

CENTRAL REGIONAL SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CENTRAL REGIONAL SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Central Regional Board of Education

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report on General Purpose Financial Statements	11
Required Supplementary Information - Part I	
Management's Discussion and Analysis	17
BASIC FINANCIAL STATEMENTS	
A. Government-wide Financial Statements	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	38
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Fund:	
B-4 Statement of Fund Net Position	43
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	44
B-6 Statement of Cash Flows	45
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	49
B-8 Statement of Changes in Fiduciary Net Position	50
Notes to the Financial Statements	53

TABLE OF CONTENTS

FINANCIAL SECTION (continued)	<u>Page</u>
BASIC FINANCIAL STATEMENTS (continued)	
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	89
C-2 Budgetary Comparison Schedule - Special Revenue Fund	101
Notes to the Required Supplementary Information – Part II	
C-3 Budgetary Comparison Schedule – Note to RSI	105
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	111
L-2 Schedule of the District Contributions – PERS	112
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	113
Notes to the Required Supplementary Information – Part III	117
Other Supplementary Information	
D. School Level Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated By Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	125
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	129
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	130
F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Upgrades to Middle & High Schools)	131

TABLE OF CONTENTS

FINANCIAL SECTION (continued)	<u>Page</u>
BASIC FINANCIAL STATEMENTS (continued)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	137
G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	138
G-3 Combining Schedule of Cash Flows	139
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	145
H-2 Combining Statement of Revenues, Expenses and Changes in Fiduciary Net Position	146
H-3 Student Activity Fund Schedule of Receipts and Disbursements	147
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	147
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	151
I-2 Schedule of Obligations Under Capital Leases	152
I-3 Debt Service Fund Budgetary Comparison Schedule	153
J. STATISTICAL SECTION (Unaudited)	
Financial Trends Information/Schedules:	
J-1 Net Position By Component	159
J-2 Changes in Net Position	160
J-3 Fund Balances, Governmental Funds	162
J-4 Changes in Fund Balances, Governmental Funds	163
J-5 General Fund - Other Local Revenue by Source	165
Revenue Capacity Information:	
J-6 Assessed Value and Actual Value of Taxable Property	169
J-7 Direct and Overlapping Property Tax Rates	170
J-8 Principal Property Taxpayers	171
J-9 Property Tax Levies and Collections	172

TABLE OF CONTENTS

FINANCIAL SECTION (continued)	<u>Page</u>
J. STATISTICAL SECTION (Unaudited) (continued)	
Debt Capacity Information:	
J-10 Ratio of Outstanding Debt By Type	175
J-11 Ratios of Net General Bonded Debt Outstanding	176
J-12 Direct and Overlapping Governmental Activities Debt	177
J-13 Legal Debt Margin Information	178
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	181
J-15 Principal Employers	185
Operating Information:	
J-16 Full-Time Equivalent District Employees By Function/Program	185
J-17 Operating Statistics	186
J-18 School Building Information	187
J-19 Schedule of Required Maintenance	188
J-20 Insurance Schedule	189
K. SINGLE AUDIT SECTION	
K-1 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	193
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	195
K-3 Schedule of Federal Financial Assistance, Schedule A	199
K-4 Schedule of State Financial Assistance, Schedule B	200
K-5 Notes to Schedules of Awards and Financial Assistance	201
K-6 Schedule of Findings and Questioned Costs	203
Part 1 - Summary of Auditor's Results	
Part 2 - Schedule of Financial Statement Findings	
Part 3 - Schedule of Federal and State Award Findings and Questioned Costs	
K-7 Summary Schedule of Prior-Year Audit Findings	206

INTRODUCTORY SECTION

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Central Regional School District

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TRIANTAFILLOS PARLAPANTDES, Ed.D.
Superintendent of Schools

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

October 18, 2016

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

Dear Board Member:

The Comprehensive Annual Financial Report (CAFR) for the Central Regional School District for the fiscal year ending June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aids."* Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

2) ECONOMIC CONDITION AND OUTLOOK:

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

3) MAJOR INITIATIVES:

District

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

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a

line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT SERVICE

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

8) CASH MANAGEMENT

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

9) RISK MANAGEMENT

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

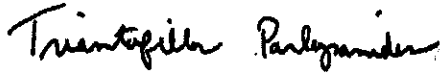
The District has an active Risk Management Committee that is instrumental in reducing exposure to employee injury and researching means to reduce exposure for the district to other types of risk. The district has a District Safety Committee comprised of three (3) Board Members who actively work to insure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

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Central Regional School District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aids."* The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

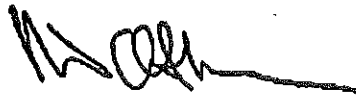
11) ACKNOWLEDGEMENTS

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

Respectfully submitted,

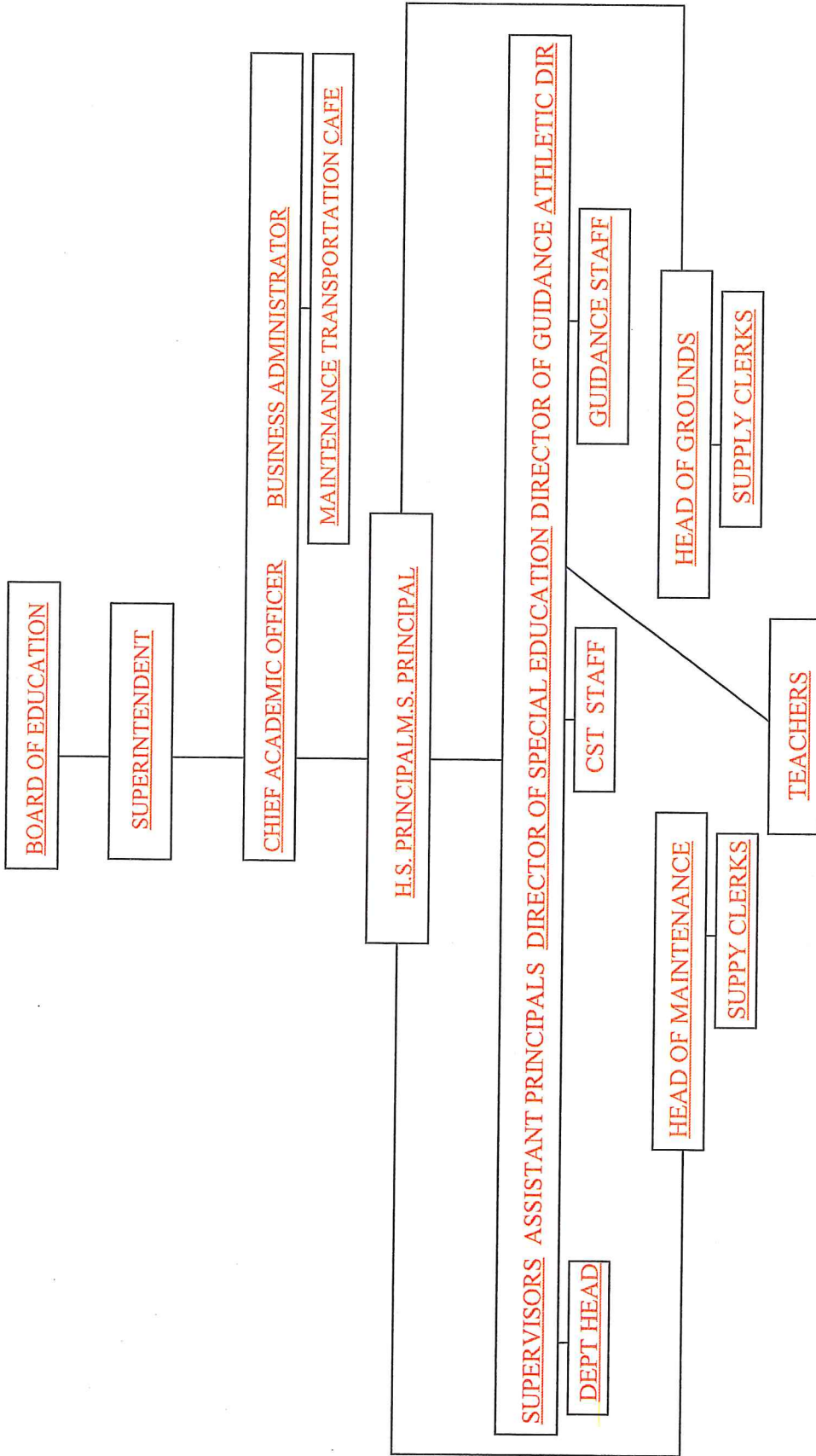


Triantafillos Parlapanides, Ed.D.
Superintendent of Schools



Kevin O'Shea
Business Administrator/Board Secretary

CHAIN OF COMMAND



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

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	MUNICIPALITY	TERM EXPIRES
Tracy Mianulli, President	Seaside Park	2017
Michael Passeri, Vice President	Ocean Gate	2017
Susan Cowdrick	Island Heights	2018
George Dohn	Berkeley	2018
Michael Graichen	Seaside Heights	2017
John Hudak	Berkeley	2016
Jennifer Leicht	Berkeley	2016
Joseph Mielewski	Berkeley	2016
Denise Pavone-Wilson	Berkeley	2018

OTHER OFFICIALS

Triantafillos Parlapanides, ED.D., Superintendent

Kevin O'Shea, CPA, Business Administrator

Carmen Memoli, CPA, Treasurer of School Monies

Comegno Law Group, P.C., Board Attorney

CENTRAL REGIONAL SCHOOL DISTRICT
Bayville, New Jersey 08721

CONSULTANTS AND ADVISORS

AUDIT FIRM

Rodney R. Haines
Holman Frenia Allison, P.C.
680 Hooper Ave, Bldg B, Suite 201
Toms River, New Jersey 08753

ATTORNEY

Mark Toscano, Esq.
Comegno Law Group, P.C.
521 Pleasant Valley Ave
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, County of Ocean, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Central Regional School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2016 on our consideration of the Central Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
October 18, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**CENTRAL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

UNAUDITED

The discussion and analysis of Central Regional School District's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the basic financial statements and financial performance.

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

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2016 are as follows:

- Superstorm Sandy hit the State of New Jersey on October 29, 2012. The municipalities of Seaside Heights, Seaside Park, Ocean Gate, and parts of Berkeley Township in particular were severely affected. The Ratable base in which property taxes are levied have been, and will continue to be, affected for years to come. To mitigate the impact, the District qualified for a Loan through FEMA known as the Community Disaster Loan program. The District was approved up to \$5,000,000 to utilize towards stabilizing taxes levied on the 4 affected municipalities in the aftermath of the storm. The District utilized \$1,977,153 from the loan program for the 2013-14 fiscal year and \$2,721,517 for the 2014-15 fiscal year. The District expects a portion of this loan to be forgiven in the future based on the criteria and historical trends surrounding this Federal Program.
- The District applied for and was approved to be a Choice School District beginning in the 2011-12 school year. This program, authorized by State statute and administered by the NJ Department of Education, allows students from other towns to enroll at Central Regional. For each student enrolled through the program, the District receives additional state aid. For the 2015-16 school year, the program brought in \$1,284,467 in additional state aid. Over the last several years the District was able to utilize Choice Funds for various capital improvements, purchases of textbooks, equipment, and to finance some innovative programs such as our Humanities Academy and Partnership with Georgian Court (2012-13), as well as the ROTC program (2013-14). These funds should hopefully mitigate, if not eliminate, the need to seek voter approval and issue bonds for capital improvements over the next 2 to 3 years should the revenue continue uninterrupted.
- The District, utilizing primarily the aforementioned Choice aid substantially completed replacement of a number of windows in the high school, upgraded security cameras, and other smaller maintenance projects during the 2015-16 school year.
- The District adopted a more comprehensive facility use policy for the 2015-2016 school year. This new policy resulted in additional rental income of about \$15,688.
- The Board of Education and Administration has worked diligently over the last several years to eliminate structural deficits in its general fund budget and to continue to build up its financial position such that there are healthy amount of reserves established for its long-term facility needs. As of June 30, 2016, the structural deficit in the budget that was approved for the 2016-17 school year stood at \$575,000, or about 1.6% of the General Fund Budget. The Board of Education and

Administration believe that this is a reasonable and manageable amount of budgetary deficit moving forward and will continue to monitor this as future budgets are developed.

- During the year ended June 30, 2015, the district had adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The adoption of this principal resulted in a restatement of the district's opening net position as of July 1, 2014 in the amount of \$10,725,606.
- Total spending for all our programs was \$44,917,596 for the school year ending June 30, 2016. Most of the School District's taxes and state aid program funds were used to support the cost of services for regular instructional programs. State and Federal aid in the amount of \$3,050,655 supported the educational programs for all our students. The School District's taxes, state aid, grants and contributions and other revenue sources were sufficient to cover all unfunded costs incurred in the 2015-2016 school year.
- General revenues accounted for \$34,218,808 in revenue or 76.00 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,873,019 or 24.00 percent of total revenues of \$45,091,827.
- Cash and cash equivalents increased by \$167,866, receivables decreased by \$138,773 and net capital assets decreased by \$835,774.
- Among governmental funds, the general fund had \$37,753,681 in revenues and \$37,645,309 in expenditures. The District's general fund balance increased \$158,308 from 2015.
- For the 2015-2016 school year total Governmental Fund expenses were less than total revenues. Thus, there was an increase in Fund Balance of \$155,250 or a 9.3% increase from 2015.
- The District remains committed to sound financial management practices in response to the challenges posed by a stagnant economy, Superstorm Sandy, and the state's budget crisis. Overall state revenues are expected to increase slightly this year and costs continue to increase for salaries, healthcare, and routine expenses. However the district will continue to investigate alternative revenue streams to fund new programs that target student achievement. Our financial goals are clear to present a balanced budget.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the school district as a whole

Statement of Net Position and the Statement of Activities

While these documents contain the large number of funds used by the school district to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2016?" The Statement Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of

accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

The following summarizes the net position at fiscal years ended June 30, 2016 and 2015.

Net Position				
As of June 30, 2016				
	Governmental Activities		Business-Type Activities	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets				
Current and Other Assets	\$ 4,392,785	\$ 3,169,049	\$ 286,753	\$ 218,255
Capital Assets, Net	29,590,505	30,484,120	90,587	32,746
Total Assets	<u>33,983,290</u>	<u>33,653,169</u>	<u>377,340</u>	<u>251,001</u>
Liabilities				
Long-term Liabilities	22,323,290	20,330,447	-	-
Other Liabilities	1,810,837	3,687,805	234,116	67,762
Total Liabilities	<u>24,134,127</u>	<u>24,018,252</u>	<u>234,116</u>	<u>67,762</u>
Net Position				
Net Investment in capital assets	25,574,459	24,923,343	90,587	32,746
Restricted	689,583	516,713	-	-
Unrestricted	(16,414,879)	(15,805,139)	52,637	150,493
Total Net Position	<u>\$ 9,849,163</u>	<u>\$ 9,634,917</u>	<u>\$ 143,224</u>	<u>\$ 183,239</u>

The following summarizes the changes in Net Position for the fiscal years ended June 30, 2016 and 2015.

Changes in Net Position

REVENUES	2016	2015
Charges for Services	\$ 1,151,459	\$ 1,132,236
Operating Grants & Contribution	9,721,560	8,178,059
Property Taxes	30,945,821	27,470,399
Grants & Entitlements (Federal/State)	3,050,655	3,063,850
Other	222,332	300,504
Total Revenue	<u>\$45,091,827</u>	<u>\$40,145,048</u>
Expenses		
Instruction		
Regular	\$ 8,657,266	\$ 8,595,693
Special Education	3,902,188	3,524,595
Other Special Instruction	63,004	97,235
Vocational	88,290	85,932
Other	1,540,487	1,521,000

Support Services		
Tuition	1,245,021	1,266,796
Student & Instr. Related	3,285,507	3,246,074
School Admin. Services	959,898	984,402
Other Admin Services	766,481	842,564
Plant Oper & Maintenance	3,407,995	3,492,492
Central Services & Adm. Info.	757,347	836,460
Transportation	2,246,855	2,373,075
Unallocated Benefits	14,316,015	9,169,832
Special School	64,575	63,674
Debt Services		
Interest	173,176	204,651
Unallocated Depreciation & Deletions	2,523,140	1,479,428
Other		145,114
Total Government Activities	43,997,245	41,026,026
Business Type		
Food Service	916,101	788,586
Community School	4,250	6,614
Total	920,351	795,200
Total District Expense	\$ 44,917,596	\$ 38,724,217

Governmental Activities

Property taxes made up 78.75 percent of revenues for governmental activities for the Central Regional School District for the year 2016. The District's total revenues were \$45,091,827 for the year ended June 30, 2016. Federal, state and local grants accounted for another 27.47 percent of revenue.

The total cost of all programs and services was \$43,997,245. Instruction expenses comprised approximately 32.44 percent of District expenses in 2016.

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

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

Business Type Activities

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

- Expenditures exceeded enterprise revenue by \$40,015.
- Charges for services represent 61.62 percent of revenue. This represents amounts paid by patrons for daily food services and community education programs.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$337,866.

The School District's Funds

All governmental funds (i.e. general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based exhibits) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$37,688,014 with other financing sources of \$49,936 for a total of \$37,737,950; expenditures were \$37,579,642. The net change in fund balance for the year was an increase of \$158,308.

As demonstrated by the various statements and schedules included in the financial section of this report the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2016 and 2015 as well as the amount and percentage of increases and decreases in relation to prior year revenues:

Summary of Governmental Fund Revenues				
	Year Ended June 30, 2016	Year Ended June 30, 2015	Amount of Increase (Decrease)	Percent Increase (Decrease)
REVENUES				
Local sources:				
Local Tax Levy	\$ 30,945,821	\$ 27,470,399	\$ 3,475,422	12.7%
Tuition	318,393	334,873	(16,480)	-4.9%
Transportation	242,460	241,860	600	0.2%
Rents & Royalties	48,136	-	48,136	100.0%
Miscellaneous	222,332	346,299	(123,967)	-35.8%
Total - Local Sources	<u>31,777,142</u>	<u>28,393,431</u>	<u>3,383,711</u>	<u>11.9%</u>
Federal Sources	1,083,677	1,044,741	38,936	3.7%
State Sources	7,391,570	6,814,452	(577,118)	-8.5%
Total - Govt Sources	<u>8,475,247</u>	<u>7,859,193</u>	<u>(538,182)</u>	<u>-6.4%</u>
Total Revenues	<u>\$ 40,252,389</u>	<u>\$ 36,252,624</u>	<u>\$ 3,999,765</u>	<u>11.0%</u>

Other financing sources decreased by \$3,356,575. The decrease is due to receiving a Community Disaster Loan from FEMA of \$2,721,517 in 2015. No such activity occurred in 2016.

The following schedule represents a summary of general fund, special revenue fund, capital project fund and debt service fund expenditures for the year ended June 30, 2016 and the percentage of increases and decreases in relation to prior year amounts.

Summary of Governmental Fund Expenditures				
	Year Ended June 30, 2016	Year Ended June 30, 2015	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current:				
Regular Instruction	\$ 9,079,493	\$ 8,646,273	\$ 433,220	5.01%
Special Education Instruction	3,902,188	3,524,595	377,593	10.71%
Other Instruction	1,691,781	1,704,167	(12,386)	-0.73%
Support Services and Undistributed Costs:				
Tuition	1,245,021	1,266,796	(21,775)	-1.72%
Student & Instruction Related Services	3,285,507	3,246,074	39,433	1.21%
School Administrative Services	959,898	984,402	(24,504)	-2.49%
General Administrative Services	766,481	842,564	(76,083)	-9.03%
Central Services	468,133	499,108	(30,975)	-6.21%
Administrative Information Technology	289,214	337,352	(48,138)	-14.27%
Plant Operations and Maintenance	2,994,816	2,924,584	70,232	2.40%
Pupil Transportation	2,246,855	2,373,075	(126,220)	-5.32%
Unallocated Benefits	9,813,817	9,038,380	775,437	8.58%
Special Schools	64,575	63,674	901	1.42%
Debt Service	1,404,152	1,418,124	(13,972)	-0.99%
Capital Outlay	<u>2,042,704</u>	<u>3,091,291</u>	<u>(1,048,587)</u>	<u>-33.92%</u>
Total Expenditures	<u>\$ 40,254,635</u>	<u>\$ 39,960,459</u>	<u>\$ 294,176</u>	<u>0.74%</u>

Changes in expenditures were the results of varying factors. Special Education instruction increased due to an increase in special education enrollment. Capital Outlay decreased primarily due the Track and Turf project that was undertaken and completed during 2015.

General Fund Budgeting Highlights

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

The District's General Fund Revenues were slightly higher than anticipated due mainly to tuition revenues being larger higher due to Students residing in the District that were the responsibility of the State. This tuition revenue from the State was not anticipated at the time of budget development

The District's overall General Fund Expenditures were about 1% less than the total budget established for the Fund. While information technology and Capital Outlay costs were higher than expected due to unanticipated costs, it was mitigated by areas such as Employee Benefit and improvement of instruction costs which were lower than expected.

Capital Assets

At the end of the fiscal year 2016, the School District had invested in land, buildings, furniture and equipment and vehicles. The following shows fiscal 2016 and 2015 balances:

Capital Assets		
Governmental Activities		
	<u>2016</u>	<u>2015</u>
Building & Bldg Improvements	\$ 50,344,280	\$ 47,928,742
Machinery and Equipment	12,803,151	11,367,582
Construction in Progress	92,651	2,152,421
Land	<u>1</u>	<u>1</u>
Total Capital Assets	63,240,083	61,448,746
Less: Accumulated Depreciation	<u>(33,649,578)</u>	<u>(30,964,626)</u>
Net Capital Assets	<u>\$ 29,590,505</u>	<u>\$ 30,484,120</u>

Overall capital assets decreased \$893,615 from fiscal year 2015 to fiscal year 2016. The decrease is due to depreciation and the disposal of some equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016 and 2015, the School District had outstanding debt.

Bonded Outstanding Debt at June 30,

	<u>2016</u>	<u>2015</u>
2008 Issue	\$ -0-	\$1,105,000
2011 Issue	<u>3,448,000</u>	<u>3,623,000</u>
	\$3,448,000	\$4,728,000

At June 30, 2016, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the future

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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

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CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	TOTALS		
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2016
Cash & Cash Equivalents	\$ 836,013	\$ 249,626	\$ 1,085,639
Receivables, Net	506,550	24,113	530,663
Restricted Assets:			
Cash	788,368	-	788,368
Inventory	-	13,014	13,014
Capital Assets, Net (Note 5)	29,590,505	90,587	29,681,092
	31,721,436	377,340	32,098,776
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	2,261,854	-	2,261,854
	2,261,854	-	2,261,854
Total Assets and Deferred Outflow of Resources	33,983,290	377,340	34,360,630
LIABILITIES			
Accounts Payable & Accrued Expenses	271,460	196,694	468,154
Interfund Payable	-	37,422	37,422
Accrued Interest Payable	198,537	-	198,537
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,118,831	-	1,118,831
Due Beyond One Year	22,323,290	-	22,323,290
	23,912,118	234,116	24,146,234
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	222,009	-	222,009
	222,009	-	222,009
Total Liabilities and Deferred Inflows of Resource	24,134,127	234,116	24,368,243
NET POSITION			
Net Investment in Capital Assets	25,574,459	90,587	25,665,046
Restricted For:			
Other Purposes	689,583	-	689,583
Unrestricted	(16,414,879)	52,637	(16,362,242)
	\$ 9,849,163	\$ 143,224	\$ 9,992,387

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

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 8,657,266	\$ -	\$ 916,774	\$ (7,740,492)	\$ -	\$ (7,740,492)
Special Education	3,902,188	318,393	-	(3,583,795)	-	(3,583,795)
Other Special Instruction	63,004	-	-	(63,004)	-	(63,004)
Vocational	88,290	-	-	(88,290)	-	(88,290)
Other Instruction	1,540,487	-	-	(1,540,487)	-	(1,540,487)
Support Services & Undistributed Costs:						
Tuition	1,245,021	-	-	(1,245,021)	-	(1,245,021)
Student & Instruction Related Services	3,285,507	-	124,410	(3,161,097)	-	(3,161,097)
School Administrative Services	959,898	-	-	(959,898)	-	(959,898)
Other Administrative Services	766,481	-	-	(766,481)	-	(766,481)
Central Services	468,133	-	-	(468,133)	-	(468,133)
Administrative Information Technology	289,214	-	-	(289,214)	-	(289,214)
Plant Operations & Maintenance	3,407,995	48,136	-	(3,359,859)	-	(3,359,859)
Pupil Transportation	2,246,855	242,460	1,082,709	(921,686)	-	(921,686)
Unallocated Benefits	14,316,015	-	7,259,801	(7,056,214)	-	(7,056,214)
Special Schools	64,575	-	-	(64,575)	-	(64,575)
Debt Service:						
Interest & Other Charges on Long Term Debt	173,176	-	-	(173,176)	-	(173,176)
Adjustments and Deletions of Fixed Assets	(161,812)	-	-	161,812	-	161,812
Unallocated Depreciation	2,684,952	-	-	(2,684,952)	-	(2,684,952)
Total Governmental Activities	43,997,245	608,989	9,383,694	(34,004,562)	-	(34,004,562)
Business-Type Activities:						
Food Service	916,101	534,100	337,866	-	(44,135)	(44,135)
Community School	4,250	8,370	-	-	4,120	4,120
Total Business-Type Activities	920,351	542,470	337,866	-	(40,015)	(40,015)
Total Primary Government	44,917,596	1,151,459	9,721,560	(34,004,562)	(40,015)	(34,044,577)

**CENTRAL REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	BUSINESS- TYPE ACTIVITIES	TOTALS
	GOVERNMENTAL ACTIVITIES		
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	29,544,727	-	29,544,727
Taxes levied for Debt Service	1,401,094	-	1,401,094
Federal and State Aid	3,050,655	-	3,050,655
Miscellaneous Income	222,332	-	222,332
Total General Revenues, Special Items, Extraordinary Items & Transfers:	<u>34,218,808</u>	<u>-</u>	<u>34,218,808</u>
Change In Net Position	214,246	(40,015)	174,231
Net Position - Beginning	9,634,917	183,239	9,818,156
Net Position - Ending	<u>\$ 9,849,163</u>	<u>\$ 143,224</u>	<u>\$ 9,992,387</u>

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

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B. Fund Financial Statements

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

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Governmental Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 884,634	\$ 7,809	\$ -	\$ -	\$ 892,443
Due from Other Funds	169,861	-	-	-	169,861
Receivables from Other Governments	280,814	126,885	56,430	-	464,129
Restricted Cash & Cash Equivalents	788,368	-	-	-	788,368
Total Assets	\$ 2,123,677	\$ 134,694	\$ 56,430	\$ -	\$ 2,314,801
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ -	\$ 56,430	\$ -	\$ 56,430
Accounts Payable	264,205	7,255	-	-	271,460
Interfund Payable	-	127,439	-	-	127,439
Total Liabilities	264,205	134,694	56,430	-	455,329
Fund Balances:					
Restricted for:					
Maintenance Reserve	291,748	-	-	-	291,748
Emergency Reserve	50,300	-	-	-	50,300
Capital Reserve Account	446,320	-	-	-	446,320
Excess Surplus	99,752	-	-	-	99,752
Assigned to:					
Designated for Subsequent Year's Expenditures					
	575,000	-	-	-	575,000
Committed to:					
Other Purposes					
	71,487	-	-	-	71,487
Unassigned, Reported in:					
General Fund					
	324,865	-	-	-	324,865
Total Fund Balances	1,859,472	-	-	-	1,859,472
Total Liabilities & Fund Balances	\$ 2,123,677	\$ 134,694	\$ 56,430	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$63,240,083 and the accumulated depreciation is \$33,649,578.	29,590,505
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	2,039,845
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(198,537)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(23,442,121)
Net Position of Governmental Activities	\$ 9,849,163

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

**CENTRAL REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	<u>TOTALS</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 29,544,727	\$ -	\$ -	\$ 1,401,094	\$ 30,945,821
Tuition	318,393	-	-	-	318,393
Transportation Fees from Other LEAs	242,460	-	-	-	242,460
Rents and Royalties	48,136	-	-	-	48,136
Miscellaneous	212,507	9,825	-	-	222,332
Total Local Sources	<u>30,366,223</u>	<u>9,825</u>	<u>-</u>	<u>1,401,094</u>	<u>31,777,142</u>
State Sources	7,335,140	-	56,430	-	7,391,570
Federal Sources	52,318	1,031,359	-	-	1,083,677
Total Revenues	<u>37,753,681</u>	<u>1,041,184</u>	<u>56,430</u>	<u>1,401,094</u>	<u>40,252,389</u>
Expenditures:					
Current Expense:					
Regular Instruction	8,162,719	916,774	-	-	9,079,493
Special Education Instruction	3,902,188	-	-	-	3,902,188
Other Special Instruction	63,004	-	-	-	63,004
Vocational Education	88,290	-	-	-	88,290
Other Instruction	1,540,487	-	-	-	1,540,487
Support Services:					
Tuition	1,245,021	-	-	-	1,245,021
Student & Instruction Related Services	3,161,097	124,410	-	-	3,285,507
School Administrative Services	959,898	-	-	-	959,898
General Administrative Services	766,481	-	-	-	766,481
Central Services	468,133	-	-	-	468,133
Administrative Information Technology	289,214	-	-	-	289,214
Plant Operations & Maintenance	2,994,816	-	-	-	2,994,816
Pupil Transportation	2,246,855	-	-	-	2,246,855
Employee Benefits	9,813,817	-	-	-	9,813,817
Capital Outlay	1,878,714	-	163,990	-	2,042,704
Special Schools	64,575	-	-	-	64,575
Debt Service:					
Principal	-	-	-	1,280,000	1,280,000
Interest & Other Charges	-	-	-	124,152	124,152
Total Expenditures	<u>37,645,309</u>	<u>1,041,184</u>	<u>163,990</u>	<u>1,404,152</u>	<u>40,254,635</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>108,372</u>	<u>-</u>	<u>(107,560)</u>	<u>(3,058)</u>	<u>(2,246)</u>
Other Financing Sources/(Uses):					
Transfer from/(to) Other Funds	(107,560)	-	107,560	-	-
Capital Leases (Non-Budgeted)	157,496	-	-	-	157,496
Total Other Financing Sources/(Uses)	<u>49,936</u>	<u>-</u>	<u>107,560</u>	<u>-</u>	<u>157,496</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	158,308	-	-	(3,058)	155,250
Fund Balances, July 1	<u>1,701,164</u>	<u>-</u>	<u>-</u>	<u>3,058</u>	<u>1,704,222</u>
Fund Balances, June 30	<u>\$ 1,859,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,859,472</u>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 155,250

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	(2,684,952)	
Adjustments and Deletions of Fixed Assets	161,812	
Capital Outlays	1,629,525	(893,615)

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

Pension Expense - PERS Contribution - 2016	528,838	
Unfunded TPAF Pension Expense	(3,959,102)	
State Share of Unfunded TPAF Pension Expense	3,959,102	
Pension Expense	(1,003,753)	(474,915)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,280,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 422,227

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

Prior Year	149,513	
Current Year	(198,537)	(49,024)

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

Prior Year	851,018	
Current Year	(919,199)	(68,181)

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

Prior Year	4,698,670	
Current Year	(4,698,670)	-

The proceeds from the issuance of capital leases provide current financial resources and are reported in this fund financial statement, but they are presented as liabilities in the statement of net position. (157,496)

Change in Net Position of Governmental Activities \$ 214,246

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

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Proprietary Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

ASSETS	ENTERPRISE FUND	<u>TOTALS</u>
Current Assets:		
Cash & Cash Equivalents	\$ 249,626	\$ 249,626
Accounts Receivable	24,113	24,113
Inventory	13,014	13,014
	<hr/>	<hr/>
Total Current Assets	286,753	286,753
	<hr/>	<hr/>
Capital Assets:		
Equipment	422,300	422,300
Accumulated Depreciation	(331,713)	(331,713)
	<hr/>	<hr/>
Total Capital Assets	90,587	90,587
	<hr/>	<hr/>
Total Assets	377,340	377,340
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Accounts Payable	196,694	196,694
Interfund Payable	37,422	37,422
	<hr/>	<hr/>
Total Current Liabilities	234,116	234,116
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	90,587	90,587
Unrestricted	52,637	52,637
	<hr/>	<hr/>
Total Net Position	\$ 143,224	\$ 143,224
	<hr/> <hr/>	<hr/> <hr/>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ENTERPRISE FUND	<u>TOTALS</u>
Operating Revenue:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 181,046	\$ 181,046
Total - Daily Sales - Reimbursable Programs:	<u>181,046</u>	<u>181,046</u>
Daily Sales - Nonreimbursable Programs:		
Fees	353,054	353,054
Miscellaneous Income	8,370	8,370
Total Operating Revenue	<u>542,470</u>	<u>542,470</u>
Operating Expenses:		
Salaries	3,200	3,200
Purchased Professional / Technical Services	590,957	590,957
Supplies and Materials	7,736	7,736
Depreciation	9,135	9,135
Miscellaneous	7,809	7,809
Cost of Sales	301,514	301,514
Total Operating Expenses	<u>920,351</u>	<u>920,351</u>
Operating (Loss)/Gain	<u>(377,881)</u>	<u>(377,881)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	6,527	6,527
Federal Sources:		
School Breakfast Program	39,933	39,933
National School Lunch Program	258,438	258,438
Food Distribution Program	32,702	32,702
Miscellaneous	266	266
Total Nonoperating Revenues	<u>337,866</u>	<u>337,866</u>
Change in Net Position	<u>(40,015)</u>	<u>(40,015)</u>
Total Net Position - Beginning	<u>183,239</u>	<u>183,239</u>
Total Net Position - Ending	<u>\$ 143,224</u>	<u>\$ 143,224</u>

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

**CENTRAL REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ENTERPRISE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:		
Receipts from Daily Sales	\$ 521,636	\$ 521,636
Receipts from Miscellaneous Items	8,370	8,370
Disbursements for Operating Expenses	<u>(705,616)</u>	<u>(705,616)</u>
Net Cash Used by Operating Activities	<u>(175,610)</u>	<u>(175,610)</u>
Cash Flows From Capital Financing Activities:		
Purchases of Fixed Assets	<u>(66,976)</u>	<u>(66,976)</u>
Net Cash Used by Capital Financing Activities	<u>(66,976)</u>	<u>(66,976)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	6,527	6,527
Federal Sources	<u>298,371</u>	<u>298,371</u>
Net Cash Provided by Noncapital Financing Activities	<u>304,898</u>	<u>304,898</u>
Cash Flows From Investing Activities:		
Interest	<u>266</u>	<u>266</u>
Net Cash Provided by Investing Activities	<u>266</u>	<u>266</u>
Net Increase in Cash & Cash Equivalents	62,578	62,578
Cash and Cash Equivalents, July 1	<u>187,048</u>	<u>187,048</u>
Cash & Cash Equivalents, June 30	<u>\$ 249,626</u>	<u>\$ 249,626</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Cash Used by Operating Activities:		
Operating Loss	\$ (377,881)	\$ (377,881)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:		
Depreciation Expense	9,135	9,135
Food Distribution Program	32,702	32,702
Change in Assets & Liabilities:		
Increase in Accounts Receivable	173	173
Increase in Inventory	(6,093)	(6,093)
Increase/(Decrease) in Accounts Payable	<u>166,354</u>	<u>166,354</u>
Total Adjustments	<u>202,271</u>	<u>202,271</u>
Net Cash Used by Operating Activities	<u>\$ (175,610)</u>	<u>\$ (175,610)</u>

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

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Fiduciary Fund

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			AGENCY FUNDS	<u>TOTALS</u>
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST			
Cash & Cash Equivalents	\$ 30,673	\$ 299,605		\$ 432,381	\$ 762,659
Due from Other Funds	-	41,094		-	41,094
Total Assets	30,673	340,699		432,381	803,753
LIABILITIES					
Payroll Deductions & Withholdings	-	-		134,063	134,063
Interfunds Payable	-	-		46,094	46,094
Due to Student Groups	-	-		252,224	252,224
Total Liabilities	-	-		432,381	432,381
NET POSITION					
Reserved:					
Scholarships	30,673	-		-	30,673
Unemployment Claims	-	340,699		-	340,699
Total Net Position	\$ 30,673	\$ 340,699		\$ -	\$ 371,372

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

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ADDITIONS:	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Interest Earned	\$ 43	\$ 389	\$ 432
Donations	2,721	-	2,721
Board Contribution	-	14,144	14,144
Total Additions	2,764	14,533	17,297
DEDUCTIONS:			
Disbursements	4,300	-	4,300
Total Deductions	4,300	-	4,300
Change in Net Position	(1,536)	14,533	12,997
Net Position - July 1	32,209	326,166	358,375
Net Position - June 30	\$ 30,673	\$ 340,699	\$ 371,372

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

CENTRAL REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 1: Summary of Significant Accounting Policies

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

For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include junior and senior high schools for students of the Boroughs of Island Heights, Ocean Gate, Seaside Heights, Seaside Park and the Township of Berkeley, Ocean County, New Jersey. The Central Regional School District has an approximate enrollment at June 30, 2016 of 1,989 students.

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

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

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

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

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

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

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

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

Budgets/Budgetary Control

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

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

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

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.

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

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Deferred Outflows and Deferred Inflows of Resources

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

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of October 18, 2016, which is the date the financial statements were available to be issued.

Pensions

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 2: Reserve Accounts

A. Capital Reserve Account

A Capital Reserve Account was established on June 30, 2009 for the accumulation of Funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$446,320 at June 30, 2016.

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

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 321,270
Increase per Resolution passed (June 23, 2016)		125,000
Interest Earned		<u>50</u>
Ending Balance, June 30, 2016		<u>\$ 446,320</u>

B. Maintenance Reserve Account

A Maintenance Reserve Account was previously established for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$291,748 at June 30, 2016.

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

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 291,648
Interest Earned		<u>100</u>
Ending Balance, June 30, 2016		<u>\$ 291,748</u>

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 2: Reserve Accounts (continued)

C. Emergency Reserve Account

The Emergency Reserve is used to accumulate funds to finance unanticipated general fund expenditures required for a thorough and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by Board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. There is a balance of \$50,300 at June 30, 2016.

The activity of the emergency reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$50,250
Interest Earned	<u>50</u>
Ending Balance, June 30, 2016	<u>\$50,300</u>

Note 3: Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2016, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 2,693,096</u>
Total Deposits	<u>\$ 2,693,096</u>
The District's Cash & Cash Equivalents are Reported as Follows:	
Governmental Fund	\$ 1,680,811
Enterprise Funds	249,626
Fiduciary Funds	<u>762,659</u>
Total Cash & Cash Equivalents	<u>\$ 2,693,096</u>

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 3: Cash and Cash Equivalents (continued)

schedule below. As of June 30, 2016, the District's bank balance of \$3,229,833 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and Uncollateralized	599,394
Collateralized in the District's Name Under GUDPA	<u>2,380,439</u>
 Total	 <u>\$ 3,229,833</u>

Note 4: Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 142,568	\$ -	\$ 56,430	\$ 242	\$ 199,240
Federal Aid	10,450	126,885	-	11,407	148,742
Other	127,796	-	-	12,464	140,260
 Total	 <u>\$ 280,814</u>	 <u>\$ 126,885</u>	 <u>\$ 56,430</u>	 <u>\$ 24,113</u>	 <u>\$ 488,242</u>

Note 5: Capital Assets

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2016:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 5: Capital Assets (continued)

	June 30, 2015	Additions	Deletions	Transfers/ Adjustments	June 30, 2016
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 1	\$ -	\$ -	\$ -	\$ 1
Construction in progress	2,152,421	92,651	(2,152,421)		92,651
Total capital assets not being depreciated	2,152,422	92,651	(2,152,421)	-	92,652
Buildings and improvements	47,928,742	2,415,538	-	-	50,344,280
Machinery and equipment	11,367,582	930,846	-	504,723	12,803,151
Subtotal	59,296,324	3,346,384	-	504,723	63,147,431
Less: accumulated depreciation:					
Buildings and improvements	(24,366,686)	(1,324,762)	-	-	(25,691,448)
Machinery and equipment	(6,597,940)	(714,553)	-	(645,637)	(7,958,130)
Total accumulated depreciation	(30,964,626)	(2,039,315)	-	(645,637)	(33,649,578)
Total capital assets being depreciated, net	28,331,698	1,307,069	-	(140,914)	29,497,853
Governmental activities capital assets, net	\$ 30,484,120	\$ 1,399,720	\$ (2,152,421)	\$ (140,914)	\$ 29,590,505

The following is a summary of proprietary fund type capital assets at June 30, 2016:

	June 30, 2015	Additions	Deletions	Transfers/ Adjustments	June 30, 2016
Business-Type Activities:					
Equipment	\$ 355,324	\$ 66,976	\$ -	\$ -	\$ 422,300
Less: accumulated depreciation:	(322,578)	(9,135)	-	-	(331,713)
Total capital assets being depreciated, net	\$ 32,746	\$ 57,841	\$ -	\$ -	\$ 90,587

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 6: Long-Term Obligations

Changes in Long-Term Obligations for the year ended June 30, 2016, are as follows:

	Balance June 30, <u>2015</u>	Issued	Retired	Balance June 30, <u>2016</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Bonds Payable	\$ 4,728,000	\$ -	\$ 1,280,000	\$ 3,448,000	\$ 850,000
Capital Leases/ Loan Payable	832,777	157,496	422,227	568,046	248,831
FEMA Community Disaster Loan	4,698,670	-	-	4,698,670	-
Net Pension Liability Compensated Absences Payable	11,222,596	2,585,609	-	13,808,205	-
	<u>851,019</u>	<u>68,181</u>	<u>-</u>	<u>919,200</u>	<u>20,000</u>
	<u>\$ 22,333,062</u>	<u>\$ 2,811,286</u>	<u>\$ 1,702,227</u>	<u>\$ 23,442,121</u>	<u>\$1,118,831</u>

A. Bonds Payable

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

The District's serial bonds are summarized as follows:

\$4,113,000 Variable Interest Rate School Construction Serial Bonds Issued March 29, 2011, installment maturities to July 15, 2021	<u>3,448,000</u>
Total	<u>\$3,448,000</u>

The bonds mature serially in installments to the fiscal year 2022. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 850,000	\$ 93,130	\$ 943,130
2018	750,000	71,255	821,255
2019	675,000	49,880	724,880
2020	520,000	31,305	551,305
2021	400,000	15,855	415,855
2022	<u>253,000</u>	<u>4,428</u>	<u>257,428</u>
Total	<u>\$3,448,000</u>	<u>\$ 265,853</u>	<u>\$3,713,853</u>

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 6: Long-Term Obligations (continued)

B. Obligations Under Capital Leases

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

\$24,866 Copier Lease issued August 2011, installments to September 28, 2016	\$ 1,441
\$37,793 Copier Lease issued October 2012, installments to January 28, 2018	11,147
\$20,438 Copier Lease issued August 2013, installments to August 28, 2018	9,633
\$23,864 Copier Lease issued May 2015, installments to June 28, 2020	19,639
\$768,690 Artificial Turf Lease issued November 2014, installments to July 15, 2017	368,690
\$157,496 Copier Lease issued March 2016, installments to September 1, 2020	<u>157,496</u>
Total	<u>\$ 568,046</u>
	Year-ending
	June 30,
	2017
	\$ 262,216
	2018
	233,041
	2019
	35,808
	2020
	35,010
	2021
	<u>29,483</u>
Total Minimum Lease Payments	595,558
Less: Amount Representing Interest	<u>(27,512)</u>
Present Value of Lease Payments	<u>\$ 568,046</u>

C. FEMA Community Disaster Loan

On May 31, 2013, the Central Regional School District submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The District was approved for the full request of \$5,000,000. On July 18, 2013, the Board of Education approved a resolution to amend the 2014 Budget by \$1,977,153, the amount of the CDL that was drawn down in 2014. During the year ended June 30, 2015, the District drew down an additional \$2,721,517. As of June 30, 2015, \$4,698,670 has been drawn down on the CDL and \$301,330 is available to be drawn down in future years. As of June 30, 2016, no further drawdowns were made.

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 6: Long-Term Obligations (continued)

C. FEMA Community Disaster Loan (continued)

This amount is reported as a long-term liability in the District Wide financial statements.

D. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$919,200.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 7: Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

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

The following represents the membership tiers for PERS:

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

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

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

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 7: Pension Obligations (continued)

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2016	\$ 528,838	100%	\$ 13,808,205
6/30/2015	\$ 494,145	100%	\$ 11,222,596
6/30/2014	\$ 440,206	100%	\$ 11,165,812

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$13,808,205 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.06151% percent, which was a decrease of 0.05994% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
	June 30, 2015	June 30, 2014
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 2,261,854	\$ 1,092,102
Deferred Inflows of Resources	\$ 222,009	\$ 668,806
Net Pension Liability	\$ 13,808,205	\$ 11,222,596
District's portion of the Plan's total net pension Liability	0.06151%	0.05994%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$1,003,753. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

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

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$	1,482,891	\$	-
Net difference between expected and actual experience		329,415		-
Net difference between projected and actual earnings on pension plan investments		-		222,009
Changes in proportion and differences between District contributions and proportionate share of contributions		449,548		-
Total	\$	2,261,854	\$	222,009

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>		<u>PERS</u>
2017	\$	387,887
2018		387,887
2019		387,887
2020		555,088
2021		321,098
Thereafter		-

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

**CENTRAL REGIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 JUNE 30, 2016**

Note 7: Pension Obligations (continued)

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

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that 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 actuarially determined 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 as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

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

	<u>1%</u> <u>Decrease</u> <u>(3.90%)</u>		<u>Current</u> <u>Discount</u> <u>Rate (4.90%)</u>		<u>1%</u> <u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 17,161,910	\$	13,808,205	\$	10,996,484

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 7: Pension Obligations (continued)

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

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

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

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

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

<u>Year Funding</u>	<u>Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2016	\$ 2,320,641	100%	\$ -
6/30/2015	\$ 1,819,096	100%	\$ -
6/30/2014	\$ 1,454,538	100%	\$ -

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 7: Pension Obligations (continued)

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

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that 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 employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP)

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

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$28,002 and the District recognized pension expense of \$11,486.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 8: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 9: Risk Management

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 9: Risk Management (continued)

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

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 389	\$ 14,144	\$ -	\$ 340,699
2014-2015	425	13,888	65,001	326,166
2013-2014	534	27,706	50,162	376,853

Note 10: Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 11: Economic Dependency

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

Note 12: Deferred Compensation

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

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

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 13: Interfund Receivables, Payables and Transfers

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 169,861	\$ -
Special Revenue Fund	-	127,439
Food Service Fund	-	37,422
Unemployment Trust	41,094	-
Payroll Trust Fund	-	46,094
	<u>\$ 210,955</u>	<u>\$ 210,955</u>

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

The summary of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 107,560
Capital Projects Fund	107,560	-
	<u>\$ 107,560</u>	<u>\$ 107,560</u>

The purpose of interfund transfers were for payments made on behalf of other funds.

Note 14: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(16,414,879) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 15: Fund Balance

General Fund (Exhibit B-1) – Of the \$1,859,472 General Fund fund balance at June 30, 2016, \$446,320 has been restricted for the capital reserve account; \$291,748 has been restricted for the maintenance reserve account; \$50,300 has been restricted for the emergency reserve; \$575,000 has been assigned for subsequent year's expenditures, \$71,487 has been committed, \$99,752 has been restricted for excess surplus and \$324,865 is unassigned.

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, 2016 is \$99,752.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Tax Levy	10-1210	\$29,544,727	\$ -	\$ 29,544,727	\$ -
Tuition from Other LEAs Within the State	10-1320	100,000	-	100,000	86,723
Tuition from Other Sources	10-1340	-	-	-	131,670
Transportation from Other LEAs	10-1420-1440	200,000	-	200,000	42,460
Rents and Royalties	10-1910	-	-	-	48,136
Interest Earned on Current Expense					
Emergency Reserve	10-1XXX	50	-	50	-
Interest Earned on Maintenance Reserve	10-1XXX	100	-	100	-
Interest on Capital Reserve Funds	10-1XXX	50	-	50	-
Unrestricted Miscellaneous Revenues	10-1XXX	200,000	-	200,000	12,307
Total Local Sources		30,044,927	-	30,044,927	321,296
State Sources:					
Extraordinary Aid	10-3XXX	120,000	-	120,000	(58,707)
Nonpublic School Transportation					
Costs					
Choice Aid	10-3000	-	-	-	15,608
	10-3116	1,284,467	-	1,284,467	-
Categorical Special Education Aid	10-3132	1,080,992	-	1,080,992	-
Categorical Security Aid	10-3177	291,637	-	291,637	-
Adjustment Aid	10-3178	142,822	-	142,822	-
Categorical Transportation Aid	10-3121	1,067,101	-	1,067,101	-
PARCC Readiness Aid	10-3XXX	19,050	-	19,050	-
Per Pupil Growth Aid	10-3XXX	19,050	-	19,050	-
Other State Aids	10-3XXX	60,092	-	60,092	-
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions					
On-Behalf TPAF Contributions					
On-Behalf TPAF NCGI Premium Contributions					
Reimbursed TPAF Social Security Contribution					
Total State Sources		4,085,211	-	4,085,211	3,257,600
Federal Sources:					
Medicaid Assistance Program	10-4200	36,401	-	36,401	15,917
Total Federal Sources		36,401	-	36,401	15,917
Total Revenues		34,166,539	-	34,166,539	3,594,813

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Grades 6 - 8	11-130-100-101	2,456,196	(98,000)	2,358,196	4,474
Grades 9 - 12	11-140-100-101	5,089,301	265,000	5,354,301	1,760
Home Instruction:					
Salaries of Teachers	11-150-100-101	50,000	(5,000)	45,000	3,779
Purchased Professional - Educational Services	11-150-100-320	27,000	20,000	47,000	1,008
Other Purchased Services	11-150-100-500	1,000	-	1,000	261
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	11-190-100-340	20,185	(7,845)	12,340	311
General Supplies	11-190-100-610	189,333	13,100	202,433	8,341
Textbooks	11-190-100-640	190,794	(22,765)	168,029	5,646
Total Regular Programs		8,023,809	164,490	8,188,299	25,580
Special Education:					
Cognitive - Mild:					
Salaries of Teachers	11-201-100-101	105,922	85,000	190,922	351
Other Salaries for Instruction	11-201-100-106	24,660	53,000	77,660	2,272
General Supplies	11-201-100-610	650	-	650	650
Textbooks	11-201-100-640	500	-	500	500
Total Cognitive - Mild		131,732	138,000	269,732	3,773
Learning and/or Language Disabilities::					
Salaries of Teachers	11-204-100-101	166,368	(107,000)	59,368	92
Other Salaries for Instruction	11-204-100-106	130,203	(90,253)	39,950	1
General Supplies	11-204-100-610	4,700	-	4,700	1,412
Textbooks	11-204-100-640	2,500	(1,083)	1,417	673
Total Learning and/or Language Disabilities:		303,771	(198,336)	105,435	2,178
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	254,540	(112,000)	142,540	2,354
Other Salaries for Instruction	11-209-100-106	89,732	68,342	158,074	-
General Supplies	11-209-100-610	4,700	(1,000)	3,700	1,348
Total Behavioral Disabilities:		348,972	(44,658)	304,314	3,702

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
				ACTUAL	
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	136,191	(3,000)	133,191	132,186
Other Salaries for Instruction	11-212-100-106	81,516	49,000	130,516	129,726
General Supplies	11-212-100-610	960	-	960	946
		218,667	46,000	264,667	262,858
Total Multiple Disabilities:					1,809
Resource Room:					
Salaries of Teachers	11-213-100-101	1,834,562	67,120	1,901,682	1,901,682
Other Salaries for Instruction	11-213-100-106	565,617	43,500	609,117	608,920
General Supplies	11-213-100-610	25,600	(13,569)	12,031	10,694
		2,425,779	97,051	2,522,830	2,521,296
Total Resource Room					1,534
Autism:					
Salaries of Teachers	11-214-100-101	129,493	7,100	136,593	136,552
Other Salaries for Instruction	11-214-100-106	105,544	25,350	130,894	130,473
General Supplies	11-214-100-610	6,300	(500)	5,800	4,754
		241,337	31,950	273,287	271,779
Total Autism					1,508
Home Instruction:					
Salaries of Teachers	11-219-100-101	100,000	32,300	132,300	132,238
Purchased Professional - Educational Services	11-219-100-320	30,600	18,000	48,600	41,222
Other Purchased Services	11-219-100-580	1,000	2,200	3,200	2,967
		131,600	52,500	184,100	176,427
Total Home Instruction					7,673
Total Special Education		3,801,858	122,507	3,924,365	3,902,188
Basic Skills/Remedial:					
Salaries of Teachers	11-230-100-101	56,660	(19,000)	37,660	36,315
		56,660	(19,000)	37,660	36,315
Total Basic Skills/Remedial					1,345

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Bilingual Education:					
Salaries of Teachers	11-240-100-101	68,350	(38,000)	30,350	26,689
Total Bilingual Education		68,350	(38,000)	30,350	26,689
Vocational Programs- Local - Instruction:					
Salaries of Teachers	11-301-100-101	87,016	100	87,116	87,076
Other Purchased Services	11-301-100-580	700	(700)	-	-
General Supplies	11-301-100-610	425	799	1,224	1,214
Total Vocational Programs - Local Instruction		88,141	199	88,340	88,290
School Sponsored Cocurricular Activities:					
Salaries	11-401-100-110	175,000	15,860	190,860	188,507
Purchased Services	11-401-100-590	3,000	2,225	5,225	4,475
Supplies and Materials	11-401-100-610	41,642	(15,524)	26,118	24,399
Other Objects	11-401-100-890	7,500	-	7,500	5,605
Total School Sponsored Cocurricular Activities		227,142	2,561	229,703	222,986
School Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	825,001	(30,248)	794,753	779,524
Purchased Services	11-402-100-500	134,500	21,199	155,699	153,594
Supplies and Materials	11-402-100-610	80,000	25,500	105,500	105,022
Other Objects	11-402-100-800	80,000	7,200	87,200	86,921
Alternative Ed - Salaries	11-423-100-100	50,000	(49,000)	1,000	975
ROTC Salary	11-424-100-101	186,660	3,810	190,470	190,463
ROTC Supplies	11-424-100-610	2,000	-	2,000	1,002
Total School Sponsored Athletics Instruction		1,358,161	(21,539)	1,336,622	1,317,501
Total Instruction		13,624,121	211,218	13,835,339	13,756,688

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures:					
Instruction :					
Tuition to Other LEAs Within the State - Regular	11-000-100-561	20,000	(17,071)	2,929	2,530
Tuition to County Vocational School District - Regular	11-000-100-563	90,000	9,000	99,000	99,000
Tuition to CSSD & Regional Day School	11-000-100-565	250,000	92,026	342,026	339,623
Tuition to Private School for the Handicapped - State	11-000-100-566	783,941	(39,629)	744,312	699,802
Tuition - State Facilities	11-000-100-568	36,806	-	36,806	36,806
Tuition - Other	11-000-100-569	105,000	(36,400)	68,600	67,260
		1,285,747	7,925	1,293,672	1,245,021
Total Undistributed Expenditures - Instruction					48,651
Attendance & Social Work Services:					
Salaries	11-000-211-100	170,827	1,745	172,572	172,572
Supplies and Materials	11-000-211-600	1,200	247	1,447	503
Other Objects	11-000-211-800	1,400	-	1,400	372
		173,427	1,992	175,419	173,447
Total Attendance & Social Work Services					1,972
Health Services:					
Salaries	11-000-213-100	199,161	6,296	205,457	205,456
Purchased Professional & Technical Services	11-000-213-300	35,000	1,100	36,100	33,212
Supplies and Materials	11-000-213-600	7,500	4,000	11,500	11,245
		241,661	11,396	253,057	249,913
Total Health Services					3,144

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016		FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS			
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	75,933	54,000	129,933	128,540	1,393
Purchased Professional - Educational Services	11-000-216-320	125,000	(71,000)	54,000	44,228	9,772
Supplies and Materials	11-000-216-600	600	-	600	-	600
Total Other Support Services - Students - Related Services		201,533	(17,000)	184,533	172,768	11,765
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	649,896	33,709	683,605	682,200	1,405
Salaries of Secretarial & Clerical Assistants	11-000-218-105	216,173	1,250	217,423	213,772	3,651
Purchased Professional & Technical Services	11-000-218-390	43,000	1,220	44,220	44,193	27
Other Purchased Services	11-000-218-580	2,000	500	2,500	212	2,288
Supplies and Materials	11-000-218-610	14,465	3,700	18,165	17,981	184
Other Objects	11-000-218-890	10,785	(3,420)	7,365	6,928	437
Total Other Support Services - Guidance		936,319	36,959	973,278	965,286	7,992
Other Support Services - Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	770,945	(30,000)	740,945	738,352	2,593
Salaries of Secretarial & Clerical Assistants	11-000-219-105	154,391	-	154,391	151,665	2,726
Miscellaneous Purchased Services	11-000-219-580	1,000	-	1,000	-	1,000
Supplies and Materials	11-000-219-610	18,000	1,900	19,900	15,519	4,381
Other Objects	11-000-219-890	10,000	(1,900)	8,100	5,810	2,290
Total Other Support Services - Child Study Teams		954,336	(30,000)	924,336	911,346	12,990

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
				ACTUAL	
Improvement of Instruction Services/Other					
Support Services - Instruction Staff:					
Salaries of Supervisors of Instruction	11-000-221-102	470,943	(14,000)	456,943	395,248
Salaries of Secretarial & Clerical Assistants	11-000-221-105	83,669	(40,000)	43,669	40,689
Professional Services	11-000-221-320	4,000	-	4,000	4,000
Supplies and Materials	11-000-221-610	2,000	467	2,467	2,428
Other Objects	11-000-221-890	4,500	1,000	5,500	5,447
					61,695
					2,980
					-
					39
					53
Total Improvement of Instruction Services/Other		565,112	(52,533)	512,579	447,812
Support Services Instructional Staff					64,767
Educational Media Services/School Library:					
Salaries	11-000-222-100	175,995	310	176,305	176,135
Purchased Prof & Tech Services	11-000-222-300	9,250	(310)	8,940	8,603
Other Purchased Services	11-000-222-500	2,600	100	2,700	2,344
Supplies and Materials	11-000-222-600	52,750	2,411	55,161	51,060
					4,101
Total Educational Media Services/School Library		240,595	2,511	243,106	238,142
					4,964
Support Services Instructional Staff Training Service:					
Purchased Prof - Ed Services	11-000-223-320	1,000	-	1,000	480
Other Purchased Services	11-000-223-580	1,200	(100)	1,100	-
Supplies and Materials	11-000-223-610	2,500	617	3,117	1,153
Other Objects	11-000-223-890	342	408	750	750
					-
Total Support Services Instructional Staff Training Services		5,042	925	5,967	2,383
					3,584
Support Services General Administration:					
Salaries	11-000-230-100	268,840	13,300	282,140	281,939
Legal Services	11-000-230-331	180,000	72,100	252,100	235,499
Audit Services	11-000-230-332	29,000	(97)	28,903	28,903
Architect/Engineer Services	11-000-230-334	45,000	22,251	67,251	50,594
Other Purchased Professional Services	11-000-230-339	75,000	(20,953)	54,047	54,047
Communications/Telephone	11-000-230-530	64,000	8,900	72,900	71,164
BOE Other Purchased Services	11-000-230-585	1,000	(1,000)	-	-
General Supplies	11-000-230-610	17,500	4,600	22,100	21,145
Judgements Against District	11-000-230-820	12,000	(12,000)	-	-
BOE Membership Dues & Fees	11-000-230-895	26,000	(2,100)	23,900	23,190
					710
Total Support Services General Administration		718,340	85,001	803,341	766,481
					36,860

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:					
Salaries of Principals & Assistant Principals	11-000-240-103	559,925	(5,931)	553,994	2,957
Salaries of Secretarial & Clerical Assistants	11-000-240-105	266,138	45,587	311,725	52
Other Salaries	11-000-240-110	13,300	500	13,800	1,359
Other Purchased Services	11-000-240-580	800	-	800	800
Supplies and Materials	11-000-240-610	101,660	(9,900)	91,760	12,393
Other Objects	11-000-240-800	5,444	-	5,444	64
Total Support Services School Administration		947,267	30,256	977,523	17,625
Central Services:					
Salaries	11-000-251-100	381,697	(17,000)	364,697	14,011
Purchased Professional Services	11-000-251-330	-	8,700	8,700	410
Purchased Technical Services	11-000-251-340	34,000	(5,420)	28,580	473
Supplies & Materials	11-000-251-600	89,000	(2,618)	86,382	7,097
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	235
Total Central Services		506,697	(16,338)	490,359	22,226
Administrative Information Technology:					
Salaries	11-000-252-100	172,155	23,000	195,155	2,725
Purchased Technical Services	11-000-252-340	30,000	16,809	46,809	2,251
Supplies & Materials	11-000-252-600	50,000	2,236	52,236	10
Total Administrative Information Technology		252,155	42,045	294,200	4,986
Required Maintenance for School Facilities:					
Salaries	11-000-261-100	344,273	4,500	348,773	37
Cleaning, Repair & Maintenance Services	11-000-261-420	366,870	11,388	378,258	1,000
General Supplies	11-000-261-610	65,500	250	65,750	1,560
Other Objects	11-000-261-800	1,700	-	1,700	7
Total Required Maintenance for School Facilities		778,343	16,138	794,481	2,604

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
Salaries	11-000-262-100	858,927	150,800	1,009,727	1,004,932	4,795
Purchased Professional & Technical Services	11-000-262-300	3,500	-	3,500	3,500	-
Cleaning, Repair & Maintenance Services	11-000-262-420	53,670	(19,250)	34,420	24,156	10,264
Other Purchased Property Services	11-000-262-490	60,000	895	60,895	54,897	5,998
Miscellaneous Purchased Services	11-000-262-590	36,000	-	36,000	31,418	4,582
Insurance	11-000-262-520	181,000	8,267	189,267	189,267	-
General Supplies	11-000-262-610	49,400	-	49,400	49,400	-
Energy (Electricity)	11-000-262-622	460,000	(63,267)	396,733	386,477	10,256
Energy (Natural Gas)	11-000-262-621	150,000	(45,000)	105,000	100,037	4,963
Energy (Oil)	11-000-262-624	500	-	500	96	404
Total Custodial Services		1,852,997	32,445	1,885,442	1,844,180	41,262
Care & Upkeep of Grounds						
Salaries	11-000-263-100	155,885	34,500	190,385	188,536	1,849
Purchased Professional & Technical Services	11-000-263-300	20,000	500	20,500	20,178	322
Cleaning, Repair & Maintenance Services	11-000-263-420	30,200	-	30,200	30,196	4
General Supplies	11-000-263-610	37,500	-	37,500	37,486	14
Other Objects	11-000-263-800	1,655	-	1,655	1,655	-
Total Care & Upkeep of Grounds		245,240	35,000	280,240	278,051	2,189
Security						
Purchased Professional & Technical Services	11-000-266-300	95,000	(5,000)	90,000	80,708	9,292
Total Security		95,000	(5,000)	90,000	80,708	9,292

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services:					
Salaries for Pupil Transportation:					
Transportation Aides	11-000-270-107	85,000	-	85,000	84,778
Between Home & School - Regular	11-000-270-160	741,116	(15,000)	726,116	725,253
Between Home & School - Special	11-000-270-161	75,000	80,850	155,850	155,846
Between Home & School - Nonpublic	11-000-270-163	35,000	(1,150)	33,850	32,369
Other Purchased Professional & Technical Services	11-000-270-390	6,000	15,942	21,942	2,543
Cleaning, Repair & Maintenance Services	11-000-270-420	315,000	(15,500)	299,500	299,420
Contracted Services (Special Education Students) - Vendors	11-000-270-514	200,000	120,748	320,748	320,208
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	25,000	(18,800)	6,200	978
Contracted Services (Special Education Students) - ESCS & CTSA	11-000-270-518	325,000	(19,048)	305,952	304,133
Aid in Lieu of Payments - Charter School	11-000-270-503	55,000	7,000	62,000	61,648
Miscellaneous Purchased Services - Transportation	11-000-270-593	60,000	(9,000)	51,000	50,969
Supplies and Materials	11-000-270-610	70,000	10,100	80,100	79,401
Transportation Supplies	11-000-270-615	300,000	(187,200)	112,800	109,142
Other Objects	11-000-270-800	12,000	9,200	21,200	20,167
Total Student Transportation Services		2,304,116	(21,858)	2,282,258	2,246,855
Unallocated Benefits - Employee Benefits:					
Social Security	11-000-291-220	535,000	60,000	595,000	585,207
Other Retirement Contributions - PERS	11-000-291-241	550,000	(21,162)	528,838	528,838
Other Retirement Contributions - Regular	11-000-291-249	20,000	(8,338)	11,662	11,486
Worker's Compensation	11-000-291-260	250,000	(5,000)	245,000	244,876
Health Benefits	11-000-291-270	5,255,507	(475,982)	4,779,525	4,746,281
Other Employee Benefits	11-000-291-290	285,000	113,000	398,000	396,430
Total Unallocated Benefits - Employee Benefits		6,895,507	(337,482)	6,558,025	6,513,118
Total		9,199,232	(239,340)	8,959,892	8,763,973

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	1,261,337	(1,261,337)
On-Behalf TPAF Contributions		-	-	1,009,040	(1,009,040)
On-Behalf TPAF NCGI Premium Contributions		-	-	50,264	(50,264)
Reimbursed TPAF Social Security Contribution		-	-	980,058	(980,058)
Total Nonbudgeted		-	-	3,300,699	(3,300,699)
Total Undistributed Expenditures		19,199,434	(177,617)	19,021,817	21,945,332
Total Expenditures - Current Expense		32,823,555	33,601	32,857,156	35,702,020
Capital Outlay:					
Equipment:					
School Sponsored & Other	12-4xx-100-730	23,555	25,102	48,657	48,657
Undistributed Expense - Admin Info Tech	12-000-252-730	326,977	1,317	328,294	318,294
Custodial Services	12-000-262-730	126,020	(50,188)	75,832	75,501
School Buses - Regular	12-000-270-733	325,000	(18,062)	306,938	306,904
Total Equipment		801,552	(41,831)	759,721	749,356
Facilities Acquisition & Construction Services:					
Architect/Engineer	12-000-400-334	25,000	47,970	72,970	66,897
Construction Services	12-000-400-450	292,352	209,184	501,536	491,786
Assessment for Debt Service on SDA funding	12-000-400-896	513,180	7,560	520,740	413,179
Total Facilities Acquisition & Construction Services		830,532	264,714	1,095,246	971,862
Assets Acquired Under Capital Leases (NonBudgeted)		-	-	-	157,496
Total Capital Outlay		1,632,084	222,883	1,854,967	1,878,714
					(23,747)

**CENTRAL REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	June 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Schools:					
Summer School - Instruction:	13-422-100-101	60,000	3,904	63,904	1
Salaries of Teachers	13-422-100-600	700	-	700	28
General Supplies					
Total Special Schools		60,700	3,904	64,604	29
Total Expenditures		34,516,339	260,388	34,776,727	(2,868,582)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(349,800)	(260,388)	(610,188)	726,231
Other Financing Sources/(Uses):					
Transfer to Capital Projects		-	-	-	(107,560)
NonBudgeted Capital Leases		-	-	-	157,496
Interest Earned on Capital Reserve	10-604	50	-	50	(50)
Interest Earned on Maintenance Reserve	10-606	100	-	100	(100)
Interest Earned on Emergency Reserve	10-607	50	-	50	(50)
Total Other Financing Sources/(Uses)		200	-	200	49,736
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Fund Balances, July 1		(349,600)	(260,388)	(609,988)	775,967
Fund Balances, July 1		2,067,978	-	2,067,978	-
Fund Balances, June 30		\$ 1,718,378	\$ (260,388)	\$ 1,457,990	\$ 2,233,957
RECAPITULATION OF TRANSFERS:					
Rollover Encumbrances from Prior Year			260,388		
Total Transfers			\$ 260,388		
RECAPITULATION OF FUND BALANCE:					
Restricted Fund Balance:				\$	
Capital Reserve				446,320	
Emergency Reserve				50,300	
Maintenance Reserve				291,748	
Excess Surplus				99,752	
Committed Fund Balance:				71,487	
Year-end Encumbrances				575,000	
Assigned Fund Balance:				699,350	
Unreserved - Designated for Subsequent Year's Expenditures				2,233,957	
Unassigned Fund Balance					
Subtotal					(374,485)
Reconciliation to Governmental Fund Statements (GAAP):					\$ 1,859,472
Last State Aid Payment Not Recognized on GAAP Basis					
Fund Balance Per Governmental Funds (GAAP)					

**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 790,344	\$ 270,840	\$ 1,061,184	\$ 1,031,359	\$ (29,825)
Other Sources	-	9,825	9,825	9,825	-
Total Revenues	790,344	280,665	1,071,009	1,041,184	(29,825)
Expenditures:					
Instruction:					
Salaries of Teachers	283,645	117,648	401,293	390,644	10,649
Other Purchased Services	404,059	105,152	509,211	509,211	-
General Supplies	-	16,923	16,923	16,919	4
Total Instruction	687,704	239,723	927,427	916,774	10,653
Support Services:					
Personal Services - Employee Benefits	82,929	3,876	86,805	84,115	2,690
Purchase of Professional Education Services	19,711	37,066	56,777	40,295	16,482
Total Support Services	102,640	40,942	143,582	124,410	19,172
Total Expenditures	790,344	280,665	1,071,009	1,041,184	29,825
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**CENTRAL REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 37,761,352	\$ 1,041,184
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	-
Current Year	-	-
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	 366,814	 -
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	 (374,485)	 -
Total Revenues as Reported on the State Personal Services - Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 37,753,681	\$ 1,041,184
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,645,309	\$ 1,041,184
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	-
Current Year	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 37,645,309	\$ 1,041,184

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

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06151%	0.05994%	0.05842%
District's proportionate share of the net pension liability (asset)	\$ 13,808,205	\$ 11,222,596	\$ 11,165,812
District's covered-employee payroll	\$ 4,330,517	\$ 4,203,016	\$ 4,162,600
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	318.86%	267.01%	268.24%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 528,838	\$ 494,145	\$ 440,206
Contributions in relation to the contractually required contribution	<u>528,838</u>	<u>494,145</u>	<u>440,206</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,330,517	\$ 4,203,016	\$ 4,162,600
Contributions as a percentage of covered-employee payroll	12.21%	11.76%	10.58%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.13004%	0.13026%	0.13720%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 82,189,449	\$ 69,618,006	\$ 69,340,988
District's covered-employee payroll	\$ 13,252,685	\$ 13,451,654	\$ 13,243,968
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

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E. Special Revenue Fund

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE I	TITLE II PART A	I.D.E.A.	SUMMER INTN'L	2016
Revenues:					
Federal Sources	\$ 448,866	\$ 73,282	\$ 509,211	\$ -	\$ 1,031,359
Other Sources	-	-	-	9,825	9,825
Total Revenues	\$ 448,866	\$ 73,282	\$ 509,211	\$ 9,825	\$ 1,041,184
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 345,483	\$ 39,936	\$ -	\$ 5,225	\$ 390,644
Other Purchased Services	-	-	509,211	-	509,211
General Supplies	16,919	-	-	-	16,919
Total Instruction	362,402	39,936	509,211	5,225	916,774
Support Services:					
Personal Services -					
Employee Benefits	76,464	7,651	-	-	84,115
Purchase of Professional					
Education Services	10,000	25,695	-	4,600	40,295
Total Support Services	86,464	33,346	-	4,600	124,410
Total Expenditures	\$ 448,866	\$ 73,282	\$ 509,211	\$ 9,825	\$ 1,041,184

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F. Capital Projects Fund

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2016
			PRIOR YEAR	CURRENT YEAR	
High School Window Project	07/01/15	\$ 163,990	\$ -	\$ 163,990	\$ -
Total		\$ 163,990	\$ -	\$ 163,990	\$ -

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2016**

Revenues:	
State Sources - SDA Grant	<u>\$ 56,430</u>
Total Revenue	<u>56,430</u>
Expenditures:	
Construction Services	<u>163,990</u>
Total Expenditures	<u>163,990</u>
Other Financing Sources & Uses:	
Transfer from General Fund	<u>107,560</u>
Total Other Financing Sources & Uses	<u>107,560</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

**CENTRAL REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARTIAL HIGH SCHOOL WINDOW REPLACEMENT
YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ -	\$ 56,430	\$ 56,430	\$ 431,441
Bond Proceeds & Transfers	-	107,560	107,560	647,161
Total Revenues	-	163,990	163,990	1,078,602
Expenditures:				
Construction Services		163,990	163,990	1,078,602
Total Expenditures	-	163,990	163,990	1,078,602
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0770-030-14-1002 -G
Grant Date	12/4/2013
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,078,602
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,078,602
Percentage Decrease Under Original Authorized Cost	-
Percentage Completion	100.00%

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G. Proprietary Funds

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

FOOD SERVICE FUND

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

COMMUNITY SCHOOL

This Fund provides educational programs to the Community.

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Enterprise Funds

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**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Current Assets:			
Cash & Cash Equivalents	\$ 14,859	\$ 234,767	\$ 249,626
Intergovernmental Accounts			
Receivable:			
Federal	-	11,407	11,407
State	-	242	242
Other	-	12,464	12,464
Inventory	-	13,014	13,014
Total Current Assets	<u>14,859</u>	<u>271,894</u>	<u>286,753</u>
Capital Assets:			
Equipment	-	422,300	422,300
Accumulated Depreciation	-	(331,713)	(331,713)
Total Capital Assets	<u>-</u>	<u>90,587</u>	<u>90,587</u>
Total Assets	<u>14,859</u>	<u>362,481</u>	<u>377,340</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	196,694	196,694
Interfund Payable	-	37,422	37,422
Total Current Liabilities	<u>-</u>	<u>234,116</u>	<u>234,116</u>
NET POSITION			
Net Investment in Capital Assets	-	90,587	90,587
Unrestricted	14,859	37,778	52,637
Total Net Position	<u>\$ 14,859</u>	<u>\$ 128,365</u>	<u>\$ 143,224</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2016**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ -	\$ 181,046	\$ 181,046
Miscellaneous	8,370	-	8,370
Total - Daily Sales - Reimbursable Programs	8,370	181,046	189,416
Daily Sales - Nonreimbursable Programs:			
Fees	-	353,054	353,054
Total Operating Revenue	8,370	534,100	542,470
Operating Expenses:			
Salaries	3,200	-	3,200
Purchased Professional / Technical Services	-	590,957	590,957
Supplies and Materials	1,050	6,686	7,736
Depreciation	-	9,135	9,135
Miscellaneous	-	7,809	7,809
Cost of Sales	-	301,514	301,514
Total Operating Expenses	4,250	916,101	920,351
Operating/(Loss)/Gain	4,120	(382,001)	(377,881)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	-	6,527	6,527
Federal Sources:			
School Breakfast Program	-	39,933	39,933
National School Lunch Program	-	258,438	258,438
Food Distribution Program	-	32,702	32,702
Miscellaneous	-	266	266
Total Nonoperating Revenues/(Expenses)	-	337,866	337,866
Net Income/(Loss)	4,120	(44,135)	(40,015)
Total Net Position - Beginning	10,739	172,500	183,239
Total Net Position - Ending	\$ 14,859	\$ 128,365	\$ 143,224

**CENTRAL REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2016**

	COMMUNITY SCHOOL	FOOD SERVICE FUND	<u>TOTALS</u>
Cash Flows From Operating Activities:			
Receipts from Daily Sales	\$ -	\$ 521,636	\$ 521,636
Receipts from Miscellaneous Items	8,370	-	8,370
Disbursements for Operating Expenses	(4,250)	(701,366)	(705,616)
	<u>4,120</u>	<u>(179,730)</u>	<u>(175,610)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Capital Financing Activities:			
Purchases of Fixed Assets	-	(66,976)	(66,976)
	<u>-</u>	<u>(66,976)</u>	<u>(66,976)</u>
Net Cash Provided/(Used) by Capital Financing Activities			
	<u>-</u>	<u>(66,976)</u>	<u>(66,976)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	6,527	6,527
Federal Sources	-	298,371	298,371
	<u>-</u>	<u>304,898</u>	<u>304,898</u>
Net Cash Provided by Noncapital Financing Activities			
	<u>-</u>	<u>304,898</u>	<u>304,898</u>
Cash Flows From Investing Activities:			
Interest	-	266	266
	<u>-</u>	<u>266</u>	<u>266</u>
Net Cash Provided by Investing Activities			
	<u>-</u>	<u>266</u>	<u>266</u>
Net Increase in Cash & Cash Equivalents	4,120	58,458	62,578
Cash and Cash Equivalents, July 1	10,739	176,309	187,048
	<u>14,859</u>	<u>234,767</u>	<u>249,626</u>
Cash & Cash Equivalents, June 30	<u>\$ 14,859</u>	<u>\$ 234,767</u>	<u>\$ 249,626</u>

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

Operating Loss	\$ -	\$ (382,001)	\$ (382,001)
Operating Gain	4,120	-	4,120
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	9,135	9,135
Food Distribution Program	-	32,702	32,702
Change in Assets & Liabilities:			
Decrease in Accounts Receivable	-	173	173
Increase in Inventory	-	(6,093)	(6,093)
Increase in Accounts Payable	-	166,354	166,354
	<u>-</u>	<u>202,271</u>	<u>202,271</u>
Total Adjustments			
	<u>-</u>	<u>202,271</u>	<u>202,271</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 4,120</u>	<u>\$ (179,730)</u>	<u>\$ (175,610)</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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

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

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 30,673	\$ 299,605	\$ 252,224	\$ 180,157	\$ 762,659
Due from Other Funds	-	41,094	-	-	41,094
Total Assets	30,673	340,699	252,224	180,157	803,753
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	134,063	134,063
Interfunds Payable	-	-	-	46,094	46,094
Due to Student Groups	-	-	252,224	-	252,224
Total Liabilities	-	-	252,224	180,157	432,381
NET POSITION					
Reserved:					
Scholarships	30,673	-	-	-	30,673
Unemployment Benefits	-	340,699	-	-	340,699
Total Net Position	\$ 30,673	\$ 340,699	\$ -	\$ -	\$ 371,372

**CENTRAL REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
ADDITIONS:			
Interest Earned	\$ 43	\$ 389	\$ 432
Donations	2,721	-	2,721
Board contribution	-	14,144	14,144
Total Additions	2,764	14,533	17,297
DEDUCTIONS:			
Disbursements	4,300	-	4,300
Total Deductions	4,300	-	4,300
Change in Net Position	(1,536)	14,533	12,997
Net Position - Beginning of Year	32,209	326,166	358,375
Net Position - End of Year	\$ 30,673	\$ 340,699	\$ 371,372

**CENTRAL REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
High & Middle Schools Athletic Account	\$ 216,660	\$ 479,322	\$ 447,169	\$ 248,813
	3,884	148,678	149,151	3,411
Total	<u>\$ 220,544</u>	<u>\$ 628,000</u>	<u>\$ 596,320</u>	<u>\$ 252,224</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 40,322	\$ 23,234,730	\$ 23,094,895	\$ 180,157
Total Assets	<u>\$ 40,322</u>	<u>\$ 23,234,730</u>	<u>\$ 23,094,895</u>	<u>\$ 180,157</u>
LIABILITIES				
Net Payroll Deductions & Withholdings	\$ 5,162	\$ 23,234,730	\$ 23,105,829	\$ 134,063
Interfunds	35,160	14,144	3,210	46,094
Total Liabilities	<u>\$ 40,322</u>	<u>\$ 23,248,874</u>	<u>\$ 23,109,039</u>	<u>\$ 180,157</u>

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I. Long-Term Debt

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

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**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2015	RETIRED	BALANCE JUNE 30, 2016
School Bonds 2011	3/29/2011	\$4,113,000	7-15-16	850,000	2.500%	\$ 3,623,000	\$ 175,000	\$ 3,448,000
			7-15-17	750,000	3.000%			
			7-15-18	675,000	3.000%			
			7-15-19	520,000	3.250%			
			7-15-20	400,000	3.500%			
			7-15-21	253,000	3.500%			
School Refunding Bonds	5/29/2008	5,900,000				1,105,000	1,105,000	-
Total						<u>\$ 4,728,000</u>	<u>\$ 1,280,000</u>	<u>\$ 3,448,000</u>

**CENTRAL REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
September 2010 Copiers	6.30%	14,525	\$ 561	\$ -	\$ 561	\$ -
August 2011 Copiers	5.30%	24,866	6,981	-	5,540	1,441
Copiers - FY 13	Variable	37,793	19,011	-	7,864	11,147
Copiers - FY 14	Variable	20,438	13,670	-	4,037	9,633
Copiers - FY 15	Variable	23,864	23,864	-	4,225	19,639
Artificial Turf	2.54%	768,690	768,690	-	400,000	368,690
Copiers - FY 16	2.75%	157,496	-	157,496	-	157,496
Total			\$ 832,777	\$ 157,496	\$ 422,227	\$ 568,046

**CENTRAL REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,401,094		\$ 1,401,094	\$ -
Total Revenues	1,401,094	-	1,401,094	-
Expenditures:				
Regular Debt Service:				
Interest on Bonds	124,152		124,152	-
Redemption of Principal	1,280,000		1,280,000	-
Total Expenditures	1,404,152	-	1,404,152	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,058)	-	(3,058)	-
Other Financing Sources/(Uses):				
Transfer from/(to) Other Funds	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(3,058)	-	(3,058)	-
Fund Balance July 1	3,058	-	3,058	3,058
Fund Balance June 30	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 14,473,098	\$ 14,786,517	\$ 15,817,786	\$ 22,671,570	\$ 18,445,998	\$ 21,618,461	\$ 22,638,937	\$ 23,555,121	\$ 24,923,343	\$ 25,574,459
Restricted for:										
Debt Service	13,528	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)	(198,537)
Capital Projects	576,344	861,320	-	-	3,081,772.00	11,485,089	61,376	33,645	-	-
General Fund	2,978,000	1,399,784	153,608	602,305	303,164	-	-	-	-	-
Maintenance Reserve	21,776	21,776	721,776	91,148	91,148	191,348	291,448	291,448	291,648	291,748
Emergency Reserve	-	-	-	-	-	50,100.00	50,150	50,200	50,250	50,300
Capital Reserve	-	-	-	-	-	553,607.00	519,987	670,607	321,270	446,320
Excess Surplus	-	-	-	-	-	-	-	-	70,842	99,752
Unrestricted	1,782,250	837,001	(546,530)	(756,382)	32,241	(359,935)	(413,734)	(1,918,881)	(15,875,981)	(16,414,879)
Total Governmental Activities	\$ 19,844,996	\$ 17,921,311	\$ 16,177,357	\$ 22,639,421	\$ 21,961,238	\$ 33,502,574	\$ 23,020,134	\$ 22,564,706	\$ 9,634,917	\$ 9,849,163

Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 20,827	\$ 15,832	\$ 10,837	\$ 130,569	\$ 100,861	\$ 71,206	\$ 54,764	\$ 40,156	\$ 32,746	\$ 90,587
Unrestricted	131,459	131,463	92,786	7,169	32,728	71,122	46,796	88,929	150,493	52,637
Total Business-Type Activities	\$ 152,286	\$ 147,295	\$ 103,623	\$ 137,738	\$ 133,589	\$ 142,328	\$ 101,560	\$ 129,085	\$ 183,239	\$ 143,224

District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 14,493,925	\$ 14,802,349	\$ 15,828,623	\$ 22,802,139	\$ 18,546,859	\$ 21,689,667	\$ 22,693,701	\$ 23,595,277	\$ 24,956,089	\$ 25,665,046
Restricted:										
Debt Service	13,528	14,913	30,717	30,780	6,915	(36,096)	(128,030)	(117,534)	(146,455)	(198,537)
Capital Projects	576,344	861,320	-	-	3,081,772	11,485,089	61,376	33,645	-	-
General Fund	2,978,000	1,399,784	153,608	602,305	303,164	-	-	-	-	-
Maintenance Reserve	21,776	21,776	721,776	91,148	91,148	191,348	291,448	291,448	291,648	291,748
Emergency Reserve	-	-	-	-	-	50,100	50,150	50,200	50,250	50,300
Capital Reserve	-	-	-	-	-	553,607	519,987	670,607	321,270	446,320
Excess Surplus	-	-	-	-	-	-	-	-	70,842	99,752
Unrestricted	1,859,709	976,464	(453,744)	(749,213)	64,969	(288,813)	(366,938)	(1,829,952)	(15,725,488)	(16,362,242)
Total District Net Position	\$ 19,943,282	\$ 18,076,606	\$ 16,280,980	\$ 22,777,159	\$ 22,094,827	\$ 33,644,902	\$ 23,121,694	\$ 22,693,791	\$ 9,818,156	\$ 9,992,387

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

EXHIBIT J-2
PAGE 1 of 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	7,877,557	8,479,276	7,758,943	8,028,025	7,662,009	8,226,793	8,429,981	8,245,178	859,693	8,657,266
Special Education	2,909,492	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595	3,902,188
Other Special Instruction	25,946	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235	63,004
Vocational	40,420	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932	88,290
Other Instruction	932,555	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000	1,540,487
Support Services:										
Tuition	-	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796	1,245,021
Student & Instruction Related Services	4,157,648	2,877,217	2,968,898	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074	3,285,507
School Administrative Services	1,020,759	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,102	959,898
Other Administrative Services	1,730,895	887,873	1,731,718	1,660,117	1,495,828	790,993	930,022	788,484	842,564	766,481
Central Services	-	580,924	-	-	-	-	458,367	466,520	449,108	468,133
Administrative Information Technology	-	-	-	-	-	769,656	312,389	317,390	337,352	289,214
Plant Operations & Maintenance	3,063,712	3,075,898	3,320,675	3,685,340	2,981,790	2,674,594	2,905,618	2,883,091	3,492,492	3,407,995
Pupil Transportation	1,855,341	1,789,978	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104	2,278,568	2,373,075	2,246,855
Unallocated Benefits	7,197,921	9,266,203	6,903,734	7,386,709	7,860,346	8,272,378	8,979,596	8,539,224	12,266,841	14,316,015
Special Schools	28,939	22,125	16,954	10,812	37,885	42,338	42,338	63,951	63,674	64,575
Debt Service	404,044	381,472	1,106,388	1,129,235	256,461	302,193	258,980	210,614	204,651	173,176
Unallocated Gain on Revaluation of Fixed Assets	-	-	-	-	-	467,603	-	-	145,114,000	(161,812)
Unallocated Depreciation	1,145,729	1,190,907	1,589,372	1,432,695	1,415,116	1,372,311	1,438,287	1,555,078	1,479,428	2,684,952
Unallocated Compensated Absences	-	-	-	-	-	45,341	-	-	-	-
Total Governmental Activities Expenses	31,683,126	32,390,958	35,112,677	34,807,184	36,359,576	34,839,287	35,034,615	36,145,041	36,196,830	43,997,245
Business-Type Activities										
Food Service	797,139	793,803	834,344	865,653	729,797	830,407	874,860	800,783	788,586	916,101
Drivers Education	-	-	7,476	-	-	-	-	-	-	-
Community School	9,599	5,902	-	11,500,000	5,458	4,923	2,387	6,135	6,614	4,250
Total Business-Type Activities Expense	806,738	799,705	841,820	877,153	735,255	835,330	877,248	806,918	795,200	920,351
Total District Expenses	\$ 32,489,864	\$ 33,190,663	\$ 35,954,497	\$ 35,684,337	\$ 37,094,831	\$ 35,674,617	\$ 35,911,863	\$ 36,951,959	\$ 36,992,030	\$ 44,917,596
Program Revenues:										
Governmental Activities:										
Charges for Services	-	-	-	-	240,990	178,156	437,229	550,040	622,528	608,989
Operating Grants & Contributions	3,941,874	4,230,798	6,657,025	3,459,367	3,118,138	899,408	5,003,718	4,367,345	7,838,413	9,383,694
Total Governmental Activities Program Revenues	3,941,874	4,230,798	6,657,025	3,459,367	3,359,128	1,077,564	5,440,947	4,917,385	8,460,941	9,992,683

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

EXHIBIT J-2
PAGE 2 of 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-Type Activities										
Charges for Services:										
Food Service	539,129	533,823	528,343	461,286	476,354	479,519	500,881	519,315	500,808	534,100
Community School	12,943	6,060	11,380	7,545	6,750	5,250	3,500	7,596	8,900	8,370
Operating Grants & Contributions	245,642	262,831	250,425	295,740	309,762	359,300	327,811	307,532	339,646	337,866
Total Business Type Activities Program Revenues	797,714	802,714	790,148	764,571	792,866	844,069	832,192	834,443	849,354	880,336
Total District Program Revenues	\$ 4,739,588	\$ 5,033,512	\$ 7,447,173	\$ 4,223,938	\$ 4,151,994	\$ 1,921,633	\$ 6,273,139	\$ 5,751,828	\$ 9,310,295	\$ 10,873,019
Net/(Expense)/Revenue:										
Governmental Activities	\$(28,449,084)	\$(30,881,879)	\$(28,150,159)	\$(32,900,209)	\$(31,480,159)	\$(33,957,051)	\$(30,704,094)	\$(31,279,445)	\$(32,565,085)	\$(34,004,562)
Business-Type Activities	(9,024)	3,009	(51,672)	(112,582)	57,611	8,739	(45,056)	27,525	54,154	(40,015)
Total District-Wide Net Expense	\$(28,624,238)	\$(28,458,108)	\$(30,878,870)	\$(28,201,831)	\$(33,012,791)	\$(31,422,548)	\$(33,948,312)	\$(30,749,150)	\$(31,251,920)	\$(34,044,577)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,052,945	\$ 23,725,867	\$ 24,524,902	\$ 25,356,033	\$ 26,673,913	\$ 26,673,913	\$ 27,207,391	\$ 26,026,885	\$ 26,152,630	\$ 29,544,727
Taxes Levied for Debt Service	1,124,267	1,128,760	1,121,126	1,122,604	1,102,344	1,311,872	1,321,690	1,426,015	1,417,769	1,401,094
Unrestricted Grants & Contributions	3,526,738	3,841,787	6,934,441	3,565,448	2,727,947	6,773,184	2,628,126	3,026,949	3,063,850	3,050,655
Tuition	82,951	44,437	-	-	-	-	-	-	-	-
Refund of Prior Year Expenses	-	-	-	-	-	-	-	14,362	-	-
Special Item - Loss on Disposal of Assets	-	-	-	-	-	-	(818,777)	-	-	-
Miscellaneous Income	580,310	271,341	241,549	505,019	297,773	402,837	224,094	296,161	300,504	222,332
Total Governmental Activities	28,367,211	29,012,192	32,822,018	30,549,104	30,801,977	35,161,806	30,562,524	30,790,372	30,934,753	34,218,808
Business-Type Activities Investment Earnings	-	-	-	-	1,099	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	1,099	-	-	-	-	-
Total District-Wide	\$ 28,367,211	\$ 29,012,192	\$ 32,822,018	\$ 30,549,104	\$ 30,803,076	\$ 35,161,806	\$ 30,562,524	\$ 30,790,372	\$ 30,934,753	\$ 34,218,808
Change in Net Position:										
Governmental Activities	\$(81,873)	\$(1,869,687)	4,671,859	\$(2,351,105)	\$(678,182)	1,204,755	\$(141,570)	\$(489,073)	\$(1,730,332)	214,246
Business-Type Activities	(9,024)	3,009	(51,672)	(112,582)	58,710	8,739	(45,056)	27,525	54,154	(40,015)
Total District	\$(90,897)	\$(1,866,678)	4,620,187	\$(2,463,687)	\$(619,472)	1,213,494	\$(186,626)	\$(461,548)	\$(1,676,178)	174,231

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

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 4,579,612	\$ 1,694,473	\$ 1,846,332	\$ 767,744	\$ 497,865	\$ 1,190,360	\$ 1,232,440	\$ -	\$ -	\$ -
Unreserved	379,117	2,276,446	723,550	321,190	126,960	102,749	24,008	-	-	-
Restricted	-	-	-	-	-	-	-	1,012,355	734,010	888,120
Assigned	-	-	-	-	-	-	-	200,000	381,487	575,000
Committed	-	-	-	-	-	-	-	472,912	260,388	71,487
Unassigned	-	-	-	-	-	-	-	178,622	325,279	324,865
Total General Fund	\$ 4,958,729	\$ 3,970,919	\$ 2,569,882	\$ 1,088,934	\$ 624,825	\$ 1,293,109	\$ 1,256,448	\$ 1,863,889	\$ 1,701,164	\$ 1,859,472
All Other Governmental Funds										
Restricted, Reported in:										
Capital Projects Fund	\$ 69,187	\$ -	\$ -	\$ -	\$ -	\$ 68,902	\$ 61,376	\$ 3,645	\$ -	\$ -
Assigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	1,079,606	-	30,000	-	-
Debt Service Fund	-	-	-	-	-	94,368	928	452	3,058	-
Unreserved, Reported in:										
Special Revenue Fund	-	(4,294)	-	-	-	-	-	-	-	-
Capital Projects Fund	(283,271)	605,819	-	-	3,842,119	-	-	-	-	-
Debt Service Fund	13,527	19,953	37,349	30,780	6,915	-	-	-	-	-
Total All Other Governmental Funds	\$ (200,557)	\$ 621,478	\$ 37,349	\$ 30,780	\$ 3,849,034	\$ 1,242,876	\$ 62,304	\$ 34,097	\$ 3,058	\$ -

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax levy	\$ 24,177,212	\$ 24,854,627	\$ 25,646,028	\$ 26,478,637	\$ 27,776,257	\$ 27,985,785	\$ 28,529,081	\$ 27,452,900	\$ 27,470,399	\$ 30,945,821
Tuition charges	82,951	44,437	277,416	106,081	240,990	178,156	147,472	257,784	334,873	318,393
Transportation Fees	334,637	-	277,416	-	80,899	225,390	289,757	292,256	241,860	242,460
Miscellaneous	245,673	276,381	241,549	573,408	241,277	177,447	224,094	296,162	300,504	222,332
State Sources	6,634,841	7,837,839	5,918,561	5,309,017	4,589,953	6,618,793	6,524,978	6,506,753	6,814,452	7,391,570
Federal Sources	833,772	837,989	708,464	1,313,034	1,231,728	1,053,799	1,106,866	887,541	1,044,741	1,083,677
Other	-	871	30,000	-	-	-	-	-	45,795	48,136
Total revenue	32,309,086	33,852,144	33,099,434	33,780,177	34,161,104	36,239,370	36,822,247	35,693,396	36,252,624	40,252,389
Expenditures										
Instruction:										
Regular Instruction	7,888,477	8,432,627	7,758,943	8,028,025	7,873,336	8,308,565	8,478,025	8,340,129	8,646,273	9,079,493
Special Education Instruction	2,909,492	3,009,843	3,624,914	3,990,115	4,251,694	3,284,701	3,387,494	3,539,290	3,524,595	3,902,188
Other Special Instruction	25,946	53,247	163,751	137,509	133,406	146,181	150,209	152,971	97,235	63,004
Vocational Education	40,420	40,354	38,887	97,034	98,785	101,297	102,842	103,436	85,932	88,290
Other Instruction	932,555	938,491	967,506	1,086,908	1,110,216	1,105,690	1,189,549	1,430,723	1,521,000	1,540,487
Adult/Continuing Education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,285,403	1,528,967	1,542,680	1,328,267	1,597,999	1,358,355	1,221,328	1,528,103	1,266,796	1,245,021
Student & Inst. Related Services	2,892,307	2,877,217	2,968,899	3,316,852	3,020,552	2,888,541	3,108,366	3,153,657	3,246,074	3,285,507
Other Administrative Services	1,020,758	887,873	1,039,457	1,046,923	846,477	790,993	930,022	788,484	842,564	766,481
School Administrative Services	985,463	989,902	1,043,776	1,051,177	918,003	945,841	957,572	940,552	984,402	959,898
Central Services						461,782	458,367	466,520	499,108	468,133
Admin. Information Technology	793,087	580,924	220,404	613,194	649,351	307,874	312,389	317,390	337,352	289,214
Plant Operations & Maintenance	3,063,712	3,075,898	3,320,675	3,685,340	2,981,790	2,729,660	2,842,918	2,894,527	2,924,584	2,994,816
Pupil transportation	1,954,111	1,937,716	2,028,988	2,018,781	2,011,998	2,244,262	2,272,104	2,278,568	2,373,075	2,246,855
Unallocated benefits	7,263,592	7,865,492	6,903,734	7,386,709	7,860,346	8,272,378	9,091,854	8,491,695	9,038,380	9,813,817
Special Schools	28,939	22,124	16,954	10,812	25,084	37,885	42,338	63,951	63,674	64,575
Capital outlay	95,601	643,238	1,589,372	529,020	422,387	4,105,807	2,078,619	1,209,531	3,091,291	2,042,704
Debt Service:										
Principal	720,000	760,000	905,000	875,000	915,000	955,000	1,155,000	1,205,000	1,245,000	1,280,000
Interest & Other Charges	407,057	374,007	201,388	254,235	218,061	270,050	260,486	221,586	173,124	124,152
Total Expenditures	32,306,920	34,017,920	34,335,328	35,455,901	34,934,485	38,314,862	38,039,481	37,126,113	39,960,459	40,254,635

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	2,166	(165,776)	(1,235,894)	(1,675,724)	(773,381)	(2,075,492)	(1,217,234)	(1,432,717)	(3,707,835)	(2,246)
Other Financing Sources/(Uses):										
Community Disaster Loan (FEMA)	-	-	-	-	-	-	-	1,977,151	2,721,517	-
Refund of Prior Year's Expenditures	-	-	-	-	-	-	-	14,362	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	137,620	-	20,438	23,864	157,496
Capital Lease - Turf Lease	-	-	-	-	-	-	-	-	768,690	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	137,620	-	2,011,951	3,514,071	157,496
Net Change in Fund Balances	\$ 2,166	\$ (165,776)	\$ (1,235,894)	\$ (1,675,724)	\$ (773,381)	\$ (1,937,872)	\$ (1,217,234)	\$ 579,234	\$ (193,764)	\$ 155,250
Debt Service as a Percentage of Noncapital Expenditures	3.50%	3.40%	3.38%	3.23%	3.28%	3.58%	3.94%	3.97%	3.85%	3.67%

Source: District Records

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

Unaudited

FISCAL YEAR ENDING JUNE 30,	TUITION	TRANSPORTATION FEES	INTEREST INVESTMENT	TEXTBOOK FINES	REFUND PRIOR YEAR		TOTAL
					MISCELLANEOUS	EXPENDITURES	
2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	114,616	-	26,614	-	378,697	-	519,927
2011	240,990	80,900	22,343	-	218,934	-	563,167
2012	178,156	225,390	742	-	156,757	-	561,045
2013	147,472	289,757	1,830	-	199,735	-	638,794
2014	257,784	292,256	770	-	280,297	-	831,107
2015	334,873	241,860	150	-	279,845	-	856,728
2016	318,393	242,460	200	-	212,307	-	773,360

Source: District records

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REVENUE CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
BERKELEY											
2007	53,657,050	2,360,530,990	109,369,500	11,358,700	24,746,400	2,559,662,640	785,278,700	5,637,528	2,565,591,068	0.697	3,826,766,887
2008	50,153,250	2,396,731,790	118,269,500	11,358,700	24,746,400	2,601,259,640	786,616,600	4,837,667	2,606,388,907	0.699	4,453,370,497
2009	50,968,900	2,421,249,640	116,946,700	11,358,700	24,746,400	2,625,270,340	806,116,550	3,923,144	2,629,485,949	0.650	5,137,683,949
2010	49,339,700	2,447,856,590	119,958,300	11,321,600	24,756,300	2,653,212,490	809,607,400	3,462,676	2,656,968,666	0.638	5,965,950,879
2011	142,705,500	4,597,514,300	344,374,200	28,114,500	59,170,800	5,171,879,300	1,269,044,700	8,476,005	5,181,066,605	0.370	6,434,567,397
2012	132,153,900	4,599,782,500	325,273,300	24,742,200	58,796,400	5,140,748,300	1,270,623,100	6,397,133	5,147,145,433	-	5,867,719,087
2013	123,862,500	4,586,855,260	318,920,400	24,764,900	58,647,000	5,113,761,960	1,272,461,000	-	6,386,222,960	0.937	5,548,786,849
2014	149,897,200	4,566,287,760	291,170,700	24,462,500	57,997,000	5,089,815,160	1,274,856,100	-	6,364,671,260	-	5,103,594,866
2015	143,719,200	4,580,869,960	290,027,400	24,462,500	57,997,000	5,102,034,098	1,278,099,500	-	6,380,133,598	-	5,093,712,990
2016											
ISLAND HEIGHTS											
2007	10,949,600	308,750,600	22,642,200	-	489,300	342,831,700	27,718,300	222,832	343,054,532	0.296	253,200,526
2008	14,113,600	304,746,000	22,721,800	-	489,300	342,070,700	25,339,700	198,353	342,269,053	0.313	339,560,976
2009	14,163,100	309,770,900	22,721,800	-	489,300	347,145,100	25,339,700	186,540	347,331,640	0.265	392,700,235
2010	13,762,500	315,343,500	23,101,200	-	489,300	352,696,500	22,460,600	189,570	375,157,100	0.301	444,532,862
2011	13,983,900	314,685,500	23,043,100	-	489,300	352,201,800	22,460,600	189,570	372,659,449	0.488	418,199,271
2012	12,913,000	314,965,700	21,616,800	-	489,300	349,984,800	22,674,700	-	372,659,449	0.866	390,346,643
2013	14,328,500	310,198,700	20,718,300	-	489,300	345,734,800	22,724,700	-	368,459,500	0.860	349,969,430
2014	15,221,700	309,324,600	20,588,200	-	489,300	345,623,800	22,736,500	-	368,360,300	-	344,899,511
2015	16,158,700	307,697,700	20,588,200	198,355	489,300	345,132,255	22,736,500	-	367,868,755	-	342,264,239
2016											
OCEAN GATE											
2007	3,455,300	248,615,500	4,683,100	-	1,299,000	258,052,900	12,192,000	163,580	258,216,480	0.356	277,828,018
2008	3,351,000	251,009,000	4,683,100	-	1,299,000	260,342,100	12,192,000	180,432	260,161,668	0.613	279,974,938
2009	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215
2010	3,326,200	253,446,800	4,683,100	-	1,299,000	262,755,100	11,606,300	196,272	274,361,400	0.358	287,586,215
2011	3,488,300	252,790,400	4,683,100	-	1,299,000	262,260,800	12,032,500	153,416	262,414,216	-	281,398,499
2012	3,804,100	253,620,900	4,683,100	-	1,299,000	263,407,100	12,082,500	-	275,489,600	0.969	261,862,114
2013	3,668,700	245,470,200	4,387,600	-	1,160,200	254,686,700	12,082,500	-	266,769,200	0.993	241,936,639
2014	4,510,200	243,127,500	4,277,600	-	1,160,200	253,075,500	12,360,700	-	265,436,200	-	233,593,739
2015	2,933,500	246,659,800	4,527,500	93,177	1,242,100	255,456,077	12,185,800	-	267,641,877	1.272	231,853,005
2016											
SEASIDE HEIGHTS											
2007	47,218,000	542,856,200	321,099,750	-	46,627,100	957,801,050	96,202,902	357,466	958,158,516	0.257	792,242,977
2008	43,217,800	521,942,000	268,433,200	-	40,467,600	874,060,600	77,359,400	357,466	951,777,466	0.265	864,721,607
2009	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523
2010	50,563,100	521,672,800	287,005,200	-	39,772,600	899,013,700	80,154,400	389,332	949,168,100	0.296	876,461,523
2011	44,451,600	516,178,700	255,271,300	-	39,320,400	855,222,000	79,620,500	322,996	855,544,996	-	-
2012	41,262,400	513,122,400	249,842,300	-	38,733,100	842,960,200	79,620,500	-	922,580,700	0.603	759,697,368
2013	24,298,400	383,807,400	47,238,300	-	8,372,000	1,130,583,800	60,462,400	-	678,266,400	0.595	659,553,753
2014	34,644,400	389,582,900	172,293,800	-	27,037,200	623,538,300	60,462,400	-	684,020,700	-	661,881,223
2015	28,267,900	396,077,000	188,074,300	-	28,414,000	640,833,200	62,720,400	-	703,553,600	-	659,157,786
2016											
SEASIDE PARK											
2007	11,585,500	618,805,700	38,428,300	-	6,044,000	674,863,500	91,813,000	240,721	675,104,221	0.532	1,264,317,582
2008	14,841,300	622,537,400	38,525,500	-	5,522,000	681,426,200	89,803,800	237,276	681,663,476	-	1,375,662,450
2009	27,882,300	1,067,289,100	55,438,100	-	9,478,200	1,160,087,600	173,776,600	517,732	1,160,605,332	-	1,347,313,494
2010	24,129,800	1,072,533,300	55,341,400	-	9,455,200	1,161,459,700	174,260,000	466,208	1,161,925,794	0.348	1,250,938,794
2011	20,660,100	1,075,276,100	55,341,400	-	9,455,200	1,160,732,800	174,260,000	346,911	1,161,079,711	-	1,287,963,261
2012	19,623,600	1,078,527,900	54,278,400	-	9,455,200	1,161,885,100	175,362,000	-	1,337,247,100	0.431	1,260,589,237
2013	14,660,100	1,060,313,400	47,238,300	-	8,372,000	1,130,583,800	176,320,900	-	1,306,904,700	0.411	1,199,813,011
2014	24,940,100	1,047,597,800	37,875,300	-	8,354,000	1,118,767,200	176,890,500	-	1,295,657,700	-	1,175,422,568
2015	26,288,600	1,043,320,800	38,067,600	-	8,303,500	1,115,980,500	178,158,000	-	1,294,138,500	-	1,184,315,505
2016											

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

	SCHOOL DISTRICT DIRECT RATE	OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	TOTAL REGIONAL TAX RATE	LOCAL SCHOOL DISTRICT TAX RATE	MUNICIPAL TAX RATE	COUNTY TAX RATE	
Berkeley					
2007	0.638	0.939	0.841	0.672	3.090
2008	0.657	0.957	0.916	0.738	3.268
2009	0.667	0.975	0.969	0.736	3.347
2010	0.370	0.557	0.505	0.393	1.825
2011	0.367	0.550	0.508	0.388	1.813
2012	0.384	0.553	0.532	0.393	1.862
2013	0.382	0.554	0.567	0.404	1.907
2014	0.383	0.555	0.610	0.407	1.955
2015	0.425	0.561	0.610	0.416	2.012
2016					
Island Heights					
2007	0.265	0.465	0.382	0.289	1.401
2008	0.259	0.479	0.475	0.306	1.519
2009	0.302	0.479	0.492	0.322	1.595
2010	0.301	0.479	0.514	0.340	1.634
2011	0.349	0.488	0.508	0.335	1.680
2012	0.362	0.504	0.449	0.403	1.718
2013	0.333	0.527	0.472	0.396	1.728
2014	0.339	0.537	0.493	0.406	1.775
2015	0.332	0.556	0.502	0.414	1.804
2016					
Ocean Gate					
2007	0.356	0.612	0.580	0.276	1.824
2008	0.349	0.613	0.604	0.276	1.842
2009	0.358	0.604	0.624	0.339	1.925
2010	0.363	N/A	N/A	N/A	0.363
2011	0.364	0.604	0.635	0.304	1.907
2012	0.360	0.609	0.634	0.362	1.965
2013	0.362	0.631	0.654	0.373	2.020
2014	0.365	0.647	0.659	N/A	1.671
2015	0.361	0.646	0.653	0.378	2.038
2016	0.470	0.802	0.787	0.429	2.488
Seaside Heights					
2007	0.257	0.241	0.281	0.212	0.991
2008	N/A	0.265	0.357	0.248	0.870
2009	N/A	0.265	0.440	0.250	0.955
2010	N/A	0.302	0.516	0.264	1.082
2011	0.289	0.312	0.544	0.271	1.416
2012	0.270	0.333	0.571	0.325	1.499
2013	0.267	0.328	0.813	0.417	1.825
2014	0.264	0.390	0.866	0.435	1.955
2015	0.380	0.427	0.901	0.427	2.135
2016					
Seaside Park					
2007	0.532	0.190	0.681	0.576	1.979
2008	0.543	0.188	0.708	0.623	2.062
2009	0.338	0.099	0.430	0.359	1.226
2010	0.348	0.066	0.430	0.350	1.194
2011	0.382	0.062	0.430	0.377	1.251
2012	0.371	0.060	0.429	0.394	1.254
2013	0.372	0.717	0.876	0.417	2.382
2014	0.376	0.055	0.449	0.428	1.308
2015	0.428	0.053	0.449	0.439	1.369
2016	0.353	0.052	0.480	0.427	1.312

Source: Municipal Tax Collector

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

	2016			2007		
	Taxable Assessed Value	% of Total District Net Assessed Value	Rank	Taxable Assessed Value	% of Total District Net Assessed Value	
Berkeley Township						
Hovchild Partnership LLC	\$ 34,976,300	0.55%				
Plainfield Properties LLC	28,289,800	0.44%	1	N/A	N/A	
Quaker Malls LP	17,721,200	0.28%	2	N/A	N/A	
Arlington Beach Co	16,389,200	0.26%	3	N/A	N/A	
Baywick Plaza	15,000,000	0.24%	4	N/A	N/A	
NJ Pulverizing Co	11,500,000	0.18%	5	N/A	N/A	
Berkeley Healthcare Assoc LLC	11,500,000	0.18%	6	N/A	N/A	
Millers Camp Inc C/O Josephine	8,500,000	0.13%	7	N/A	N/A	
Bay Housing Association	8,160,000	0.13%	8	N/A	N/A	
BNJ Realty LLC	8,000,000	0.13%	9	N/A	N/A	
			10	N/A	N/A	
Total	\$ 125,060,200	1.96%		N/A	N/A	
Island Heights						
FLM Marine LLC	\$4,100,000	1.11%	1	N/A	N/A	
David Shipman	\$2,638,200	0.72%	2	N/A	N/A	
Linda Tavares	\$2,307,800	0.63%	3	N/A	N/A	
Henry Kelly Jr	\$2,143,300	0.58%	4	N/A	N/A	
Eve Allison	\$1,888,400	0.51%	5	N/A	N/A	
Sal & Gina LaForgia	\$1,698,000	0.46%	6	N/A	N/A	
Conza Builders LLC	\$1,687,600	0.46%	7	N/A	N/A	
Rickard & Alice Askoff	\$1,678,300	0.46%	8	N/A	N/A	
Linda Bartlett	\$1,616,500	0.44%	9	N/A	N/A	
Gale Wayman	\$1,599,800	0.43%	10	N/A	N/A	
Total	\$21,357,900	5.81%		N/A	N/A	
Ocean Gate						
Randall Nunn	\$1,186,800	0.44%	1	N/A	N/A	
Linda & Chester Lakomy	\$956,700	0.36%	2	N/A	N/A	
Frank Schmitt	\$804,400	0.30%	3	N/A	N/A	
Mary & Gary Mease	\$747,300	0.28%	4	N/A	N/A	
Judith & Richard Mihalkovitz	\$716,600	0.27%	5	N/A	N/A	
Debra & Leslie Cauvin	\$701,300	0.26%	6	N/A	N/A	
Anna & James Fry	\$687,800	0.26%	7	N/A	N/A	
Seldzik Associates	\$655,800	0.25%	8	N/A	N/A	
Joseph King Family LP	\$634,000	0.24%	9	N/A	N/A	
Patricia & Norman Filipczak	\$625,000	0.23%	10	N/A	N/A	
Total	\$7,715,700	2.88%		N/A	N/A	
Seaside Heights						
AFMV LLC	\$ 25,869,400	3.68%	1	N/A	N/A	
Belle Freman Properites LLC	7,157,800	1.02%	2	N/A	N/A	
McGrath Partnership	6,322,000	0.90%	3	N/A	N/A	
Shre Atlantic Hospitality LLC	5,228,800	0.74%	4	N/A	N/A	
Seaside Hts Imp & Dev Co inc	4,554,200	0.65%	5	N/A	N/A	
Saddy Family LLC	4,404,400	0.63%	6	N/A	N/A	
Tilles, Samuel Inc	4,280,600	0.61%	7	N/A	N/A	
Nini Feldman & Jill Finlay	4,185,900	0.59%	8	N/A	N/A	
Coin Castle Amusement	3,739,600	0.53%	9	N/A	N/A	
Boulevard LLC	3,419,200	0.49%	10	N/A	N/A	
Total	\$ 69,161,900	9.83%		N/A	N/A	
Seaside Park						
			1	N/A	N/A	
			2	N/A	N/A	
			3	N/A	N/A	
			4	N/A	N/A	
			5	N/A	N/A	
			6	N/A	N/A	
			7	N/A	N/A	
			8	N/A	N/A	
			9	N/A	N/A	
			10	N/A	N/A	
Total	\$ -	0.67%		N/A	N/A	

Source: Municipal Tax Assessor

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

Berkeley Township

FISCAL YEAR ENDED	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2007	83,291,421	81,912,967	98.34%	1,343,373
2008	88,097,099	86,427,505	98.10%	1,602,034
2009	90,845,577	88,725,383	97.66%	1,948,732
2010	94,445,148	91,457,924	96.83%	2,465,165
2011	93,298,408	90,359,508	96.85%	2,434,000
2012	95,340,610	91,663,837	96.14%	3,676,773
2013	97,466,281	94,388,858	96.84%	3,077,423
2014	99,811,146	96,457,125	96.63%	3,354,021
2015	103,129,564	100,540,548	97.49%	3,042,461
2016	105,897,564			

Island Heights

2007	5,059,435	4,960,776	98.05%	-
2008	5,282,432	5,187,348	98.20%	-
2009	5,593,649	5,527,085	98.81%	-
2010	5,743,409	5,596,952	97.45%	-
2011	5,944,428	5,743,306	96.62%	-
2012	6,038,823	5,840,955	96.72%	197,868
2013	5,982,052	5,818,612	97.26%	163,440
2014	6,141,168	6,019,877	98.02%	121,291
2015	6,250,504	6,078,827	97.25%	171,677
2016				

Ocean Gate

2007	1,468,697	1,468,697	100.00%	-
2008	1,607,426	1,607,426	100.00%	-
2009	1,607,559	1,539,720	95.78%	-
2010	1,607,559	1,540,363	95.82%	-
2011	5,165,541	N/A	N/A	N/A
2012	5,211,125	4,932,769	94.66%	N/A
2013	5,158,564	4,886,190	94.72%	N/A
2014	5,213,297	4,940,575	94.77%	N/A
2015	N/A	N/A	N/A	N/A
2016				

Seaside Heights

2007	9,996,035	9,985,522	99.89%	-
2008	10,797,197	10,791,744	99.94%	-
2009	11,422,745	N/A	N/A	N/A
2010	12,446,585	N/A	N/A	N/A
2011	12,576,819	N/A	N/A	N/A
2012	12,636,056	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016				

Seaside Park

2007	13,458,216	13,211,252	98.15%	-
2008	14,147,610	13,816,393	97.66%	331,217
2009	14,257,771	13,792,919	96.73%	409,926
2010	13,907,985	13,455,501	96.74%	377,470
2011	14,554,319	14,231,848	97.78%	296,997
2012	14,572,688	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016				

DEBT CAPACITY INFORMATION

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

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	ANTICIPATION NOTES (BANs)	CAPITAL LEASES			
2016							
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	82,705	N/A	N/A	N/A	N/A	N/A
2011	17,915,000	137,463	N/A	N/A	N/A	N/A	N/A
2010	19,010,000	188,764	N/A	N/A	19,198,764	0.00%	N/A
2009	20,635,100	194,771	N/A	N/A	20,829,871	0.00%	N/A
2008	21,630,100	316,218	N/A	N/A	21,946,318	0.00%	N/A
2007	22,575,100	265,893	N/A	N/A	22,840,993	0.00%	N/A

ISLAND HEIGHES

2016							
2015	1,188,000	N/A	N/A	N/A	N/A	N/A	N/A
2014	1,296,000	N/A	N/A	N/A	N/A	N/A	N/A
2013	1,404,000	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,513,000	N/A	N/A	N/A	1,513,000	N/A	N/A
2011	1,623,000	N/A	N/A	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	N/A	N/A	773,000	0.00%	N/A
2009	833,000	N/A	N/A	N/A	833,000	0.00%	N/A
2008	893,000	N/A	N/A	N/A	893,000	0.00%	N/A
2007	371,407	8,521	N/A	N/A	379,928	0.00%	202

OCEAN GATE

2016							
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,350,306	N/A	N/A	N/A	1,350,306	N/A	N/A
2011	1,512,239	N/A	N/A	N/A	1,512,239	N/A	N/A
2010	1,670,992	N/A	N/A	N/A	1,670,992	0.00%	N/A
2009	1,826,722	N/A	N/A	N/A	1,826,722	0.00%	N/A
2008	1,979,643	N/A	N/A	N/A	1,979,643	0.00%	929
2007	286,175	6,566	N/A	N/A	292,741	0.00%	137

SEASIDE HEIGHTS

2016							
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	260,654	N/A	N/A	N/A	N/A	N/A	N/A
2011	386,196	N/A	N/A	N/A	N/A	N/A	N/A
2010	508,823	N/A	N/A	N/A	N/A	N/A	N/A
2009	628,278	N/A	N/A	N/A	N/A	N/A	N/A
2008	17,053,822	N/A	1,900,000	N/A	18,953,822	0.00%	N/A
2007	17,837,238	N/A	N/A	N/A	17,837,238	0.00%	233

SEASIDE PARK

2016							
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	797,710	2,519,200	N/A	6,323,212	N/A	N/A
2010	3,208,868	869,408	463,424	N/A	4,541,700	N/A	N/A
2009	3,411,434	951,945	450,200	N/A	4,813,579	0.00%	N/A
2008	3,614,000	992,602	N/A	N/A	4,606,602	0.00%	2,036
2007	N/A	N/A	1,757,000	N/A	1,757,000	0.00%	1,231

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

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

BERKELEY TOWNSHIP

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2016					
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	16,760,000	N/A	16,760,000	N/A	N/A
2011	17,915,000	N/A	17,915,000	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A
2007	6,021,641	N/A	6,021,641	0.00%	N/A

ISLAND HEIGHTS

2016					
2015	1,188,000	N/A	1,188,000	N/A	N/A
2014	1,296,000	N/A	1,296,000	N/A	N/A
2013	1,404,000	N/A	1,404,000	N/A	N/A
2012	1,513,000	N/A	1,513,000	N/A	N/A
2011	1,623,000	N/A	1,623,000	0.00%	N/A
2010	773,000	N/A	773,000	0.00%	N/A
2009	833,000	N/A	833,000	0.00%	N/A
2008	893,000	N/A	893,000	0.00%	N/A
2007	371,407	N/A	371,407	0.00%	N/A

OCEAN GATE

2016					
2015	N/A	N/A	N/A	N/A	N/A
2014	1,376,000	N/A	N/A	N/A	N/A
2013	1,511,000	N/A	N/A	N/A	N/A
2012	1,641,000	N/A	N/A	N/A	N/A
2011	1,771,000	N/A	N/A	N/A	N/A
2010	19,010,000	N/A	19,010,000	0.00%	N/A
2009	20,635,100	N/A	20,635,100	0.00%	N/A
2008	21,630,100	N/A	21,630,100	0.00%	N/A
2007	6,021,641	N/A	6,021,641	0.00%	N/A

SEASIDE HEIGHTS

2016					
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2009	20,295,858	9,208,628	11,087,230	0.00%	N/A
2008	745,959	N/A	745,959	0.00%	N/A
2007	739,249	N/A	739,249	0.07%	457

SEASIDE PARK

2016					
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	3,006,302	N/A	3,006,302	0.24%	N/A
2010	3,208,868	N/A	3,208,868	0.25%	N/A
2009	3,411,434	N/A	3,411,434	0.00%	N/A
2008	3,614,000	N/A	3,614,000	0.01%	N/A
2007	1,053,027	N/A	1,053,027	0.15%	457

**CENTRAL REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
Unaudited**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Berkeley			
Debt Repaid With Property Taxes:			
Berkeley Township			\$ 22,020,000
Berkeley Twp Sewerage Authority			7,541,952
Berkeley Township MUA			10,621,828
Ocean County General Obligation Debt			9,753,520
Local School Debt			<u>13,025,000</u>
Subtotal, Overlapping Debt			62,962,300
Regional School Debt	2,598,000	69.99%	<u>1,818,340</u>
Total Direct & Overlapping Debt			<u>\$ 64,780,640</u>
Island Heights			
Debt Repaid With Property Taxes:			
Island Heights			\$ 2,407,540
Ocean County General Obligation Debt			1,715,801
Local School Debt			<u>473,000</u>
Subtotal, Overlapping Debt			4,596,341
Regional School Debt	2,598,000	3.71%	<u>96,386</u>
Total Direct & Overlapping Debt			<u>\$ 4,692,727</u>
Ocean Gate			
Debt Repaid With Property Taxes:			
Ocean Gate			\$ 3,928,228
Ocean County General Obligation Debt			1,332,738
Local School Debt			<u>866,000</u>
Subtotal, Overlapping Debt			6,126,966
Regional School Debt	2,598,000	2.98%	<u>77,420</u>
Total Direct & Overlapping Debt			<u>\$ 6,204,386</u>
Seaside Heights			
Debt Repaid With Property Taxes:			
Seaside Heights			\$ 9,359,213.00
Ocean County General Obligation Debt			25,514,344.00
Local School Debt			<u>-</u>
Subtotal, Overlapping Debt			34,873,557.00
Regional School Debt	2,598,000	7.87%	<u>204,462.60</u>
Total Direct & Overlapping Debt			<u>\$ 35,078,020</u>
Seaside Park			
Debt Repaid With Property Taxes:			
Seaside Park			\$ 7,785,939
Ocean County General Obligation Debt			5,600,350
Local School Debt			<u>-</u>
Subtotal, Overlapping Debt			13,386,289
Regional School Debt	2,598,000	15.45%	<u>401,391.00</u>
Total Direct & Overlapping Debt			<u>\$ 13,787,680</u>
TOTAL ALL DEBT DIRECT & OVERLAPPING			<u>\$ 124,543,453</u>

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

Debt outstanding data provided by each governmental unit.

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

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

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 260,872,251	\$ 280,926,611	\$ 280,926,611	\$ 280,926,611	\$ 303,276,070	N/A	N/A	N/A	N/A	\$ 144,278,032
Total Net Debt Applicable to Limit	3,448,000	8,333,000	8,333,000	8,333,000	8,333,000	9,288,000	6,090,000	N/A	N/A	8,471,560
Legal Debt Margin	\$ 257,424,251	\$ 272,593,611	\$ 272,593,611	\$ 272,593,611	\$ 294,943,070	N/A	N/A	N/A	N/A	\$ 135,806,472

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit 1.32%

Legal Debt Margin Calculation for Fiscal Year 2015

	Berkeley	Island Heights	Equalized Valuation Basis			Total
			Ocean Gate	Seaside Hgts	Seaside Park	
2015	\$ 5,089,942,825	\$ 343,144,624	\$ 229,871,372	\$ 641,584,606	\$ 1,187,492,995	\$ 7,492,036,422
2014	\$ 5,268,660,581	\$ 354,271,485	\$ 250,220,481	\$ 656,075,195	\$ 1,233,030,988	\$ 7,762,258,730
2013	5,268,660,581	354,271,485	250,220,481	719,320,625	1,233,030,988	7,106,183,535
						\$ 22,360,478,687
						7,453,492,896
Average Equalized Valuation of Taxab Personal Services -						260,872,251
Debt Limit (3.5 % of Average Equalization Value)						3,448,000
Net Bonded School Debt						\$ 257,424,251

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Berkeley			
2016			
2015	41,699	44,381	7.60%
2014	41,608	N/A	9.00%
2013	41,482	N/A	12.90%
2012	41,264	43,200	15.60%
2011	* 41,320	40,724	14.90%
2010	41,277	40,291	14.20%
2009	42,975	39,331	14.00%
2008	42,783	40,975	7.10%
2007	42,656	39,214	5.30%
Island Heights			
2016			
2015	1,668	44,381	5.40%
2014	1,675	N/A	N/A
2013	1,660	N/A	6.90%
2012	1,659	N/A	10.30%
2011	1,664	43,200	10.60%
2010	* 1,668	40,724	10.04%
2009	1,891	40,291	10.00%
2008	1,877	39,331	9.50%
2007	1,878	40,975	7.10%
Ocean Gate			
2016			
2015	2,010	44,381	6.60%
2014	2,012	N/A	7.80%
2013	2,008	43,200	7.80%
2012	2,013	40,724	10.60%
2011	* 2,019	40,724	10.30%
2010	2,013	40,291	9.90%
2009	2,149	39,331	9.40%
2008	2,140	40,975	5.90%
2007	2,131	39,214	5.00%
Seaside Heights			
2016			
2015	2,892	44,381	7.80%
2014	2,893	N/A	9.40%
2013	2,885	N/A	17.20%
2012	2,877	43,200	14.30%
2011	* 2,884	40,724	14.00%
2010	2,887	40,291	13.50%
2009	3,355	39,331	12.80%
2008	3,343	40,975	8.20%
2007	3,317	39,214	6.10%
Seaside Park			
2016			
2015	1,551	44,381	7.40%
2014	1,565	N/A	7.50%
2013	1,575	43,214	6.80%
2012	1,574	43,200	13.50%
2011	* 1,577	40,724	13.20%
2010	1,579	40,291	12.70%
2009	2,329	39,331	12.10%
2008	2,317	40,975	12.10%
2007	2,307	39,214	5.70%

^c Per Capita

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

* 2010 Census

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OPERATING INFORMATION

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

NOT AVAILABLE

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	108	109	109	109	108	108	107	107	126	126
Special Education	78	62	62	62	62	62	54	51	51	51
Vocational	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	42	35	35	35	35	35	42	42	41	41
General Administration	3	5	5	5	5	5	7	7	5	5
School Administration Services	12	11	11	11	11	11	13	13	13	13
Central Service	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	2	3	3	3	3	3	1	1	2	2
Plant Operations & Maintenance	34	32	32	32	32	32	35	35	32	32
Pupil Transportation	27	32	32	32	32	32	32	32	32	32
Other Support Services	6	3	3	3	3	3	3	3	7	7
Total	320	299	299	299	298	298	301	298	316	316

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL				
2016	1989	\$ 36,742,112	\$ 18,473	1.48%	167	14.4	10.7	1,923.0	1,824	0.00%	94.85%
2015	1966	35,451,044	18,204	-0.93%	161	14.4	10.7	1,923.0	1,824	1.47%	94.85%
2014	1895	34,489,996	18,201	7.11%	162	14.4	10.7	1,895.2	1,789	0.00%	94.38%
2013	2033	34,545,377	16,992	2.05%	161	14.4	10.7	1,895.2	1,789	-2.96%	94.38%
2012	1981	32,984,005	16,650	-0.14%	178	14.4	10.8	1,953.1	1,861	1.86%	95.26%
2011	2002	33,379,039	16,673	5.15%	183	15.2	11.9	1917.5	1,814	-5.77%	94.60%
2010	2049	32,489,353	15,856	15.42%	199	15.7	13.8	2035.0	1,895	-4.91%	93.14%
2009	2154	29,590,504	13,737	7.08%	199	15.7	13.8	2140.0	1,993	0.47%	93.11%
2008	2187	28,057,664	12,829	-10.15%	199	15.7	13.8	2130.0	1,969	0.00%	92.44%
2007	2175	31,055,323	14,278	9.23%	199	15.7	13.8	2130.0	1,969	-3.79%	92.44%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle School:										
Middle School:										
Square Feet	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478	141,478
Capacity (Students)	812	812	812	812	812	812	812	812	812	812
Enrollment	667	667	680	680	693	730	730	730	793	730
High School:										
High School:										
Square Feet	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420	272,420
Capacity (Students)	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Enrollment	1,256	1,256	1,266	1,266	1,225	1,482	1,482	1,482	1,428	1,482
Other:										
Superintendent Office:										
Square Feet	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Board Office:										
Square Feet	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699

Number of Schools at June 30, 2015:
 Middle School = 1
 Senior High School = 1
 Other = 0

Source: District Facilities Office

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	* SCHOOL FACILITIES PROJECT #(s)	HIGH SCHOOL	MIDDLE SCHOOL	TOTAL
2007		326,452	89,705	416,157
2008		339,837	86,000	425,837
2009		330,565	52,166	382,731
2010		1,131,949	56,883	1,188,832
2011		642,861	138,969	781,830
2012		318,040	123,639	441,679
2013		491,036	169,739	660,775
2014		460,265	175,303	635,568
2015		517,192	176,392	693,584
2016		581,760	210,118	791,878

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

Source: District records

**CENTRAL REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
Unaudited**

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

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

(2) Peoples Benefit Life Insurance Company

(3) Western Surety

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Central Regional School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Central Regional School District’s basic financial statements, and have issued our report thereon dated October 18, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
October 18, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited Central Regional School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. Central Regional School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Central Regional School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Central Regional School District’s compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Central Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Central Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Regional School District's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
October 18, 2016

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**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	FEDERAL NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DEFERRED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:														
Child Nutrition Cluster:														
Non-cash Assistance:														
Food Distribution Program - Commodities	10.555	1616NJ304N1099	N/A	N/A	\$ 32,702	7/1/15-6/30/16	\$ -	\$ -	\$ 32,702	\$ (32,702)	\$ -	\$ -	\$ -	\$ -
Cash Assistance:														
National School Lunch Program	10.555	1616NJ304N1099	N/A	N/A	258,438	7/1/15-6/30/16	-	-	248,713	(258,438)	-	-	(9,725)	-
National School Lunch Program	10.555	1616NJ304N1099	N/A	N/A	253,565	7/1/14-6/30/15	(12,297)	-	12,297	-	-	-	-	-
Subtotal							(12,297)	-	293,712	(291,140)	-	-	(9,725)	-
School Breakfast Program	10.553	1616NJ304N1099	N/A	N/A	39,933	7/1/15-6/30/16	-	-	38,252	(39,933)	-	-	(1,681)	-
School Breakfast Program	10.553	1616NJ304N1099	N/A	N/A	38,035	7/1/14-6/30/15	(1,833)	-	1,833	-	-	-	-	-
Subtotal							(1,833)	-	40,085	(39,933)	-	-	(1,681)	-
Total Child Nutrition Cluster							(14,130)	-	333,797	(331,073)	-	-	(1,406)	-
Total U.S. Department of Agriculture							(14,130)	-	333,797	(331,073)	-	-	(1,406)	-

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

General Fund:														
Medical Assistance Program	93.778	1605NJ5MAP	N/A	N/A	66,915	7/1/14-6/30/15	(25,971)	-	25,971	-	-	-	-	-
Medical Assistance Program	93.778	1605NJ5MAP	N/A	N/A	52,318	7/1/15-6/30/16	-	-	49,748	(52,318)	-	-	(2,570)	-
Subtotal							(25,971)	-	75,719	(52,318)	-	-	(2,570)	-
Total General Fund							(25,971)	-	75,719	(52,318)	-	-	(2,570)	-
Special Revenue Fund:														
N.C.L.B.														
Title I														
Title I	84.010	S010A150030	NCLB-0770-16	NCLB-0770-16	402,155	7/1/15-6/30/16	-	-	353,309	(448,866)	-	-	(95,557)	-
Title I	84.010	S010A150030	NCLB-0770-16	NCLB-0770-16	417,475	7/1/14-6/30/15	(123,614)	-	123,614	-	-	-	-	-
Subtotal							(123,614)	-	476,923	(448,866)	-	-	(95,557)	-
Title II Part A	84.367	S367A150029	NCLB-0770-16	NCLB-0770-16	53,382	7/1/15-6/30/16	-	-	41,953	(73,282)	-	-	(31,329)	-
Title II Part A	84.367	S367A150029	NCLB-0770-16	NCLB-0770-16	54,089	7/1/14-6/30/15	(17,439)	-	17,439	-	-	-	-	-
Subtotal							(17,439)	-	59,392	(73,282)	-	-	(31,329)	-
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA-0770-16	IDEA-0770-16	509,211	7/1/15-6/30/16	-	-	509,211	(509,211)	-	-	-	-
Total Special Revenue Fund							(141,053)	-	1,045,526	(1,031,359)	-	-	(126,886)	-
Total U.S. Department of Education							(167,024)	-	1,121,245	(1,083,677)	-	-	(129,456)	-
Total Federal Financial Assistance							\$ (181,154)	\$ -	\$ 1,455,042	\$ (1,414,750)	\$ -	\$ -	\$ (140,862)	\$ -

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Transportation Aid	16-495-034-5120-014	\$ 1,067,101	7/1/15-6/30/16	\$ -	\$ -	\$ 1,067,101	\$ (1,067,101)	\$ -	\$ (100,782)	\$ 1,067,101
Special Education Aid	16-495-034-5120-089	1,080,992	7/1/15-6/30/16	-	-	1,080,992	(1,080,992)	-	(102,092)	1,080,992
Adjustment Aid	16-495-034-5120-085	142,822	7/1/15-6/30/16	-	-	142,822	(142,822)	-	(13,489)	142,822
Additional Adjustment Aid	16-495-034-5120-085	60,092	7/1/15-6/30/16	-	-	60,092	(60,092)	-	(5,673)	60,092
Security Aid	16-495-034-5120-084	291,637	7/1/15-6/30/16	-	-	291,637	(291,637)	-	(27,543)	291,637
Choice Aid	16-495-034-5120-068	1,284,467	7/1/15-6/30/16	-	-	1,284,467	(1,284,467)	-	(121,310)	1,284,467
PARCC Readiness Aid	16-495-034-5120-098	19,050	7/1/15-6/30/16	-	-	19,050	(19,050)	-	(1,798)	19,050
Per Pupil Growth Aid	16-495-034-5120-097	19,050	7/1/15-6/30/16	-	-	19,050	(19,050)	-	(1,798)	19,050
Transportation Aid:										
Non-Public School Costs	15-495-034-5120-014	12,036	7/1/14-6/30/15	(12,036)	-	12,036	-	-	-	-
Non-Public School Costs	16-495-034-5120-014	15,608	7/1/15-6/30/16	-	-	15,608	(15,608)	-	-	15,608
Extraordinary Aid	15-495-034-5120-044	113,876	7/1/14-6/30/15	(113,876)	-	113,876	-	-	-	-
Extraordinary Aid	16-495-034-5120-044	61,293	7/1/15-6/30/16	-	-	-	(61,293)	(61,293)	-	61,293
Nonbudgeted:										
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	930,294	7/1/14-6/30/15	(48,571)	-	48,571	-	-	-	-
Reimbursed TPAF Social Security Contribution	16-495-034-5095-002	980,058	7/1/15-6/30/16	-	-	914,391	(980,058)	(65,667)	-	980,058
On-behalf TPAF Pension Contribution	16-495-034-5095-006	1,009,040	7/1/15-6/30/16	-	-	-	(1,009,040)	(1,009,040)	-	1,009,040
On-behalf TPAF Pension Contribution - NCGI Premium	16-495-034-5095-007	50,264	7/1/15-6/30/16	-	-	-	(50,264)	(50,264)	-	50,264
On-behalf TPAF Pension Contribution - Post Retirement	16-495-034-5095-001	1,261,337	7/1/15-6/30/16	-	-	-	(1,261,337)	(1,261,337)	-	1,261,337
Total General Fund				(174,483)	-	5,054,085	(7,342,811)	(2,463,209)	(374,485)	7,342,811
Capital Projects Fund:										
SCC Grant - High School Partial Window Replacement	0770-030-10-1002 - G04	56,430	12/4/13-6/30/16	-	-	-	(56,430)	(56,430)	-	56,430
Total State Department of Education				(174,483)	-	5,054,085	(7,399,241)	(2,519,639)	(374,485)	7,399,241
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	15-100-010-3360-067	6,445	7/1/14-6/30/15	(501)	-	501	-	-	-	-
National School Lunch Program (State Share)	16-100-010-3360-067	6,527	7/1/15-6/30/16	-	-	6,285	(6,527)	(242)	-	6,527
Total State Department of Agriculture				(501)	-	6,786	(6,527)	(242)	-	6,527
State Department of Children and Families:										
General Fund:										
Homeless Tuition	15-495-034-5120-005	144,017	7/1/14-6/30/15	(66,781)	-	66,781	-	-	-	-
Homeless Tuition	16-495-034-5120-005	131,670	7/1/15-6/30/16	-	-	131,670	(131,670)	-	-	131,670
Total State Department of Children and Families				(66,781)	-	198,451	(131,670)	-	-	131,670
Total State Financial Assistance				\$ (241,765)	\$ -	\$ 5,259,322	\$ (7,537,438)	\$ (2,519,881)	\$ (374,485)	\$ 7,537,438
Less: State Financial Assistance Not Subject to Major Program Determination:										
On-Behalf TPAF Pension Contributions (Nonbudgeted)						1,059,304				
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)						1,261,337				
Total State Financial Assistance Subject to Major Program Determination:						\$ (5,216,797)				

CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Central Regional School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Central Regional School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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

**CENTRAL REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 3: Relationship to Basic Financial Statements (continued)

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 \$(7,671) for the general fund and \$- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	\$ 52,318	\$ 7,335,140	\$ 7,387,458
Special Revenue Fund	1,031,359	-	1,031,359
Capital Projects Fund	-	56,430	56,430
Food Service Fund	<u>331,073</u>	<u>6,527</u>	<u>337,600</u>
Total Financial Assistance	<u>\$1,414,750</u>	<u>\$ 7,398,097</u>	<u>\$ 8,812,847</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

Note 6: Federal Loans Outstanding

The Central Regional School District had a Community Disaster Loan from the Federal Emergency Management Agency outstanding in the amount of \$4,698,670 as of June 30, 2016. The loan is due on July 11, 2018 and is accruing interest at 1.5%.

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education – Grants to States (IDEA, Part B)
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable	No

Identification of major programs:

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

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

**CENTRAL REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**CENTRAL REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (§.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

Status of Prior Year Findings

Finding 2015-001:

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

Criteria:

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

Condition:

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

Current Status:

This condition has been corrected for the year ended June 30, 2016.