | 0. | 131,575. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Internal Service Fund | 0. | 18,491. | 18,938. | 16,060. | 0. | 493. | 5,049. | 0. | 0. | 21,952. |
| Interest on long-term debt | 391,596. | 356,480. | 305,850. | 291,554. | 245,632. | 380,703. | 382,352. | 271,061. | 306,595. | 277,755. |
| Amortization of debt issuance cost | 0. | 0. | 3,944. | 3,994. | 3,994. | 5,941. | 7,938. | 15,271. | 0. | 0. |
| Total governmental activities expenses | 18,572,645. | 20,570,087. | 20,986,271. | 21,767,008. | 22,780,666. | 23,572,198. | 23,700,377. | 25,097,770. | 24,696,050. | 26,865,122. |
| Business-type activities: | | | | | | | | | | |
| Food service | 531,170. | 540,389. | 564,083. | 549,049. | 561,555. | 666,456. | 684,314. | 679,488. | 667,120. | 693,325. |
| Total business-type activities expense | 531,170. | 540,389. | 564,083. | 549,049. | 561,555. | 666,456. | 684,314. | 679,488. | 667,120. | 693,325. |
| Total district expenses | \$ 19,103,815. | \$ 21,110,476. | \$ 21,550,354. | \$ 22,316,057. | \$ 23,342,221. | \$ 24,238,654. | \$ 24,384,691. | \$ 25,777,258. | \$ 25,363,170. | \$ 27,558,447. |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Instruction | \$ 36,006. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |
| Pupil transportation | 150,656. | 146,620. | 157,740. | 154,268. | 133,808. | 136,814. | 109,822. | 88,645. | 206,606. | 217,712. |
| Central and other support services | 0. | 20,528. | 22,645. | 0. | 1,800. | 1,950. | 2,550. | 0. | 0. | 21,952. |
| Operating grants & contributions | 985,790. | 1,530,794. | 1,594,561. | 1,121,507. | 1,149,409. | 1,138,101. | 1,405,498. | 1,709,674. | 1,499,961. | 3,539,459. |
| Total governmental activities program revenues | 1,172,452. | 1,697,942. | 1,774,946. | 1,275,775. | 1,285,017. | 1,276,865. | 1,517,870. | 1,798,319. | 1,706,567. | 3,779,123. |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | \$ 347,962. | \$ 353,456. | \$ 358,549. | \$ 361,801. | \$ 325,654. | \$ 342,363. | \$ 341,700. | \$ 329,664. | \$ 343,904. | \$ 314,213. |
| Operating grants & contributions | 209,768. | 211,546. | 228,337. | 238,567. | 274,371. | 281,119. | 302,150. | 324,557. | 329,648. | 331,641. |
| Total business type activities program revenues | 557,730. | 565,002. | 586,886. | 600,368. | 600,025. | 623,482. | 643,850. | 654,221. | 673,552. | 645,854. |
| Total district program revenues | \$ 1,730,182. | \$ 2,262,944. | \$ 2,361,832. | \$ 1,876,143. | \$ 1,885,042. | \$ 1,900,347. | \$ 2,161,720. | \$ 2,452,540. | \$ 2,380,119. | \$ 4,424,977. |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (17,400,193.) | \$ (18,872,145.) | \$ (19,211,325.) | \$ (20,491,233.) | \$ (21,495,649.) | \$ (22,295,333.) | \$ (22,182,507.) | \$ (23,299,451.) | \$ (22,989,483.) | \$ (23,085,999.) |
| Business-type activities | 26,560. | 24,613. | 22,803. | 51,319. | 38,470. | (42,974.) | (40,464.) | (25,267.) | 6,432. | (47,471.) |
| Total district-wide net expense | \$ (17,373,633.) | \$ (18,847,532.) | \$ (19,188,522.) | \$ (20,439,914.) | \$ (21,457,179.) | \$ (22,338,307.) | \$ (22,222,971.) | \$ (23,324,718.) | \$ (22,983,051.) | \$ (23,133,470.) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 7,259,096. | \$ 7,686,422. | \$ 8,094,435. | \$ 7,594,435. | \$ 7,594,435. | \$ 7,369,435. | \$ 7,369,435. | \$ 7,280,077. | \$ 7,483,360. | \$ 7,964,436. |
| Taxes levied for debt service | 674,421. | 734,005. | 778,712. | 786,544. | 790,194. | 664,875. | 664,875. | 554,082. | 350,800. | 350,801. |
| Grants and contributions | 10,495,773. | 16,106,653. | 23,110,167. | 16,753,085. | 16,430,771. | 14,745,987. | 14,016,810. | 13,422,433. | 13,051,521. | 13,007,146. |
| Tuition Received | 49,164. | 58,533. | 37,679. | 6,818. | 0. | 0. | 43,904. | 8,757. | 0. | 11,290. |
| Investment earnings | 58,174. | 99,280. | 53,535. | 36,736. | 35,059. | 502,827. | 476,043. | 39,006. | 19,080. | 17,566. |
| Miscellaneous income | 12,249. | 18,518. | 98,351. | 62,141. | 96,861. | 21,143. | 52,481. | 96,818. | 83,331. | 31,241. |
| Capital assets acquired by fiduciary fund | 10,106. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Donation of Equipment from Student Activity Fund | 0. | 0. | 0. | 21,948. | 0. | 0. | 0. | 0. | 0. | 0. |
| Adjustment to beginning accrued interest | (113,094.) | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Adjustment to fixed assets | 0. | 0. | (5,967.) | 0. | 0. | 0. | 0. | 0. | 0. | (35,152.) |
| Transfers | (27,325.) | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Total governmental activities | 18,418,564. | 24,703,411. | 32,166,912. | 25,261,707. | 24,947,320. | 23,304,267. | 22,623,548. | 21,401,173. | 20,988,092. | 21,347,328. |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 0. | 0. | 0. | 987. | 1,719. | 1,649. | 1,537. | 940. | 689. | 592. |
| Transfers | 27,325. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Total business-type activities | 27,325. | 0. | 0. | 987. | 1,719. | 1,649. | 1,537. | 940. | 689. | 592. |
| Total district-wide | \$ 18,445,889. | \$ 24,703,411. | \$ 32,166,912. | \$ 25,262,694. | \$ 24,949,039. | \$ 23,305,916. | \$ 22,625,085. | \$ 21,402,113. | \$ 20,988,781. | \$ 21,347,920. |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,018,371. | \$ 5,831,266. | \$ 12,955,587. | \$ 4,770,474. | \$ 3,451,671. | \$ 1,008,934. | \$ 441,041. | \$ (1,898,278.) | \$ (2,001,391.) | \$ (1,738,671.) |
| Business-type activities | 53,885. | 24,613. | 22,803. | 52,306. | 40,189. | (41,325.) | (38,927.) | (24,327.) | 7,121. | (46,879.) |
| Total district | \$ 1,072,256. | \$ 5,855,879. | \$ 12,978,390. | \$ 4,822,780. | \$ 3,491,860. | \$ 967,609. | \$ 402,114. | \$ (1,922,605.) | \$ (1,994,270.) | \$ (1,785,550.) |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 999,310. | \$ 743,958. | \$ 968,873. | \$ 1,729,568. | \$ 1,616,220. | \$ 1,720,890. | \$ 2,326,800. | \$ 1,251,245. | \$ 1,006,610. | \$ 1,125,775. |
| Unreserved | 265,360. | 217,714. | 136,443. | (732,586.) | (639,302.) | (651,432.) | (683,368.) | (689,479.) | (639,530.) | (681,202.) |
| Total general fund | \$ 1,264,670. | \$ 961,672. | \$ 1,105,316. | \$ 996,982. | \$ 976,918. | \$ 1,069,458. | \$ 1,643,432. | \$ 561,766. | \$ 367,080. | \$ 444,573. |
| All Other Governmental Funds | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | \$ (3,320.) | \$ (3,320.) | \$ (11,858.) | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. |
| Capital projects fund | 14,717,703. | 4,441,859. | 0. | 0. | (28,993.) | 5,036,006. | 3,925,590. | 2,753,215. | 2,286,919. | 1,785,221. |
| Debt service fund | 38,558. | 2,713. | 3,263. | 9,237. | 17,909. | 55,673. | 69,393. | 16,935. | 39,333. | 37,011. |
| Permanent fund | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Total all other governmental funds | \$ 14,752,941. | \$ 4,441,252. | \$ (8,595.) | \$ 9,237. | \$ (11,084.) | \$ 5,091,679. | \$ 3,994,983. | \$ 2,770,150. | \$ 2,326,252. | \$ 1,822,232. |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenue | | | | | | | | | | |
| Tax levy | \$ 7,933,517. | \$ 8,420,427. | \$ 8,873,147. | \$ 8,380,979. | \$ 8,384,629. | \$ 8,034,310. | \$ 8,034,310. | \$ 7,834,159. | \$ 7,834,160. | \$ 8,315,237. |
| Tuition charges | 49,164. | 58,533. | 37,679. | 6,818. | 0. | 43,904. | 43,904. | 8,757. | 8,757. | 11,290. |
| Transportation fees | 150,656. | 146,620. | 157,740. | 154,268. | 133,808. | 136,814. | 109,822. | 88,645. | 206,606. | 217,712. |
| Interest earnings | 58,174. | 99,280. | 53,535. | 36,736. | 35,059. | 502,827. | 476,043. | 39,006. | 19,080. | 17,566. |
| Miscellaneous | 12,249. | 18,518. | 98,351. | 62,141. | 96,861. | 21,143. | 52,481. | 96,818. | 83,331. | 31,241. |
| State sources | 10,942,342. | 17,145,660. | 24,180,355. | 17,325,050. | 14,883,593. | 14,850,458. | 14,189,903. | 14,497,620. | 13,949,497. | 14,033,530. |
| Federal sources | 539,221. | 491,787. | 524,373. | 549,542. | 2,696,586. | 1,033,630. | 1,232,405. | 634,486. | 601,985. | 607,223. |
| Total revenue | 19,685,323. | 26,380,825. | 33,925,180. | 26,515,534. | 26,230,536. | 24,579,182. | 24,138,868. | 23,199,491. | 22,694,659. | 23,233,799. |
| Expenditures | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular instruction | 5,928,616. | 6,417,331. | 6,347,172. | 6,639,472. | 6,487,744. | 6,283,699. | 5,712,050. | 5,949,489. | 5,766,189. | 5,762,828. |
| Special education instruction | 902,063. | 984,507. | 1,029,619. | 1,080,884. | 1,060,733. | 966,272. | 1,341,821. | 1,297,464. | 1,539,977. | 1,464,861. |
| Other special instruction | 106,833. | 88,847. | 110,087. | 140,855. | 141,838. | 120,132. | 117,980. | 62,702. | 64,446. | 4,474. |
| School sponsored/other instruction | 536,461. | 564,469. | 560,364. | 573,464. | 750,321. | 798,048. | 754,075. | 762,684. | 755,574. | 743,732. |
| Support Services: | | | | | | | | | | |
| Tuition | 1,193,815. | 1,478,707. | 1,680,257. | 1,861,021. | 1,820,801. | 1,852,404. | 1,936,348. | 2,141,625. | 1,732,778. | 1,733,692. |
| Student & instruction related services | 1,095,060. | 1,326,831. | 1,218,117. | 1,513,717. | 1,809,532. | 1,645,759. | 1,775,396. | 2,189,920. | 2,055,065. | 1,950,111. |
| General administration | 720,969. | 709,303. | 377,841. | 353,494. | 361,529. | 393,757. | 426,861. | 403,137. | 525,287. | 539,326. |
| School administration services | 882,320. | 965,371. | 967,157. | 989,764. | 916,870. | 846,156. | 861,404. | 854,269. | 887,894. | 877,343. |
| Central services | 0. | 0. | 225,730. | 237,806. | 260,691. | 265,766. | 266,763. | 264,251. | 301,323. | 288,666. |
| Administration information technology | 0. | 0. | 109,560. | 112,148. | 122,475. | 119,481. | 121,486. | 125,283. | 127,789. | 131,174. |
| Plant operations and maintenance | 1,500,144. | 1,659,597. | 1,607,847. | 1,841,978. | 1,999,714. | 1,982,016. | 1,950,775. | 2,008,016. | 2,019,219. | 2,131,845. |
| Pupil transportation | 1,458,290. | 1,467,968. | 1,658,630. | 1,839,592. | 1,800,206. | 1,746,441. | 1,693,695. | 1,896,746. | 1,827,981. | 1,980,995. |
| Other support services: | | | | | | | | | | |
| Employee benefits | 3,360,904. | 4,023,641. | 4,168,079. | 3,877,695. | 3,952,824. | 4,193,235. | 4,374,546. | 4,687,269. | 4,429,272. | 4,598,709. |
| Claim cost | 0. | 0. | 131,575. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Capital Outlay | 153,180. | 7,898,775. | 16,990,220. | 4,496,303. | 3,745,284. | 3,887,161. | 2,019,947. | 1,686,667. | 312,960. | 420,568. |
| Debt Service: | | | | | | | | | | |
| Principal | 560,000. | 680,000. | 715,000. | 750,000. | 780,000. | 530,000. | 830,000. | 893,000. | 680,000. | 710,000. |
| Interest and other charges | 399,488. | 369,037. | 334,128. | 297,843. | 260,359. | 230,552. | 478,443. | 283,468. | 307,489. | 286,849. |
| Total Expenditures | 18,798,143. | 28,634,384. | 38,231,383. | 26,606,036. | 26,270,921. | 25,860,879. | 24,661,590. | 25,505,990. | 23,333,243. | 23,625,173. |

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

(Modified Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|-----------------|-----------------|--------------|--------------|-----------------|---------------|-----------------|---------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Excess (Deficiency) of revenues over (under) expenditures | \$ 887,180. | \$ (2,253,559.) | \$ (4,306,203.) | \$ (90,502.) | \$ (40,385.) | \$ (1,281,697.) | \$ (522,722.) | \$ (2,306,499.) | \$ (638,584.) | \$ (391,374.) |
| Other Financing Sources (Uses): | | | | | | 6,477,000. | | | | |
| Proceeds from sale of bonds | 932. | 1,781. | 1,482. | 5,974. | 8,823. | 473,246. | 447,802. | 318,982. | 476,620. | (35,152.) |
| Prior year adjustment | (28,257.) | (1,781.) | (1,482.) | (5,974.) | (8,823.) | (473,246.) | (447,802.) | (318,982.) | (476,620.) | 466,683. |
| Transfers in | | | | | | | | | | |
| Transfers out | | | | | | | | | | (466,683.) |
| Total other financing sources (uses) | (27,325.) | 0. | 0. | 0. | 0. | 6,477,000. | 0. | 0. | 0. | (35,152.) |
| Net change in fund balance | \$ 859,855. | \$ (2,253,559.) | \$ (4,306,203.) | \$ (90,502.) | \$ (40,385.) | \$ 5,195,303. | \$ (522,722.) | \$ (2,306,499.) | \$ (638,584.) | \$ (426,526.) |
| Debt Service as a Percentage of Noncapital Expenditures | 5.15% | 5.06% | 4.94% | 4.74% | 4.62% | 3.46% | 5.78% | 4.94% | 4.29% | 4.30% |

Source: District records

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

| Fiscal Year Ended June 30 | Alternative School Fees | Transportation Fees | Interest on Investments | Tuition | Prior Year Refunds | Other | Total |
|---------------------------|-------------------------|---------------------|-------------------------|---------|--------------------|---------|-------------|
| 2006 | \$ 49,164. | \$ 150,656. | \$ 57,242. | \$ 0. | \$ 0. | 12,249. | \$ 269,311. |
| 2007 | 58,533. | 146,620. | 99,280. | 0. | 0. | 18,518. | 322,951. |
| 2008 | 37,679. | 157,740. | 53,535. | 0. | 80,105. | 18,246. | 347,305. |
| 2009 | 6,818. | 154,268. | 30,762. | 0. | 6,172. | 52,495. | 250,515. |
| 2010 | 0. | 133,808. | 26,387. | 0. | 0. | 86,407. | 246,602. |
| 2011 | 0. | 136,814. | 29,644. | 0. | 0. | 14,076. | 180,534. |
| 2012 | 0. | 109,822. | 28,241. | 43,904. | 0. | 48,518. | 230,485. |
| 2013 | 0. | 88,645. | 17,943. | 8,757. | 7,008. | 76,936. | 199,289. |
| 2014 | 0. | 206,606. | 8,756. | 0. | 0. | 61,360. | 276,722. |
| 2015 | 0. | 217,712. | 10,267. | 11,290. | 0. | 12,257. | 251,526. |

Source: District records

REVENUE CAPACITY

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

| | Year Ended Dec. 31 | Net Assessed Valuations | Estimated Full Cash Valuations | Percentage of Net Assessed to Estimated Full Cash Valuations |
|--------------------|--------------------------|----------------------------|--------------------------------------|--|
| Deerfield Township | 2005 | \$ 171,360,347. | \$ 165,079,460. | 103.80% |
| | 2006 | 175,514,121. | 175,966,921. | 99.74% |
| | 2007 | 181,724,786. | 195,082,197. | 93.15% |
| | 2008 | 183,451,765. | 248,607,502. | 73.79% |
| | 2009 | 186,638,215. | 231,679,673. | 80.56% |
| | 2010 | 185,633,978. | 225,667,615. | 82.26% |
| | 2011 | 187,619,461. | 224,370,817. | 83.62% |
| | 2012 | 189,386,599. | 216,339,370. | 87.54% |
| | 2013 | 187,959,971. | 209,337,794. | 89.79% |
| | 2014 | 189,201,358. | 203,791,220. | 92.84% |
| Fairfield Township | 2005 | 159,109,561. | 174,745,352. | 91.05% |
| | 2006 | 161,019,200. | 207,971,432. | 77.42% |
| | 2007 | 165,821,170. | 244,093,827. | 67.93% |
| | 2008 | 169,030,680. | 290,722,820. | 58.14% |
| | 2009 | 170,519,800. | 325,356,981. | 52.41% |
| | 2010 | 171,681,417. | 317,234,116. | 54.12% |
| | 2011 | 321,041,461. | 303,667,283. | 105.72% |
| | 2012 | 319,694,847. | 325,283,562. | 98.28% |
| | 2013 | 317,040,041. | 314,398,390. | 100.84% |
| | 2014 | 315,622,682. | 308,715,419. | 102.24% |
| Greenwich Township | 2005 | 61,732,103. | 52,433,375. | 117.73% |
| | 2006 | 61,795,059. | 58,383,194. | 105.84% |
| | 2007 | 62,572,212. | 69,173,486. | 90.46% |
| | 2008 | 63,006,214. | 73,216,059. | 86.06% |
| | 2009 | 63,006,369. | 74,274,473. | 84.83% |
| | 2010 | 63,075,566. | 72,565,942. | 86.92% |
| | 2011 | 63,271,494. | 69,359,566. | 91.22% |
| | 2012 | 63,420,152. | 86,386,734. | 73.41% |
| | 2013 | 63,558,080. | 79,771,598. | 79.68% |
| | 2014 | 63,110,769. | 79,333,966. | 79.55% |
| Hopewell Township | 2005 | 224,987,536. | 245,932,455. | 91.48% |
| | 2006 | 226,734,338. | 276,406,251. | 82.03% |
| | 2007 | 229,567,880. | 320,914,069. | 71.54% |
| | 2008 | 231,067,147. | 366,986,033. | 62.96% |
| | 2009 | 232,402,044. | 372,512,328. | 62.39% |
| | 2010 | 237,083,911. | 366,880,823. | 64.62% |
| | 2011 | 236,624,009. | 352,382,212. | 67.15% |
| | 2012 | 237,253,558. | 342,556,122. | 69.26% |
| | 2013 | 247,157,724. | 341,939,345. | 72.28% |
| | 2014 | 246,887,661. | 336,618,453. | 73.34% |

Source: Abstract of Ratables, County Board of Taxation

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

| | Year Ended Dec. 31 | Net Assessed Valuations | Estimated Full Cash Valuations | Percentage of Net Assessed to Estimated Full Cash Valuations |
|--------------------------|--------------------------|----------------------------|--------------------------------------|--|
| Shiloh Borough | 2005 | \$ 19,094,488. | \$ 21,548,207. | 88.61% |
| | 2006 | 19,357,592. | 25,614,565. | 75.57% |
| | 2007 | 19,430,642. | 30,578,719. | 63.54% |
| | 2008 | 19,412,258. | 31,880,075. | 60.89% |
| | 2009 | 19,509,700. | 38,337,607. | 50.89% |
| | 2010 | 19,510,575. | 36,952,673. | 52.80% |
| | 2011 | 33,589,433. | 32,213,091. | 104.27% |
| | 2012 | 33,343,800. | 29,035,564. | 114.84% |
| | 2013 | 33,263,798. | 36,155,078. | 92.00% |
| | 2014 | 33,173,259. | 34,568,674. | 95.96% |
| Stow Creek Township | 2005 | 76,278,901. | 80,587,911. | 94.65% |
| | 2006 | 76,703,027. | 86,625,829. | 88.55% |
| | 2007 | 78,598,259. | 95,076,364. | 82.67% |
| | 2008 | 79,845,215. | 87,920,303. | 90.82% |
| | 2009 | 79,988,399. | 113,537,433. | 70.45% |
| | 2010 | 80,216,486. | 127,228,042. | 63.05% |
| | 2011 | 81,264,600. | 119,487,463. | 68.01% |
| | 2012 | 81,115,597. | 112,973,919. | 71.80% |
| | 2013 | 80,935,283. | 120,624,519. | 67.10% |
| | 2014 | 81,046,748. | 115,401,742. | 70.23% |
| Upper Deerfield Township | 2005 | 399,407,924. | 464,315,523. | 86.02% |
| | 2006 | 414,074,483. | 528,714,356. | 78.32% |
| | 2007 | 421,881,678. | 588,207,884. | 71.72% |
| | 2008 | 433,113,262. | 728,773,880. | 59.43% |
| | 2009 | 434,564,399. | 757,247,096. | 57.39% |
| | 2010 | 419,994,185. | 683,593,123. | 61.44% |
| | 2011 | 424,194,653. | 696,056,777. | 60.94% |
| | 2012 | 630,201,916. | 631,326,018. | 99.82% |
| | 2013 | 628,117,666. | 618,417,150. | 101.57% |
| | 2014 | 634,807,543. | 630,327,118. | 100.71% |

Source: Abstract of Ratables, County Board of Taxation

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

| Fiscal Year Ended June 30, | Deerfield Township School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------|---------------------------------------|---|----------------------------------|--------------------|-------------------|----------|---------------------------------------|
| | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Cumberland Regional School Dist. | Deerfield Township | Cumberland County | | |
| 2005 | N/A | \$ 1.181 | \$ 0.677 | \$ 0.012 | \$ 0.996 | \$ 2.866 | |
| 2006 | N/A | 1.251 | 0.660 | 0.013 | 1.048 | 2.972 | |
| 2007 | N/A | 1.291 | 0.567 | 0.010 | 1.059 | 2.927 | |
| 2008 | N/A | 1.309 | 0.612 | 0.011 | 1.291 | 3.223 | |
| 2009 | N/A | 1.295 | 0.526 | 0.011 | 1.116 | 2.948 | |
| 2010 | N/A | 1.342 | 0.529 | 0.011 | 1.098 | 2.980 | |
| 2011 | N/A | 1.336 | 0.542 | 0.050 | 1.147 | 3.075 | |
| 2012 | N/A | 1.339 | 0.472 | 0.071 | 1.089 | 2.971 | |
| 2013 | N/A | 1.326 | 0.487 | 0.081 | 1.098 | 2.992 | |
| 2014 | N/A | 1.373 | 0.517 | 0.081 | 1.122 | 3.093 | |

| Fiscal Year Ended June 30, | Fairfield Township School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------|---------------------------------------|---|----------------------------------|--------------------|-------------------|----------|---------------------------------------|
| | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Cumberland Regional School Dist. | Fairfield Township | Cumberland County | | |
| 2005 | N/A | \$ 0.479 | \$ 0.832 | \$ 0.221 | \$ 1.141 | \$ 2.673 | |
| 2006 | N/A | 0.577 | 0.898 | 0.199 | 1.333 | 3.007 | |
| 2007 | N/A | 0.607 | 0.949 | 0.413 | 1.452 | 3.421 | |
| 2008 | N/A | 0.623 | 0.824 | 0.521 | 1.640 | 3.608 | |
| 2009 | N/A | 0.623 | 0.866 | 0.545 | 1.707 | 3.741 | |
| 2010 | N/A | 0.703 | 0.912 | 0.673 | 1.690 | 3.978 | |
| 2011 | N/A | 0.378 | 0.434 | 0.375 | 0.896 | 2.083 | |
| 2012 | N/A | 0.384 | 0.470 | 0.384 | 0.965 | 2.203 | |
| 2013 | N/A | 0.393 | 0.460 | 0.383 | 0.976 | 2.212 | |
| 2014 | N/A | 0.390 | 0.485 | 0.383 | 1.017 | 2.275 | |

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

| Fiscal Year Ended June 30, | Greenwich Township School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------|---------------------------------------|-------------------------------------|---|----------------------------------|--------------------|-------------------|---------------------------------------|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Cumberland Regional School Dist. | Greenwich Township | Cumberland County | |
| 2005 | \$ 1.156 | N/A | \$ 1.156 | \$ 0.484 | \$ 0.286 | \$ 0.883 | \$ 2.809 |
| 2006 | 1.207 | N/A | 1.207 | 0.522 | 0.319 | 0.982 | 3.030 |
| 2007 | 1.226 | N/A | 1.226 | 0.646 | 0.379 | 1.093 | 3.344 |
| 2008 | 1.265 | N/A | 1.265 | 0.506 | 0.379 | 1.104 | 3.254 |
| 2009 | 1.289 | N/A | 1.289 | 0.475 | 0.410 | 1.054 | 3.228 |
| 2010 | 1.295 | N/A | 1.295 | 0.555 | 0.436 | 1.052 | 3.338 |
| 2011 | 1.245 | N/A | 1.245 | 0.527 | 0.446 | 1.052 | 3.270 |
| 2012 | 1.241 | N/A | 1.241 | 0.580 | 0.474 | 1.297 | 3.592 |
| 2013 | 1.238 | N/A | 1.238 | 0.625 | 0.484 | 1.238 | 3.585 |
| 2014 | 1.238 | N/A | 1.238 | 0.656 | 0.498 | 1.306 | 3.698 |

| Fiscal Year Ended June 30, | Hopewell Township School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--------------------------------------|-------------------------------------|---|----------------------------------|-------------------|-------------------|---------------------------------------|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Cumberland Regional School Dist. | Hopewell Township | Cumberland County | |
| 2005 | N/A | N/A | \$ 1.302 | \$ 0.717 | \$ 0.074 | \$ 1.137 | \$ 3.230 |
| 2006 | N/A | N/A | 1.373 | 0.736 | 0.120 | 1.267 | 3.496 |
| 2007 | N/A | N/A | 1.386 | 0.837 | 0.151 | 1.397 | 3.771 |
| 2008 | N/A | N/A | 1.395 | 0.759 | 0.193 | 1.512 | 3.859 |
| 2009 | N/A | N/A | 1.386 | 0.761 | 0.207 | 1.443 | 3.797 |
| 2010 | N/A | N/A | 1.470 | 0.659 | 0.217 | 1.415 | 3.761 |
| 2011 | N/A | N/A | 1.421 | 0.735 | 0.217 | 1.429 | 3.802 |
| 2012 | N/A | N/A | 1.353 | 0.645 | 0.240 | 1.374 | 3.612 |
| 2013 | N/A | N/A | 1.286 | 0.588 | 0.241 | 1.364 | 3.479 |
| 2014 | N/A | N/A | 1.338 | 0.671 | 0.248 | 1.421 | 3.678 |

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

| Fiscal Year Ended June 30, | Shiloh Borough School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate | |
|----------------------------|-----------------------------------|-----------------------------|------------------------------|----------------------------------|----------------|-------------------|---------------------------------------|-----------------------|
| | Basic Rate (a) | General (From J-6) | | Cumberland Regional School Dist. | Shiloh Borough | Cumberland County | | |
| | | Obligation Debt Service (b) | Total Direct School Tax Rate | | | | | Regional School Dist. |
| 2005 | \$ 1.280 | | \$ | 1.280 | \$ 0.751 | \$ 0.419 | \$ 1.175 | \$ 3.625 |
| 2006 | 1.332 | | | 1.332 | 0.878 | 0.465 | 1.375 | 4.050 |
| 2007 | 0.710 | | | 0.710 | 0.932 | 0.470 | 1.555 | 3.667 |
| 2008 | 0.712 | | | 0.712 | 0.874 | 0.523 | 1.562 | 3.671 |
| 2009 | 0.708 | | | 0.708 | 0.976 | 0.533 | 1.765 | 3.982 |
| 2010 | 0.794 | | | 0.794 | 1.203 | 0.544 | 1.732 | 4.273 |
| 2011 | 0.552 | | | 0.552 | 0.488 | 0.316 | 0.922 | 2.278 |
| 2012 | 0.639 | | | 0.639 | 0.487 | 0.317 | 0.825 | 2.268 |
| 2013 | 0.770 | | | 0.770 | 0.570 | 0.317 | 1.068 | 2.725 |
| 2014 | 0.761 | | | 0.761 | 0.586 | 0.318 | 1.086 | 2.751 |

| Fiscal Year Ended June 30, | Stow Creek Township School Direct Rate | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate | |
|----------------------------|--|-----------------------------|------------------------------|----------------------------------|---------------------|-------------------|---------------------------------------|-----------------------|
| | Basic Rate (a) | General (From J-6) | | Cumberland Regional School Dist. | Stow Creek Township | Cumberland County | | |
| | | Obligation Debt Service (b) | Total Direct School Tax Rate | | | | | Regional School Dist. |
| 2005 | N/A | | \$ | 0.894 | \$ 0.737 | \$ 0.090 | \$ 1.098 | \$ 2.819 |
| 2006 | N/A | | | 1.007 | 0.751 | 0.144 | 1.172 | 3.074 |
| 2007 | N/A | | | 1.022 | 0.709 | 0.144 | 1.194 | 3.069 |
| 2008 | N/A | | | 1.046 | 0.523 | 0.177 | 1.048 | 2.795 |
| 2009 | N/A | | | 1.074 | 0.613 | 0.200 | 1.274 | 3.161 |
| 2010 | N/A | | | 1.084 | 0.742 | 0.211 | 1.411 | 3.448 |
| 2011 | N/A | | | 1.084 | 0.742 | 0.211 | 1.411 | 3.448 |
| 2012 | N/A | | | 1.100 | 0.713 | 0.218 | 1.324 | 3.355 |
| 2013 | N/A | | | 1.183 | 0.786 | 0.224 | 1.467 | 3.660 |
| 2014 | N/A | | | 1.258 | 0.765 | 0.233 | 1.484 | 3.740 |

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

| Fiscal Year Ended June 30, | Upper Deerfield Township | | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------|--------------------------|-------------------------------------|---|----------------------------------|--------------------------|-------------------|----------|---------------------------------------|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Cumberland Regional School Dist. | Upper Deerfield Township | Cumberland County | | |
| 2005 | \$ 1.219 | \$ 0.138 | \$ 1.357 | \$ 0.647 | \$ - | \$ 1.210 | \$ 3.214 | |
| 2006 | 1.256 | 0.129 | 1.385 | 0.714 | - | 1.326 | 3.425 | |
| 2007 | 1.297 | 0.113 | 1.410 | 0.746 | - | 1.376 | 3.532 | |
| 2008 | 1.329 | 0.114 | 1.443 | 0.739 | - | 1.601 | 3.783 | |
| 2009 | 1.363 | 0.116 | 1.479 | 0.735 | - | 1.566 | 3.780 | |
| 2010 | 1.419 | 0.123 | 1.542 | 0.707 | - | 1.467 | 3.716 | |
| 2011 | 1.428 | 0.119 | 1.547 | 0.670 | - | 1.570 | 3.787 | |
| 2012 | 0.984 | 0.081 | 1.065 | 0.455 | 0.030 | 0.947 | 2.497 | |
| 2013 | 1.007 | 0.082 | 1.089 | 0.445 | 0.045 | 0.969 | 2.548 | |
| 2014 | 1.017 | 0.082 | 1.099 | 0.450 | 0.061 | 1.035 | 2.645 | |

Source: Municipal Tax Collector

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

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

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

| Taxpayer | 2014 | | | 2005 | | |
|---------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Taxpayer 1 | \$ 5,717,300. | 1 | 3.02% | | | |
| F&S Realty Assoc. | 2,179,300. | 2 | 1.15% | | | |
| Pipitone Realty, LLC | 2,107,900. | 3 | 1.11% | | | |
| Taxpayer 2 | 1,532,500. | 4 | 0.81% | | | |
| S&L Realty Associates LLC | 1,262,600. | 5 | 0.67% | | | |
| Mand LLC | 929,100. | 6 | 0.49% | | | |
| Verizon | 689,219. | 7 | 0.36% | | | |
| Taxpayer 3 | 606,400. | 8 | 0.32% | | | |
| Lartland, LLC | 564,200. | 9 | 0.30% | | | |
| 556 Irving Ave. LLC | 553,300. | 10 | 0.29% | | | |
| Total | \$ 16,141,819. | | 8.53% | \$ 0. | | 0.00% |

No Information was Available

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | 2005 | | |
|--------------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| South State, Inc. | \$ 7,926,900. | 1 | 2.51% | \$ 2,360,400. | 1 | 1.48% |
| Tips Trailer Park, Inc. | 3,935,600. | 2 | 1.25% | | | |
| Arthur Boss, MK Boss & MB McDowell | 2,620,000. | 3 | 0.83% | | | |
| Laning Bros Farm, Inc. | 2,540,400. | 4 | 0.80% | 887,300. | 5 | 0.56% |
| Cumberland Self Storage, LLC | 1,971,700. | 5 | 0.62% | 838,400. | 7 | 0.53% |
| NJ Oak Solar LLC | 1,630,200. | 6 | 0.52% | | | |
| T Zander & Sons, Inc. Profit Sharing | 1,525,300. | 7 | 0.48% | 848,200. | 6 | 0.53% |
| Taxpayer #1 | 1,231,000. | 8 | 0.39% | | | |
| Halka Nurseries, Inc. | 1,173,900. | 9 | 0.37% | | | |
| Taxpayer #2 | 1,122,200. | 10 | 0.36% | | | |
| Milner Corp. | | | | 761,600. | 8 | 0.48% |
| Miza Pharmaceuticals USA | | | | 2,303,500. | 2 | 1.45% |
| Eagles Manor | | | | 987,700. | 3 | 0.62% |
| SAC Realty, LLC | | | | 895,400. | 4 | 0.56% |
| Exelon (PSEG) | | | | 658,700. | 10 | 0.41% |
| | | | | 697,600. | 9 | 0.44% |
| Total | \$ 25,677,200. | | 8.14% | 11,238,800 | | 7.06% |

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | 2005 | | |
|----------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Total | \$ 0. | | 0.00% | \$ 0. | | 0.00% |

NO INFORMATION WAS AVAILABLE

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | | 2005 | | | | |
|---------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| LTC Mgmt, LLC | \$ 8,872,900. | 1 | 3.59% | \$ 0. | | | | | |
| Cumberland Mutual Fire Ins. Co. | 5,528,900. | 2 | 2.24% | 2,606,700. | 1 | 1.16% | | | |
| Sunny Slope Farms of NJ | 1,758,300. | 3 | 0.71% | 1,758,300. | 2 | 0.78% | | | |
| Solavista LLC | 1,256,200. | 4 | 0.51% | | | | | | |
| ACM Realty LLC | 1,218,000. | 5 | 0.49% | 728,000. | 8 | 0.32% | | | |
| Taxpayer 1 | 1,014,200. | 6 | 0.41% | 845,600. | 6 | 0.38% | | | |
| Rosypal | 924,200. | 7 | 0.37% | 859,300. | 5 | 0.38% | | | |
| Blue Sterling Nursery, LLC | 835,200. | 8 | 0.34% | | | | | | |
| Cottages at Dutch Neck | 793,600. | 9 | 0.32% | | | | | | |
| Taxpayer 2 | 770,800. | 10 | 0.31% | | | | | | |
| Taxpayer 3 | | | | 1,372,700. | 3 | 0.61% | | | |
| Verizon | | | | 1,090,464. | 4 | 0.48% | | | |
| Taxpayer 4 | | | | 835,200. | 7 | 0.37% | | | |
| Taxpayer 5 | | | | 704,000. | 9 | 0.31% | | | |
| Taxpayer 6 | | | | 592,500. | 10 | 0.26% | | | |
| Total | \$ 22,972,300. | | 9.30% | \$ 11,392,764. | | 5.06% | | | |

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | 2005 | | |
|----------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Taxpayer # 1 | \$ 756,400. | 1 | 2.28% | \$ 555,400. | 1 | 2.91% |
| Taxpayer # 2 | 617,600. | 2 | 1.86% | 240,600. | 5 | 1.26% |
| SarJu Realty LLC | 495,200. | 3 | 1.49% | 456,300. | 2 | 2.39% |
| Solavista LLC | 422,800. | 4 | 1.27% | | | |
| Taxpayer #3 | 398,400. | 5 | 1.20% | | | |
| DeWilde Farm Associates LP | 375,700. | 6 | 1.13% | 241,600. | 4 | 1.27% |
| Taxpayer #4 | 356,200. | 7 | 1.07% | | | |
| Taxpayer #5 | 341,100. | 8 | 1.03% | 187,900. | 9 | 0.98% |
| Taxpayer #6 | 289,800. | 9 | 0.87% | | | |
| Taxpayer #7 | 283,300. | 10 | 0.85% | | | |
| Taxpayer #8 | | | | 250,000. | 3 | 1.31% |
| Taxpayer #9 | | | | 240,100. | 6 | 1.26% |
| Taxpayer #10 | | | | 207,200. | 7 | 1.09% |
| Taxpayer #11 | | | | 191,600. | 8 | 1.00% |
| Verizon | | | | 183,978. | 10 | 0.96% |
| Total | \$ 4,336,500. | | 13.07% | \$ 2,754,678. | | 14.43% |

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | 2005 | | |
|-------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Taxpayer #1 | \$ 774,600. | 1 | 0.96% | | | |
| Farm Rite | 650,000. | 2 | 0.80% | | | |
| Taxpayer #2 | 526,100. | 3 | 0.65% | | | |
| Taxpayer #3 | 457,000. | 4 | 0.56% | | | |
| Taxpayer #4 | 423,700. | 5 | 0.52% | | | |
| Taxpayer #5 | 370,300. | 6 | 0.46% | | | |
| Taxpayer #6 | 332,900. | 7 | 0.41% | | | |
| Taxpayer #7 | 321,900. | 8 | 0.40% | | | |
| Taxpayer #8 | 317,400. | 9 | 0.39% | | | |
| Taxpayer #9 | 314,500. | 10 | 0.39% | | | |
| Total | \$ 4,488,400. | | 5.54% | \$ 0. | | 0.00% |

Information Not Available

Source: Municipal Tax Assessor

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

| Taxpayer | 2014 | | | 2005 | | |
|-----------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Walmart TRS LLC | \$ 13,954,900. | 1 | 2.20% | \$ 0. | | |
| Cedar-Carl's Corner LLC | 10,755,600. | 2 | 1.69% | 6,837,200. | 3 | 1.71% |
| KMT Properties LLC | 9,335,700. | 3 | 1.47% | | | |
| Seabrook Bros. & Sons | 7,137,900. | 4 | 1.12% | 15,822,700. | 1 | 3.96% |
| Clement Papas Co., Inc. | 6,864,000. | 5 | 1.08% | 6,615,700. | 4 | 1.66% |
| Upper Deerfield Station LP | 6,629,700. | 6 | 1.04% | | | |
| Founders Realty III | 6,153,400. | 7 | 0.97% | 5,078,300. | 5 | 1.27% |
| Upper Deerfield Adult Living, LLC | 4,600,000. | 8 | 0.72% | 4,355,000. | 6 | 1.09% |
| Bridgeton Realty Assoc. LLP | 3,616,400. | 9 | 0.57% | | | |
| Atlantic City Electric Co. | 3,203,300. | 10 | 0.50% | | | |
| Seabrook Associates | | | | 13,822,100. | 2 | 3.46% |
| Gilmar Assoc. | | | | 4,240,900. | 7 | 1.06% |
| Seabrook Housing Corp. | | | | 3,364,700. | 8 | 0.84% |
| Atlantic Electric | | | | 1,993,500. | 9 | 0.50% |
| Perdue Farm, Inc. | | | | 1,872,300. | 10 | 0.47% |
| Total | \$ 72,250,900. | | 9.18% | \$ 64,002,400. | | 16.02% |

Source: Municipal Tax Assessor

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

| Fiscal Year Ended June 30, | Taxes Levies For and Collections | Collected Within the Fiscal Year of the Levy (a) | | Collection in Subsequent Year |
|-------------------------------------|---|---|-----------------------|--|
| | | Amount | Percentage of Levy | |
| 2006 | \$ 7,933,517. | \$ 7,933,517. | 100.00% | |
| 2007 | 8,420,427. | 8,420,427. | 100.00% | |
| 2008 | 8,873,147. | 8,873,147. | 100.00% | |
| 2009 | 8,380,979. | 8,380,979. | 100.00% | |
| 2010 | 8,384,629. | 8,384,629. | 100.00% | |
| 2011 | 8,034,310. | 8,034,310. | 100.00% | |
| 2012 | 8,034,310. | 8,034,310. | 100.00% | |
| 2013 | 7,834,159. | 7,834,159. | 100.00% | |
| 2014 | 7,834,160. | 7,834,160. | 100.00% | |
| 2015 | 8,315,237. | 8,315,237. | 100.00% | |

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

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

DEBT CAPACITY

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

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business-Type Activities | | Total District | Percentage of Personal Income (a) | Per Capita (a) |
|----------------------------|------------------------------|-------------------------------|----------------|--------------------------------|--------------------------|----------------|----------------|-----------------------------------|----------------|
| | General Obligation Bonds (b) | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | Capital Leases | | | |
| 2006 | \$ 8,580,000. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | \$ 0. | 1.19% | \$ 336. | |
| 2007 | 7,900,000. | 0 | 0. | 0 | 0 | 0 | 1.03% | 307. | |
| 2008 | 7,185,000. | 0 | 0. | 0 | 0 | 0 | 0.89% | 277. | |
| 2009 | 6,435,000. | 0 | 0. | 0 | 0 | 0 | 0.75% | 246. | |
| 2010 | 5,655,000. | 0 | 0. | 0 | 0 | 0 | 0.64% | 215. | |
| 2011 | 11,602,000. | 0 | 0. | 0 | 0 | 0 | 1.38% | 476. | |
| 2012 | 10,772,000. | 0 | 0. | 0 | 0 | 0 | 1.24% | 438. | |
| 2013 | 9,996,700. | 0 | 0. | 0 | 0 | 0 | 1.14% | 403. | |
| 2014 | 9,287,000. | 0 | 0. | 0 | 0 | 0 | 1.05% | 377. | |
| 2015 | 8,577,000. | 0 | 0. | 0 | 0 | 0 | N/A | 351. | |

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

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

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value (a) of Property | Per Capita (b) |
|----------------------------|---------------------------------|------------|-------------------------------------|--|----------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2006 | \$ 8,580,000. | \$ 0. | \$ 8,580,000. | 0.77% | \$ 300. |
| 2007 | 7,900,000. | | 7,900,000. | 0.70% | 264. |
| 2008 | 7,185,000. | | 7,185,000. | 0.62% | 277. |
| 2009 | 6,435,000. | | 6,435,000. | 0.55% | 246. |
| 2010 | 5,655,000. | | 5,655,000. | 0.48% | 215. |
| 2011 | 11,602,000. | | 11,602,000. | 0.99% | 476. |
| 2012 | 10,772,000. | | 10,772,000. | 0.80% | 438. |
| 2013 | 9,996,700. | | 9,996,700. | 0.64% | 403. |
| 2014 | 9,287,000. | | 9,287,000. | 0.60% | 377. |
| 2015 | 8,577,000. | | 8,577,000. | 0.55% | 351. |

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14

CUMBERLAND REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (a) | Estimated Share of Overlapping Debt |
|---|---------------------|---|---|
| Debt Repaid With Property Taxes: | | | |
| Deerfield Township | \$ 40,000. | 100% | \$ 40,000. |
| Deerfield Township School District | 1,190,000. | 100% | 1,190,000. |
| Fairfield Township | 2,940,232. | 100% | 2,940,232. |
| Fairfield Township School District | 5,095,000. | 100% | 5,095,000. |
| Greenwich Township | 0. | 100% | 0. |
| Greenwich Township School District | 0. | 100% | 0. |
| Hopewell Township | 3,170,725. | 100% | 3,170,725. |
| Hopewell Township School District | 2,747,000. | 100% | 2,747,000. |
| Shiloh Borough | 0. | 100% | 0. |
| Stow Creek Township | 0. | 100% | 0. |
| Stow Creek Township School District | 0. | 100% | 0. |
| Upper Deerfield Township | 1,230,250. | 100% | 1,230,250. |
| Upper Deerfield Township School District | 2,780,000. | 100% | 2,780,000. |
| Other Debt | | | |
| Cumberland County | 85,261,450. | 19.11% | 16,293,463. |
| Cumberland County Improvement and Utilities Authority | 123,140,000. | 19.11% | 23,532,054. |
| Subtotal, Overlapping Debt | | | 59,018,724. |
| Cumberland Regional School District Direct Debt | | | 8,577,000. |
| Total Direct & Overlapping Debt | | | <u>\$ 67,595,724.</u> |

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

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

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

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

| | FISCAL YEAR | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Debt Limit | \$ 26,861,341. | \$ 39,636,130. | \$ 45,672,123. | \$ 51,239,347. | \$ 54,482,678. | \$ 54,741,721. | \$ 53,141,120. | \$ 51,828,271. | \$ 51,480,407. | \$ 50,642,890. |
| Total Net Debt Applicable to Limit | 8,580,000. | 7,900,000. | 7,185,000. | 6,435,000. | 5,655,000. | 11,602,000. | 10,772,000. | 9,996,700. | 9,287,000. | 8,577,000. |
| Legal Debt Margin | \$ 18,281,341. | \$ 31,736,130. | \$ 38,487,123. | \$ 44,804,347. | \$ 48,827,678. | \$ 43,139,721. | \$ 42,369,120. | \$ 41,831,571. | \$ 42,193,407. | \$ 42,065,890. |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 31.94% | 19.93% | 15.73% | 12.56% | 10.38% | 21.19% | 20.27% | 19.29% | 18.04% | 16.94% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|--|--------------------------|
| Equalized Valuation Basis | |
| Deerfield Township | \$ 201,431,518. |
| Fairfield Township | 305,148,554. |
| Greenwich Township | 90,639,455. |
| Hopewell Township | 321,664,725. |
| Shiloh Borough | 33,690,569. |
| Stow Creek Township | 112,972,578. |
| Upper Deerfield Township | 622,548,945. |
| Total 3 year average equalized valuation of taxable property | <u>\$ 1,688,096,344.</u> |

| | |
|--|-----------------------|
| Debt Limit (3 % of Average Equalization Value) | 50,642,890. (a) |
| Total Net Debt Applicable to Limit | 8,577,000. |
| Legal Debt Margin | <u>\$ 42,065,890.</u> |

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

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

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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

| Year | Population (a) | Personal Income (b) | Per Capita Personal Income (c) | Unemployment Rate (d) |
|------|----------------|------------------------|--|--------------------------|
| 2005 | 25,567 | \$ 719,685,483. | \$ 28,635. | 4.55% |
| 2006 | 25,729 | 769,091,268. | 29,892. | 5.31% |
| 2007 | 25,917 | 805,189,356. | 31,068. | 6.50% |
| 2008 | 26,158 | 853,509,382. | 32,629. | 8.00% |
| 2009 | 26,333 | 880,707,185. | 33,445. | 12.70% |
| 2010 | 24,396 | 839,198,004. | 34,399. | 10.00% |
| 2011 | 24,592 | 870,876,496. | 35,413. | 11.50% |
| 2012 | 24,808 | 879,890,144. | 35,468. | 12.90% |
| 2013 | 24,611 | 881,689,075. | 35,825. | 9.46% |
| 2014 | 24,469 | N/A | N/A | 8.06% |

Source:

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

OPERATING INFORMATION

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

| Function/Program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction: | | | | | | | | | | |
| Regular | 117 | 115 | 114 | 114 | 114 | 102 | 105 | 94 | 94 | 92 |
| Other Instruction | 25 | 25 | 22 | 25 | 25 | 25 | 21 | 25 | 25 | 23 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 24 | 24 | 26 |
| General Administration | 8 | 9 | 9 | 9 | 10 | 10 | 10 | 14 | 2 | 2 |
| Other Administrative Services | 16 | 16 | 15 | 15 | 15 | 16 | 18 | 6 | 16 | 15 |
| Administrative Information Technology | 1 | 1 | 1 | 2 | 2 | 3 | 3 | 2 | 2 | 2 |
| Plant Operations & Maintenance | 14 | 14 | 17 | 14 | 13 | 14 | 14 | 14 | 14 | 16 |
| Other Support Services | 6 | 6 | 6 | 6 | 6 | 8 | 10 | 6 | 6 | 6 |
| Total | 191 | 190 | 188 | 189 | 189 | 182 | 186 | 185 | 183 | 182 |

Source: District Personnel Records

CUMBERLAND REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures (a) | Cost Per Pupil | Percentage Change | Teaching Staff (b) | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) (c) | Average Daily Attendance (ADA) (c) | % Change In Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|----------------------------|----------------|-------------------|--------------------|---------------------|--------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Senior High School | School | | | | |
| 2006 | 1,416 | \$ 17,685,475. | \$ 12,490. | 2.49% | 113.00 | 12.12 | 1,369 | 1,273 | 1.11% | 92.99% | |
| 2007 | 1,378 | 19,686,472. | 14,286. | 14.38% | 111.00 | 12.15 | 1,349 | 1,254 | (1.46)% | 92.96% | |
| 2008 | 1,335 | 20,192,035. | 15,125. | 5.87% | 110.00 | 11.84 | 1,302 | 1,213 | (3.48)% | 93.19% | |
| 2009 | 1,343 | 21,061,890. | 15,683. | 3.69% | 110.00 | 11.82 | 1,300 | 1,235 | (0.15)% | 95.00% | |
| 2010 | 1,356 | 21,485,278. | 15,845. | 1.03% | 110.00 | 11.13 | 1,224 | 1,138 | (5.85)% | 92.97% | |
| 2011 | 1,330 | 21,213,166. | 15,950. | 0.66% | 100.00 | 11.97 | 1,197 | 1,137 | (2.21)% | 95.00% | |
| 2012 | 1,291 | 21,333,200. | 16,525. | 3.61% | 105.00 | 11.80 | 1,239 | 1,163 | 3.51% | 93.87% | |
| 2013 | 1,273 | 22,642,855. | 17,787. | 7.63% | 98.00 | 12.44 | 1,219 | 1,149 | (1.61)% | 94.26% | |
| 2014 | 1,305 | 22,032,794. | 16,883. | (5.08)% | 97.00 | 12.85 | 1,246 | 1,171 | 2.21% | 93.98% | |
| 2015 | 1,335 | 22,207,756. | 16,635. | (1.47)% | 93.00 | 13.49 | 1,255 | 1,185 | 0.72% | 94.42% | |

Sources: District records

Note: Enrollment based on annual October district count.

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

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| District Building | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>Primary:</u> | | | | | | | | | | |
| High School | | | | | | | | | | |
| Square Feet | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 | 247,690 |
| Capacity (Students) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | 1,486 | 1,486 | 1,375 | 1,322 | 1,429 | 1,238 | 1,291 | 1,278 | 1,305 | 1,335 |
| <u>Other:</u> | | | | | | | | | | |
| Administration Building | | | | | | | | | | |
| Square Feet | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Storage | | | | | | | | | | |
| Square Feet | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 |
| Storage | | | | | | | | | | |
| Square Feet | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 |

Number of Schools at June 30, 2014:
Senior High School = 1
Other = 3

Source: District Facilities Office

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

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

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

| *School Facilities | Cumberland | | |
|-------------------------|----------------------|----------------------|--|
| Project #(s) | Regional | Total | |
| 2006 | \$ 129,243. | \$ 129,243. | |
| 2007 | 146,298. | 146,298. | |
| 2008 | 85,568. | 85,568. | |
| 2009 | 169,174. | 169,174. | |
| 2010 | 198,016. | 198,016. | |
| 2011 | 174,865. | 174,865. | |
| 2012 | 314,163. | 314,163. | |
| 2013 | 301,551. | 301,551. | |
| 2014 | 254,543. | 254,543. | |
| 2014 | 246,119. | 246,119. | |
| Total School Facilities | <u>\$ 2,019,540.</u> | <u>\$ 2,019,540.</u> | |

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

Source: District records

CUMBERLAND REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy-Utica National Insurance Group | | |
| Property-Blanket Building and Contents | \$ 65,205,526. | \$ 1,000. |
| Commercial General Liability | 3,000,000. | |
| School District Legal Liability | 1,000,000. | 7,500. |
| Comprehensive Crime Coverage | 100,000. | 500. |
| Employee Benefits Program Liability | 1,000,000. | 1,000. |
| Commercial Inland Marine | 1,041,168. | 1,000. |
| Earthquake Changes | 1,000,000. | 25,000. |
| Flood Coverage | 1,015,000. | 25,000. |
| Limited Water Damage | 500,000. | 1,000. |
| Limited Backup of Sewers or Drains Coverage | 1,000,000. | |
| Employment-Related Practices-Liability | 1,000,000. | 5,000. |
| Commercial Automobile-Republic Franklin Insurance Co. | 1,000,000. | 1,000. |
| Umbrella Liability - Utica Mutual Insurance Company | | |
| Umbrella Policy | 10,000,000. | 10,000. |
| Workers' Compensation and Employers Liability - Educational Risk Insurance Consortium | 2,000,000. | |
| Student Accident - Berkley Life and Health Insurance Co. | 1,000,000. | |
| Student Accident - Catastrophic - The Group, Blanket Accident and Health Insurance Trust | 5,000,000. | 25,000. |
| Catastrophic Excess Liability - Fireman's Fund | 10,000,000. | |
| Bonds: | | |
| Treasurer - Susan Robostello | 275,000. | |
| Board Secretary/Business Administrator: Bruce Harbinson | 150,000. | |

Source: District records

SINGLE AUDIT SECTION

K-1

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Cumberland Regional School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Cumberland Regional Board of Education's basic financial statements, and have issued our report thereon dated December 14, 2015

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cumberland Regional Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cumberland Regional Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cumberland Regional Board of Education'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Respectfully submitted,



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

December 14, 2015

K-2

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Cumberland Regional School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Cumberland Regional Board of Education's major federal and state programs for the year ended June 30, 2015. Cumberland Regional Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Cumberland Regional School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Cumberland Regional Board of Education 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 Cumberland Regional Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and the New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland Regional Board of Education's internal control over compliance.

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

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

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

Respectfully submitted,



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

December 14, 2015

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA No. | Grant or State Project Number | Program or Award Amount | Grant Period From To | Balance 6/30/2014 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Yrs' Balances | Balance at June 30, 2015 | |
|--|---------------------|----------------------------------|-------------------------------|-------------------------|----------------------|------------------------------------|------------------|---------------------------|-------------|--|--------------------------|---------------------|
| | | | | | | | | | | | Accounts Receivable | Deferred Revenue |
| U.S. Department of Education Passed: | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| Medical Assistance Program | 93.778 | N/A | \$ 29,817. | 7/1/14 - 6/30/15 | \$ 0. | \$ 0. | \$ 29,817. | \$ (29,817.) | \$ 0. | \$ 0. | \$ 0. | \$ 0. |
| Medical Assistance Program/ARRA | 93.778 | N/A | 8,169. | 7/1/14 - 6/30/15 | 0. | 0. | 8,169. | 0. | (8,169.) | 0. | 0. | 0. |
| Total General Fund | | | | | 0. | 0. | 37,986. | (29,817.) | (8,169.) | 0. | 0. | 0. |
| Special Revenue Fund: | | | | | | | | | | | | |
| U.S. Department of Education Passed | | | | | | | | | | | | |
| Through State Department of Education: | | | | | | | | | | | | |
| Title I, Part A | 84.010 | NCLB-099715 | 175,585. | 7/1/14 - 6/30/15 | 0. | 0. | 175,585. | (175,585.) | 0. | 0. | 0. | 0. |
| Title I, Part A | 84.010 | NCLB-099714 | 178,093. | 9/1/13 - 6/30/14 | 0. | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| Title II, Part A | 84.168 | NCLB-099715 | 38,703. | 7/1/14 - 6/30/15 | 0. | 0. | 48,351. | (54,810.) | (9,648.) | 0. | 0. | 0. |
| Title II, Part A | 84.168 | NCLB-099714 | 38,496. | 9/1/13 - 6/30/14 | 6,459. | (16,107.) | 0. | 0. | 9,648. | 0. | 0. | 0. |
| I.D.E.A. Part B, Basic | 84.027 | FT-099715 | 289,960. | 7/1/14 - 6/30/15 | 0. | 0. | 289,960. | (289,960.) | 0. | 0. | 0. | 0. |
| I.D.E.A. Part B, Basic | 84.027 | FT-099714 | 256,285. | 9/1/13 - 6/30/14 | (187,840.) | 0. | 187,840. | 0. | 0. | 0. | 0. | 0. |
| Perkins Vocational | 84.048 | PERK-099715 | 48,882. | 7/1/14 - 6/30/15 | 0. | 0. | 48,882. | (48,882.) | 0. | 0. | 0. | 0. |
| Perkins Vocational | 84.048 | PERK-099714 | 60,967. | 9/1/13 - 6/30/14 | (10,179.) | 0. | 10,179. | 0. | 0. | 0. | 0. | 0. |
| Total Special Revenue Fund | | | | | (191,560.) | 0. | 760,797. | (569,237.) | 0. | 0. | 0. | 0. |
| U.S. Department of Agriculture | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| Food Distribution Program | 10.550 | N/A | 36,303. | 7/1/14 - 6/30/15 | 0. | 0. | 36,303. | (33,481.) | 0. | 0. | 0. | 2,822. |
| Food Distribution Program | 10.550 | N/A | 42,476. | 7/1/13 - 6/30/14 | 3,198. | 0. | 0. | (3,198.) | 0. | 0. | 0. | 0. |
| National School Breakfast Program | 10.553 | N/A | 62,597. | 7/1/14 - 6/30/15 | 0. | 0. | 57,231. | (62,597.) | 0. | 0. | (5,366.) | 0. |
| National School Breakfast Program | 10.553 | N/A | 50,154. | 7/1/13 - 6/30/14 | (4,687.) | 0. | 4,687. | 0. | 0. | 0. | 0. | 0. |
| National School Lunch Program | 10.555 | N/A | 227,006. | 7/1/14 - 6/30/15 | 0. | 0. | 211,427. | (227,006.) | 0. | 0. | (15,579.) | 0. |
| National School Lunch Program | 10.555 | N/A | 230,867. | 7/1/13 - 6/30/14 | (18,283.) | 0. | 18,283. | 0. | 0. | 0. | 0. | 0. |
| Total Enterprise Fund | | | | | (19,772.) | 0. | 327,931. | (326,282.) | 0. | 0. | (20,945.) | 2,822. |
| Total Federal Financial Awards | | | | | \$ (211,332.) | \$ 0. | \$ 1,126,714. | \$ (925,336.) | \$ (8,169.) | \$ 0. | \$ (20,945.) | \$ 2,822. |

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

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

| State Grantor/Program Title State Dept. Of Education: | Grant or State Project No. | Program or Award Amount | Grant Period | | Due to Grantor | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments Repayment of Prior Yrs. Bal. |
|--|-------------------------------|-------------------------------|--------------|------------|---------------------|------------------------------------|------------------|---------------------------|--|
| | | | From | To | | | | | |
| Balance at June 30, 2014 | | | | | | | | | |
| General Fund: | | | | | Deferred Revenue | | | | |
| Equalization Aid | 15-495-034-5120-078 | \$ 10,078,197. | 7/1/14 | - 6/30/15 | \$ 0. | \$ 0. | \$ 10,078,197. | \$ (10,078,197.) | \$ 0. |
| School Choice | 15-495-034-5120-068 | 732,592. | 7/1/14 | - 6/30/15 | 0. | 0. | 732,592. | (732,592.) | 0. |
| Transportation Aid | 15-495-034-5120-014 | 128,298. | 7/1/14 | - 6/30/15 | 0. | 0. | 128,298. | (128,298.) | 0. |
| Special Education Categorical Aid | 15-495-034-5120-089 | 696,669. | 7/1/14 | - 6/30/15 | 0. | 0. | 696,669. | (696,669.) | 0. |
| Categorical Security Aid | 15-495-034-5120-084 | 178,493. | 7/1/14 | - 6/30/15 | 0. | 0. | 178,493. | (178,493.) | 0. |
| Adjustment Aid | 15-495-034-5120-085 | 9,412. | 7/1/14 | - 6/30/15 | 0. | 0. | 9,412. | (9,412.) | 0. |
| Additional Adjustment Aid | 15-495-034-5120- | 166,418. | 7/1/14 | - 6/30/15 | 0. | 0. | 166,418. | (166,418.) | 0. |
| Extraordinary Aid | 15-495-034-5120-044 | 135,947. | 7/1/14 | - 6/30/15 | 0. | 0. | 135,947. | (135,947.) | 0. |
| PARCC Readiness Aid | 14-495-034-5120-044 | 166,198. | 7/1/13 | - 6/30/14 | (165,198.) | 0. | 166,923. | (1,725.) | 0. |
| Per Pupil Growth Aid | 15-495-034-5120-098 | 12,940. | 7/1/14 | - 6/30/15 | 0. | 0. | 12,940. | (12,940.) | 0. |
| On Behalf TPAF Pension Contributions | 15-495-034-5120-097 | 12,940. | 7/1/14 | - 6/30/15 | 0. | 0. | 12,940. | (12,940.) | 0. |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-001 | 1,063,072. | 7/1/14 | - 6/30/15 | 0. | 0. | 1,063,072. | (1,063,072.) | 0. |
| Additional Non-Public Trans | 15-495-034-5095-002 | 570,535. | 7/1/14 | - 6/30/15 | 0. | 0. | 570,535. | (570,535.) | 0. |
| Additional Non-Public Trans | 15-495-034-5120 | 8,521. | 7/1/14 | - 6/30/15 | 0. | 0. | 8,521. | (8,521.) | 0. |
| Total General Fund | 14-495-034-5120 | 17,584. | 7/1/13 | - 6/30/14 | (17,584.) | 0. | 17,584. | 0. | 0. |
| | | | | | (182,782.) | 0. | 13,834,073. | (13,795,759.) | 0. |
| Special Revenue Fund: | | | | | | | | | |
| NJ Dept Agriculture | | 7,500. | 7/1/14 | - 6/30/15 | 0. | 0. | 7,500. | (7,500.) | 0. |
| NJ Dept Agriculture | | 5,000. | 7/1/13 | - 6/30/14 | 0. | 0. | 0. | (5,000.) | 0. |
| Cumb. Co. Culture & Heritage Comm. Blk Grant | | 800. | 1/1/14 | - 12/31/14 | (200.) | 0. | 200. | 0. | 0. |
| Cumb. Co. Culture & Heritage Comm. Blk Grant | | 1,150. | 7/1/13 | - 6/30/14 | 0. | 0. | 0. | (1,150.) | 0. |
| Total Special Revenue Fund | | | | | 5,950. | 0. | 7,700. | (13,650.) | 0. |
| Capital Project Fund: | | | | | | | | | |
| Educ. Facilities Const. & Financing Act | | | | | | | | | |
| School Addition & Renovation | 0997-030-02-0926 | | | | | | | | |
| Roof Replacement Project | 0997-030-09-2001 | 3,482,972. | | | | | | | |
| Total Capital Project Fund | | | | | | | | | |
| Debt Service Fund: | | | | | | | | | |
| Debt Service Aid Type II | 15-495-034-5120-125 | 177,043. | 7/1/14 | - 6/30/15 | 0. | 0. | 177,043. | (177,043.) | 0. |
| Total State Financial Assistance | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | |
| National School Lunch Program (State Share) | 15-100-010-3350-023 | 5,735. | 7/1/14 | - 6/30/15 | 0. | 0. | 5,357. | (5,735.) | 0. |
| National School Lunch Program (State Share) | 14-100-010-3350-023 | 6,351. | 7/1/13 | - 6/30/14 | (459.) | 0. | 459. | 0. | 0. |
| Total Enterprise Fund | | | | | (459.) | 0. | 5,816. | (5,735.) | 0. |
| Total State Financial Assistance | | | | | \$ (184,948.) | \$ 0. | \$ 14,024,632. | \$ (15,992,187.) | \$ 0. |

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

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

| State Grantor/Program Title State Dept. Of Education: | Grant or State Project No. | Program or Award Amount | Grant Period | | Deferred Revenue | Due to Grantor | MEMO Budgetary Receivable | MEMO Cumulative Total Expend. |
|--|-------------------------------|-------------------------------|--------------|----------|---------------------|-------------------|---------------------------------|-------------------------------------|
| | | | From | To | | | | |
| Balance at June 30, 2015 | | | | | | | | |
| General Fund: | | | | | | | | |
| Equalization Aid | 15-495-034-5120-078 | \$ 10,078,197. | 7/1/14 - | 6/30/15 | \$ 0. | \$ 0. | \$ 903,131. | \$ 10,078,197. |
| School Choice | 15-495-034-5120-068 | 732,592. | 7/1/14 - | 6/30/15 | 0. | 0. | 73,259. | 732,592. |
| Transportation Aid | 15-495-034-5120-014 | 128,298. | 7/1/14 - | 6/30/15 | 0. | 0. | 12,830. | 128,298. |
| Special Education Categorical Aid | 15-495-034-5120-089 | 696,669. | 7/1/14 - | 6/30/15 | 0. | 0. | 69,667. | 696,669. |
| Categorical Security Aid | 15-495-034-5120-084 | 178,493. | 7/1/14 - | 6/30/15 | 0. | 0. | 17,849. | 178,493. |
| Adjustment Aid | 15-495-034-5120-085 | 9,412. | 7/1/14 - | 6/30/15 | 0. | 0. | 941. | 9,412. |
| Additional Adjustment Aid | 15-495-034-5120- | 166,418. | 7/1/14 - | 6/30/15 | 0. | 0. | 16,642. | 166,418. |
| Extraordinary Aid | 15-495-034-5120-044 | 135,947. | 7/1/14 - | 6/30/15 | 0. | 0. | 0. | 135,947. |
| Extraordinary Aid | 14-495-034-5120-044 | 166,198. | 7/1/13 - | 6/30/14 | 0. | 0. | 0. | 1,725. |
| PARCC Readiness Aid | 15-495-034-5120-098 | 12,940. | 7/1/14 - | 6/30/15 | 0. | 0. | 1,294. | 12,940. |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 12,940. | 7/1/14 - | 6/30/15 | 0. | 0. | 1,294. | 12,940. |
| On Behalf TPAF Pension Contributions | 15-495-034-5095-001 | 1,063,072. | 7/1/14 - | 6/30/15 | 0. | 0. | 0. | 1,063,072. |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 570,535. | 7/1/14 - | 6/30/15 | 0. | 0. | 0. | 570,535. |
| Additional Non-Public Trans | 15-495-034-5120 | 8,521. | 7/1/14 - | 6/30/15 | (8,521.) | 0. | 0. | 8,521. |
| Additional Non-Public Trans | 14-495-034-5120 | 17,584. | 7/1/13 - | 6/30/14 | 0. | 0. | 0. | 0. |
| Total General Fund | | | | | (144,468.) | 0. | 1,096,907. | 13,795,759. |
| Special Revenue Fund: | | | | | | | | |
| NJ Dept Agriculture | | 7,500. | 7/1/14 - | 6/30/15 | 0. | 0. | 0. | 7,500. |
| NJ Dept Agriculture | | 5,000. | 7/1/13 - | 6/30/14 | 0. | 0. | 0. | 5,000. |
| Cumb. Co. Culture & Heritage Comm. Blk Grant | | 800. | 1/1/14 - | 12/31/14 | 0. | 0. | 0. | 0. |
| Cumb. Co. Culture & Heritage Comm. Blk Grant | | 1,150. | 7/1/13 - | 6/30/14 | 0. | 0. | 0. | 1,150. |
| Total Special Revenue Fund | | | | | 0. | 0. | 0. | 13,650. |
| Capital Project Fund: | | | | | | | | |
| Educ. Facilities Const. & Financing Act | | | | | | | | |
| School Addition & Renovation | 0997-030-02-0926 | | | | (7,657.) | 0. | 0. | 26,739,717. |
| Roof Replacement Project | 0997-030-09-2001 | 3,482,972. | | | 0. | 0. | 0. | 2,918,888. |
| Total Capital Project Fund | | | | | (7,657.) | 0. | 0. | 29,658,605. |
| Debt Service Fund: | | | | | | | | |
| Debt Service Aid Type II | 15-495-034-5120-125 | 177,043. | 7/1/14 - | 6/30/15 | 0. | 0. | 0. | 177,043. |
| State Department of Agriculture: | | | | | | | | |
| Enterprise Fund: | | | | | | | | |
| National School Lunch Program (State Share) | 15-100-010-3350-023 | 5,735. | 7/1/14 - | 6/30/15 | (378.) | 0. | 0. | 5,735. |
| National School Lunch Program (State Share) | 14-100-010-3350-023 | 6,351. | 7/1/13 - | 6/30/14 | 0. | 0. | 0. | 0. |
| Total Enterprise Fund | | | | | (378.) | 0. | 0. | 5,735. |
| Total State Financial Assistance | | | | | \$ (152,503.) | \$ 0. | \$ 1,096,907. | \$ 43,650,792. |

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

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$55,728 for the general fund and (\$7,500) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

| | Federal | State | Total |
|------------------------|--------------------|-----------------------|----------------------|
| General Fund | \$ 37,986. | \$ 13,851,487. | \$13,889,473. |
| Special Revenue Fund | 569,237. | 5,000. | 574,237. |
| Debt Service Fund | | 177,043. | 177,043. |
| Food Service Fund | 325,906. | 5,735. | 331,641. |
| Total Financial Assis. | <u>\$ 933,129.</u> | <u>\$ 14,039,265.</u> | <u>\$14,972,394.</u> |

Cumberland Regional School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2015

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.

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal control over financial reporting:

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

Noncompliance material to general purpose financial statements noticed? Yes No

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|--|
| 84.027 | I.D.E.A. Part B, Basic |

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

Auditee qualified as low-risk auditee? Yes No

CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Section I – Summary of Auditor’s Results

(Continued)

State Awards

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

\$419,766.

Auditee qualified as low risk auditee?

Yes No

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

Unmodified

Internal Control over major programs:

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

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

Yes No

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|------------------------------|---|
| 495-034-5120-084 | Security Aid |
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-089 | Special Education Categorical Aid |
| 495-034-5120-068 | School Choice Aid |
| 495-034-5120-085 | Adjustment Aid |
| 495-034-5120- | Additional Adjustment Aid |
| 495-034-5120-097 | Per Pupil Growth Aid |
| 495-034-5120-098 | PARCC Readiness Aid |
| 495-034-5094-002 | Reimbursed TPAF Social Security Contributions |

Section II – Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

None

CUMBERLAND REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATUS OF PRIOR YEAR FINDINGS

None